SANCTIONS — 1988

JANUARY — FEBRUARY

S/ Times 3/1/88 (280)

SA goods beat ban

By PATRICIA CHENEY
Washington

FORGET sanctions-busting — banned South African goods still appear to be getting into the US perfectly legally.

According to the US Commerce Department's statistics, almost $2-million (R4-million) worth of SA clothing and textiles, strictly *verboten* under the 1986 Anti-apartheid Act, came into the US in the first eight months of 1987.

Over $500 000 (R1-million) worth of leather, hides and pelts also came in over the same period, as well as $423 000 (R846 000) in foodstuffs.

Worried

No one seems to know just how the banned goods are getting in despite the "zealous" policing of the US Customs Service.

Worried commerce department officials said they had asked the Customs Service how the stuff was turning up in the import data

"All the numbers mean are that the goods got as far as the dock," a commerce official said "They might have been sent back, destroyed, put in a bonded warehouse, mislabelled, the paperwork might have been sloppy, anything."

From January to September 1987, South Africa exported $1 120-million (R2 240-million) worth of goods to America, against $1 600-million (R3 600-million) during the same period in 1986.

In areas that don't fall under the sanctions law, South African businessmen appear undaunted.

As well as the usual exports of strategic minerals and diamonds, SA sold an enormous quantity of wood and paper products and machine parts to the US, as well as everything from sailboats and grand pianos to dental instruments and telescopes

The United States exported $910-million (R1 820-million) in goods to South Africa in the first nine months of 1987



DAVID LANGE . . . all dressed up with somewhere to go

Lange shaken but not hurt after crash

NEW Zealand Prime Minister David Lange was badly shaken but unhurt yesterday when the racing car he was driving collided with another car.

Mr Lange, an experienced licensed motor-racing driver, was taking part in the first practice session for the first round of the Benson and Hedges international motor-racing series at Manfield racetrack, Palmerston North, about 145 km north of Wellington.

His red Ford Laser TX31 collided with a similar car driven by Mr Andrew Maher as the pair came out of a hairpin bend.

Mr Lange's car took the full impact of the collision on the front left side, while Mr Maher's car was badly damaged on the right front corner. Mr Maher was unhurt.

Mr Lange, who walked away from the crash, was not available for comment. But Mr Maher said Mr Lange seemed badly shaken by the incident. — Sapa-Reuter.

Superpowers hope they can agree to agree

SUNDAY TIMES FOREIGN DESK

IN a new step towards further arms cuts, President Reagan and Soviet leader Miknail Gorbachev have stressed the hope they could agree at their Moscow meeting this year to cuts in strategic nuclear arms

They said in separate remarks televised in each

The Soviet Union strenuously opposes "Star Wars" and the planned US shield against nuclear weapons could put a roadblock in the path to serious negotiations

Reagan also re-pledged American concern for human

1988 Sunday Times /Leppin

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'I'll go to Pretoria if it will hasten change'

Thatcher defies black opinion on apartheid

Argus 6/1/88 (100) (280)

The Argus Foreign Service

NAIROBI. — The British Prime Minister, Mrs Margaret Thatcher, has defied black African opinion by telling Kenyan President Daniel Arap Moi in private talks that she was not ruling out a trip to South Africa.

Mrs Thatcher told him the time was "not yet ripe" but that if she believed it would hasten the end of apartheid she was willing to go to South Africa.

During yesterday's 70-minute meeting, described by British officials as friendly and constructive, President Moi emphasised his support for tougher measures against Pretoria but Mrs Thatcher repeated her view that sanctions would not bring about an end to apartheid.

Later, speaking at a State banquet in her honour, Mrs Thatcher omitted any direct reference to the sanctions dispute but attacked apartheid, saying it was "an utterly repulsive and detestable system and it must go".

Wasteful system

She added: "I have no doubt that change will come to South Africa not only because it is an unjust system, although that is the main reason, but because it is a wasteful system."

But change had to come from within — "and it must be peaceful".

She said the concept devised by the Commonwealth's Eminent Persons Group, which in 1986 tried to win support for all-party negotiations preceded by a suspension of violence on all sides, "still offers the best prospect of progress".

Mrs Thatcher announced a R72-million British grant to Kenya to be used to help the country's balance of payments. The grant is linked to an economic programme which Kenya is to conclude soon with the International Monetary Fund.

She leaves tomorrow for Lagos on the second leg of her five-day African tour.



British Prime Minister Mrs Margaret Thatcher receives a gift of Masai beadwork during her three-day visit to Kenya.

Catch-all tax law blasted in Wall St

ARGUS 6/11/88

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON: — The Rangel amendment, which doubles taxation for US companies operating in South Africa, revealed a US Congress which gave little thought to the consequences of its actions, the Wall Street Journal has charged.

The amendment was approved as part of an omnibus, catch-all tax Bill in the final days before the US Congress completed its work for 1987. There was hardly time for a thorough debate and the ways and means committee approved it after hearing only one piece of testimony.

The Wall Street Journal, America's largest daily newspaper and one of the world's most influential financial publications, said further debate might have shown that the amendment would do more than cost thousands of blacks their jobs.

"It will have the perverse effect of strengthening white economic dominance of South African society."

Fine print

The newspaper said studies showed that support for sanctions had fallen among South African blacks.

"Much of the (American) support for further sanctions appears to be driven by US domestic political concerns. Whether or not blacks support them has become irrelevant."

Meanwhile, US companies trading in South Africa are studying the fine print of the amendment to assess the impact it will have on their operations.

According to trade sources, the studies disclose that the taxation procedures vary widely from company to company and that in some cases it may be possible to find legal ways of reducing the impact of the amendment.

The Wall Street Journal said the measure effectively raised the total tax burden from 57,5 percent to 72 percent.

But sources said the final increase would be much lower after accountants and lawyers had finished their work.

The amendment halts the practice of making tax payments in South Africa tax-deductible in the US.

CM Times 7/1/88 (280)

Bush against 'no breaks' US tax in SA

WASHINGTON. — Vice-President George Bush has criticized a new law eliminating tax breaks for US businesses operating in South Africa, but says he is uncertain of how exactly to end racial discrimination in the country.

Mr Bush, who is seeking the 1988 Republican presidential nomination, denounced the amendment by Congressman Charles Rangel, Democrat-New York, to the $9-billion (about R18-billion) tax increase bill signed into law by President Reagan last month.

Mr Bush said the amendment, which ended tax breaks for businesses operating in South Africa, made "it almost impossible for some businesses to practise in South Africa".

"It's going to hurt the very people that that misguided legislation is trying to help," Mr Bush said on Tuesday during an appearance at the National Press Club.

He said Mr Reagan had advocated a policy of "constructive engagement" in South Africa to quietly persuade the Pretoria government to abandon apartheid.

He also reiterated an administration call for the release from prison of African National Congress leader Mr Nelson Mandela.

Mr Rangel said he "had no idea that the vice-president was co-pilot on our South Africa policy. I certainly did not even know the vice-president was aware of foreign policy".

He said Mr Bush should know constructive engagement had been a "complete failure, politically and morally".

Mr Rangel said Mr Reagan never expressly opposed the amendment although it was known the administration would not be enthusiastic about it. — UPI

Nickel sees drive for worldwide sanctions

Argus 8/1/88

280

ALAN DUNN of The Argus Foreign Service reports. Dateline: WASHINGTON.

SOUTH Africa will emerge as an issue in the seven-man Democratic race for the United States presidency this year, says Mr Herman Nickel, the former American Ambassador to the Republic, who has been analysing developments involving Southern Africa.

He also forecast in an interview a continuing rough ride this year for multi-national businesses — and not only American companies — in South Africa.

Mr Nickel, an analyst for the respected Econometrix organisation and Southern African specialist at the Johns Hopkins School for Advanced International Studies, said pressure groups would be pushing the Democratic candidates on the South African issue.

A breakdown of the special interest groups which made up the Democratic Party showed black and liberal anti-apartheid groups among them, he said.

"One of the recent things emerging ever more clearly in the way in which we select presidential candidates is that it's necessary to gain the support of these special interests," he said.

White House hopefuls could not gratuitously offend them. The Rev Jesse Jackson, one of the candidates with considerable black support and an outspoken critic of the South African Government, would use his leverage to its maximum in the Democratic debate, he said.



Mr Herman Nickel

The South African issue had become one where the pro-sanctions camp had become identified with the anti-apartheid struggle, an orthodoxy he dismissed as a "terrible and pernicious syllogism". No Democratic candidate had yet strayed from that, however.

"But there is a fading of interest in South Africa as far as the American public is concerned," he observed, so the two trends would have to be weighed against each other.

Referring to American companies in South Africa, Mr Nickel said a law Congress passed last month repealing tax credits American businesses received at home for those they paid in South Africa probably had more "bite" against those firms than economic sanctions passed the year before.



The Rev Jesse Jackson

"The Rangel Amendment was one of those bits of legislative guerilla warfare that's very effective," he said. The "anti-South Africa lobby", unable to pass it through the front door, had slipped it through the back.

"It was a sneak attack that worked very well, a sad reflection on our legislative process," Mr Nickel said.

South Africa had unfortunately become an issue on which not even Republican politicians were prepared to spend a great deal of political capital, he added.

Congress seemed to have lost some interest in South Africa, with some politicians developing second thoughts about the sanctions they imposed in October, 1986. It had become obvious to them, he said, that the sanctions had failed to achieve their goal and had not produced the "quick fix" many on Capitol Hill had spoken of at the time.

Anti-sanctions Republicans were now in a better position than they were then parsing the sanctions had driven the monkey from their backs, there was increasing evidence that sanctions had in fact reduced American influence in South Africa to an all-time low, and a dawning realisation that sanctions would not work unless implemented on a co-ordinated global basis.

The anti-apartheid lobby would clearly aim for worldwide sanctions as one of its campaign thrusts this year. He warned of anti-apartheid groups leading consumer boycotts in the United States against the products of multinationals operating in South Africa.

If the two-year-old campaign against Shell Oil was anything to go by, he added, these boycotts would not make much of a dent. "But in public relations terms, major multi-nationals are very sensitive to their images."

Anti-apartheid movements would not stop their campaigns and demands until they were able to report a transfer of political power in South Africa.

Mr Nickel said the dynamic of selective contracting by American state and local authorities would continue in 1988

4.50am. Cape Times 8/11/88 (E) (280)

Shell takes town to court

THE HAGUE. — The Shell oil group said yesterday it had filed a civil action suit against a Dutch town that is boycotting its products because of its presence in South Africa. The town of Hilversum, near Amsterdam, has refused to consider Shell for a five-year contract to supply fuel for municipal vehicles.

Thatcher won't budge on SA sanctions issue

LAGOS — The British Prime Minister, Mrs Margaret Thatcher, announced yesterday her government would start new aid programmes for Nigeria but she rejected Nigeria's call for tough economic sanctions on South Africa.

Speaking at a banquet after talks with the Nigerian president, General Ibrahim Babangida, Mrs Thatcher said Britain would provide financial assistance for military training in the former British colony.

"Our links are substantial and longstanding," she said.

"I am pleased to be able to announce that we have agreed ways in which to put this relationship on a firmer footing."

Britain would also provide financing for a water supply project in Niger state, she said, and her government had launched an initiative to help solve African debt problems.

"This would be a major step towards reducing the crippling burden which such official debt represents for some of the world's poorest countries, giving them fresh hope and encouragement as they face up to the challenge of their economic development," Mrs Thatcher said, without mentioning any figures.

The one issue on which the two leaders did not reach agreement was the question of tough economic sanctions against South Africa

Maintaining that sanctions hurt those they are intended to help, Mrs Thatcher said she continued to oppose them

"The idea that the collapse of apartheid can be achieved by a concerted push from outside to destroy the South African economy is, I believe, an illusion," she said.

The cornerstone of Nigerian foreign policy is its commitment to dismantling the white-minority government in South Africa and ending apartheid

Britain has agreed to limited sanctions against South Africa but not to stop buying South African coal, which would be a tough economic blow to South Africa.

Officials travelling with the British leader said her talks with Gen Babangida focused mainly on the South African issue and economics.

It was also believed Gen Babangida would take the opportunity to press for the return of the fugitive former transport minister, Mr Umaru Dikko, whom Britain has refused to extradite to Nigeria

Mr Dikko is accused of having made off with millions of dollars in government funds during his term in office before the military takeover — Sapa-AP

Earlier reports P9

Kodak snubbed and out

Chris Times 8/1/88 280

By CHRIS STEYN

A R500 000 Olympic advertisement for Kodak, secretly filmed in the Peninsula a year after the giant international corporation's dramatic pull-out from South Africa, was last night summarily scrapped on orders from its headquarters in New York.

The colourful commercial, featuring South African children and athletes, was being directed by Mr Jean-Paul Goude, one of the world's top directors of television advertisements.

It was to be televised in Europe to coincide with the Olympic Games in September in Seoul, South Korea.

Yesterday afternoon a French camera crew and local technicians filmed scenes in the 30-second advertisement at Strandfontein.

The producer on the South African end, Mr Chris Charles, initially denied that the commercial was for Kodak, which had cut all ties with this country and placed a blanket ban on sales of any of its products from "anywhere in the world" to it. He claimed it was a "swimwear" advertisement.

Why SA was chosen

He later admitted that the advertisement was for Kodak. "I lied ," he said. "I wanted to keep a low profile." He did not want Kodak to be embarrassed, he said.

Asked why South Africa was after all chosen for the film, Mr Charles gave as reasons the weather, the favourable exchange rate and South Africa's "excellent" film technicians.

"The weather here is perfect, and it is also cheaper to shoot here."

Mr Charles said the commercial was not intended for South Africa — which is in any event barred from the Olympics.

and personnel from the Young and Rubicam advertising agency — which handles Kodak's Paris account — flew in before Christmas.

He said three little South African girls — a black, a white and an Oriental girl — featured prominently in the commercial and to him re-

To page 3

The director, Mr Goude, had told the Cape Times he liked filming in South Africa because of "the excellent light, the marvellous sun, the wonderful styling artists and the genuine enthusiasm".

Mr Goude said the commercial was intended to be "a narrative ... a clear story with a sense of humour and a nice little end. A little tale in 30 seconds".

"We've been here for weeks just to tell a little joke," he said.



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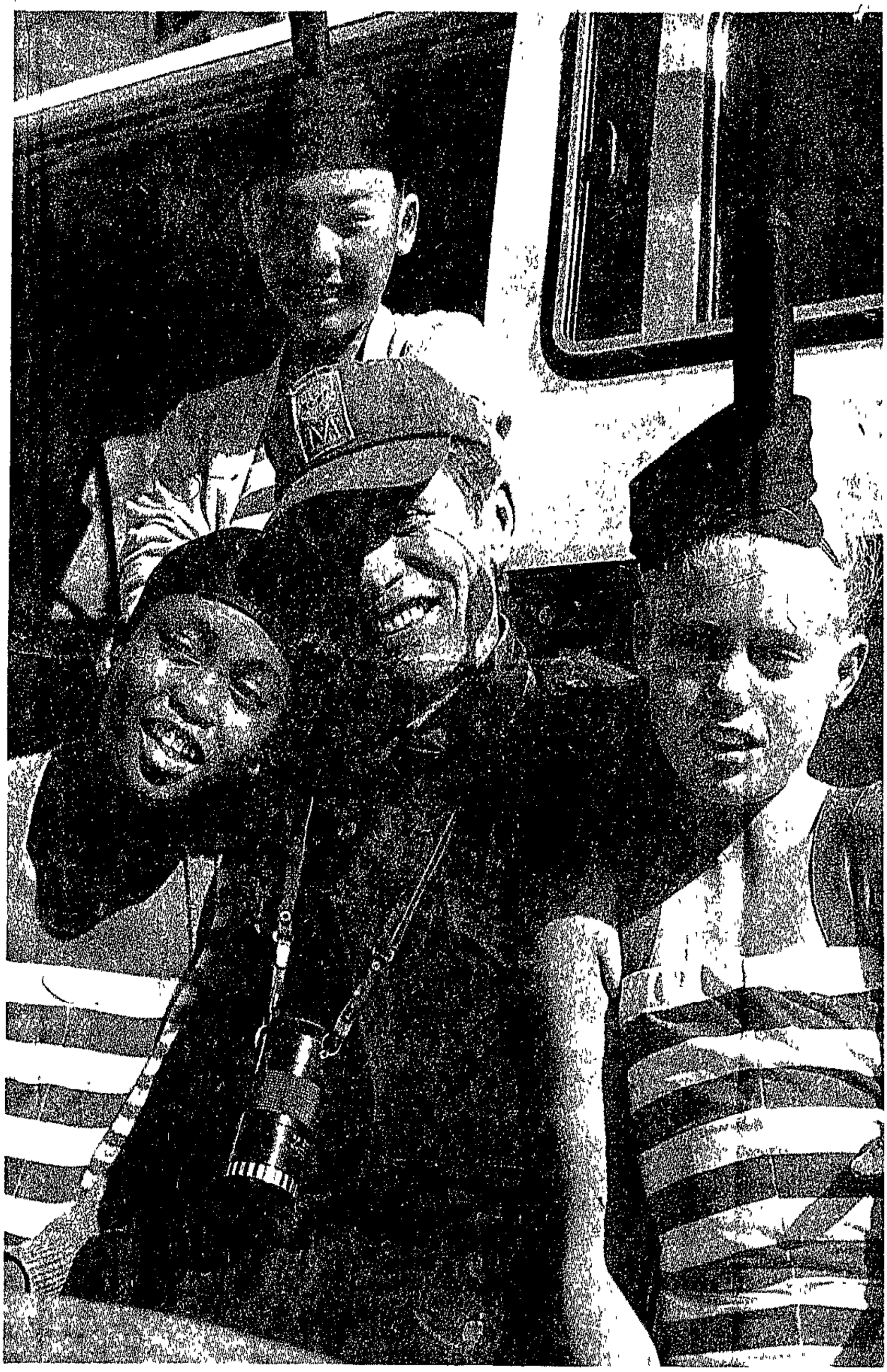

KODAK STARS . . . Top commercial advertisement director Mr Jean-Paul Goude with the stars of the R500 000 Kodak advertisement. The girls, who represent the "three races of the planet", are Maureen Panowa, 12, (left), Adelle Tinkoe, 12, (centre), and Peta Brocklebank, 10.

Picture RICHARD BELL

From page 1

Cape Times 8/11/88 (280)

presented the "three races of the planet".

A huge ramp about nine metres high and 30 metres long, painted bright red, had been erected in the Fisherman's Walk parking lot close to the Strandfontein pavilion, as a main feature of the film.

After news of the Kodak feature leaked out in Cape Town, Mr Ian Gutthrie of Kodak's corporate communications department told the Cape Times in a late-night statement from New York that Young and Rubicam in Paris had been instructed to stop filming.

"It turns out that we had not been informed that our French company had commissioned Young and Rubicam, who in turn hired people to shoot the commercial in South Africa. We have now directed Young and Rubicam to terminate production. It is not consistent with the position we have," Mr Gutthrie said.

Today, the crew had hoped to film the second sequence of the advertisement in a stadium at the South African Transport Services (SATS) hostel in Eisleben Road, near Mitchells Plain. The athletics track there was being painted yesterday and boards were being placed beside a section of it.

Tomorrow 250 extras were to take part in the third sequence of the advertisement at Herzlia School in Vredehoek.

On Monday the fourth and final sequence was to be filmed underwater at the Bellville municipal swimming pool.

● When Kodak withdrew from South Africa in November 1986, 460 Kodak employees lost their jobs and the total ban on products included X-Ray film used by hospitals and clinics, motion picture film and computer technology. Among the reasons given for the pull-out were financial considerations and because Kodak saw no end to apartheid.

It was not known last night whether the film crew would be seeking a new location outside South Africa.

S.F.van der Berg

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African Administration Boards

ak sneaks out

Tim is 280
8/1/88

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P.T.O.

...anal-coal-money-spinner for 1987, Welshman Ian

ARGUS 8/1/88 (6) 280

Mobil hits back at Congress over tax curbs

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — Mobil, the largest American employer in South Africa, has torn into the US Congress for sneaking through a law increasing the cost to US companies still in South Africa.

Breaking its silence since the law was passed about midnight on December 22, Mobil said it "took exception" to the way lawmakers worked on this legislation and said it "flies in the face" of the US Government's foreign policy.

Mobil was responding to the Rangel Amendment repealing tax credits American companies received at home for taxes they paid in South Africa.

Corporate sources in Washington said the amendment's enactment into law probably was not the final word on the issue, which has angered much of corporate America, which fears precedents being created for operations in other countries.

They say there may be an effort in the wings to hit back at, or at least dilute, the amendment in this year's congressional session.

In a quarter-page advertisement in yesterday's New York Times, Mobil criticised the 1988 Budget Bill which Congress approved in the closing hours of last year's sitting: "We've read the budget — fine print and all — and it leaves much to be desired," it said.

"Must play by rules"

"It should not be a subterfuge that allows legislators to achieve their own narrow objectives — which otherwise would fail if the normal legislative process were followed.

"... This, of course, isn't how we should be making our fiscal policy — or our foreign policy. If the public is to have confidence in its elected officials, Congress must play by the rules."

Mobil said Congress had debated the tax credit issue while considering sanctions in 1986 and had decided against it.

"This time, however, without hearings, the House-Senate conferees inserted the provision in the budget during a midnight trade-off ..."

Constructive role

A visiting professor from Harvard Business School told The Argus Correspondent in Johannesburg that he was "bitterly disappointed" when Congress passed the legislation.

Professor John Mathews, here to present seminars on business ethics, said he believed American companies could play a constructive role by staying in South Africa in spite of pressure to pull out.

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Staff 'confused' over Kodak ad

Cape Times 9/11/88

Z80

By CHRIS STEYN

CONFUSION reigned yesterday at the offices of a building contractor and a modelling agency whose staff had been hired for the canned R500 000 Kodak advertisement which was secretly being filmed in the Peninsula.

The colourful commercial, which was to be televised in Europe to coincide with the Olympic Games in September in Seoul, has been scrapped on orders from Kodak's headquarters in New York.

After news of the Kodak feature leaked in Cape Town, Mr Ian Gutthrie of Kodak's corporate communications department told the Cape Times that they had directed the advertising agency, Young and Rubicam, to "terminate production".

The Kodak commercial, featuring South African athletes and children, was being filmed less than a year after the giant corporation pulled out of South Africa and announced a total ban on products — including X-ray film used by hospitals and clinics, motion picture film and computer technology.

Yesterday morning a spokeswoman for Topcco Modelling Agency, which had supplied models for the commercial, said the shoot had not been cancelled. "Don't believe anything of what you've heard," she said.

In the dark

When she was told about the report in yesterday's Cape Times, she undertook to bring it to the attention of the agency bosses.

But yesterday afternoon Topcco's owner, Ms Juliette Stander, said through a spokesman that she had "no comment" on the report.

The staff of building contractor Mr Christo Holloway, who had been commissioned to build ramps and erect scaffolding for the advertisement, were still in the dark yesterday morning.

"We are just going on as though nothing has happened. I have not spoken to Mr (Chris) Charles (the producer on the South African end) yet," said Mr Holloway.

Asked whether his builders would be paid fully for the work they had done, Mr Holloway said: "I would hope so."

Mr Charles, who conceded on Thursday that he had "lied" when he claimed earlier this week that the advertisement was a swimwear commercial, could not be contacted yesterday.

It was not known last night whether top French director Mr Jean-Paul Goude and his camera crew would try to complete the costly commercial in the Peninsula or would seek an alternative location outside South Africa.

Moi opts for sanctions

CP Correspondent

MANDATORY economic sanctions against South Africa is the only peaceful weapon available to the international community for dismantling apartheid, Kenyan President Daniel Arap Moi this week told British Prime Minister Margaret Thatcher in Nairobi.

Speaking at a State banquet for the visiting British Premier, Moi said: "Our call for sanctions is not an act of vengeance, rather it is the only peaceful weapon left that will dismantle apartheid."

The British Prime Minister has been consistently opposed to economic sanctions and advocates negotiations among all parties in South Africa as proposed by the Commonwealth eminent persons group.

Moi, however, said that for the last 40 years the international community had tried many peaceful solutions to end apartheid and during "all those years the Pretoria government has resisted every move to end apartheid".

The Kenyan leader urged the unconditional release of Nelson Mandela.

Commenting on the African debt burden, Moi said it was suicidal for African countries to deny their hard-pressed citizens much-needed shelter, food and clothing in order to service their debt burden.

Responding, the British Prime Minister agreed that apartheid "is an utterly repulsive and detestable system and it must go", adding that change had to come from within "and it must be peaceful".

Thatcher said the international community should use its influence in "practical and constructive ways" to work for peaceful change and for dialogue in South Africa.

She announced that Britain would over the next five years spend R60-million to assist black South Africans through training and education. Her government had during the last five years contributed over R2-billion to assist the frontline states reduce their dependence on South Africa.

Thatcher said Britain had written off nearly R210-million of repayments under previous aid loans to Kenya. She said Kenya would receive a further R60-million from Britain to support the balance of payments.

She said her government had put forward new proposals to ease the debt problems of the poorest African countries by giving longer grace periods and subsidised rates of interest. – Ano.



Kenya's President, Daniel Arap Moi, who says sanctions is the only peaceful weapon against apartheid.

Cape Times 11/1/82

Kodak seeks a new location

By CHRIS STEYN

A SEARCH for a new location to film the Kodak television commercial is on.

The commercial was being secretly filmed in South Africa when the Cape Times broke the news. The company, which has withdrawn from South Africa, ordered filming to be stopped.

Informed sources said yesterday that the commercial would probably have to be filmed all over again at another location, possibly in Zimbabwe.

Informed sources said yesterday that the order to end the production had created havoc and caused dismay among the French camera crew and South African film technicians, models and staff hired for the commercial.

Postponement of the production has had serious financial implications, and has apparently also resulted in the loss of jobs.

Increased counter-trade dealing is in the offing

Move to step up exports in the face of sanctions

By Michael Chester

The Government and the private sector plan to link forces to probe more deeply into export markets and yet escape the flak of sanctions.

Sweeping moves are expected to negotiate two-way deals that will bind overseas suppliers to balance the value of any big contracts they sign with South African importers with agreements to buy shipments of South African exports.

It is envisaged that many of the deals will be made invisible to sanctions lobbies by the routing of shipments via third parties.

So far South Africa has been slow to follow international trends towards counter-trade, which has mushroomed in recent years into a multibillion-rand business that now accounts for no less than 25 percent of all world trade.

But the go-ahead to explore the possibilities has now been signalled to both the public and private sectors by recommendations from the Cabinet to all Government departments and para-statal corporations that all future import contracts worth R5 million or more should be linked with counter-trade deals whenever possible.

The Government and the industrial sector see huge potential for radical counter-trade agreements flowing from the tempting overseas contracts that will accompany such vast new projects as the Mossel Bay gas scheme and Lesotho Highlands water scheme.

But most of the deals are likely to stay under close wraps to avoid the attention of hostile overseas sanctions and boycott lobbies now showing frustration over South Africa's uninterrupted successes in its export programme.

The South African Foreign Trade Organisation (Safto) has already confirmed that a series of special seminars it has organised with the Department of Trade and Industry, to alert business to the widening scope for counter-trade, will be held in March behind closed doors

"There might be a number of sensitive issues to review," said a Safto official. "It might be far better if the seminars remain confidential so that everyone can be at ease in discussions"

Counter-trade is expected to be examined in five basic forms:

- Barter — straight goods-for-goods exchanges
- Counter-purchase — when suppliers agree to reciprocal deals to buy goods or services over a fixed period
- Buy-back — when deals are negotiated to ensure sales of technology, equipment or plant go hand in hand with commitments to buy quantities of products in full or partial payment
- Evidence accounts — commercial agreements between manufacturers and governments that establish the basis for bilateral trade balances
- Bilateral clearing agreements — trade pacts between governments that ensure a longer-term balance of trade.

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Sweeping moves are expected to negotiate two-way deals that will bind overseas suppliers to balance the value of any big contracts they sign with South African importers with agreements to buy shipments of South African exports

It is envisaged that many of the deals will be made invisible to sanctions lobbies by the routing of shipments via third parties

So far South Africa has been slow to follow international trends towards counter-trade, which has mushroomed in recent years into a multibillion-rand business that now accounts for no less than 25 percent of all world trade.

But the go-ahead to explore the possibilities has now been signalled to both the public and private sectors by recommendations from the Cabinet to all Government departments and para-statal corporations that all future import contracts worth R5 million or more should be linked with counter-trade deals whenever possible

The Government and the industrial sector see huge potential for radical counter-trade agreements flowing from the tempting overseas contracts that will accompany such vast new projects as the Mossel Bay gas scheme and Lesotho Highlands water scheme

But most of the deals are likely to stay under close wraps to avoid the attention of hostile overseas sanctions and boycott lobbies now showing frustration over South Africa's uninterrupted successes in its export programme.

The South African Foreign Trade Organisation (Safto) has already confirmed that a series of special seminars it has organised with the Department of Trade and Industry, to alert business to the widening scope for counter-trade, will be held in March behind closed doors.

"There might be a number of sensitive issues to review," said a Safto official. "It might be far better if the seminars remain confidential so that everyone can be at ease in discussions."

Counter-trade is expected to be examined in five basic forms:

- Barter — straight goods-for-goods exchanges.
- Counter-purchase — when suppliers agree to reciprocal deals to buy goods or services over a fixed period.
- Buy-back — when deals are negotiated to ensure sales of technology, equipment or plant go hand in hand with commitments to buy quantities of products in full or partial payment.
- Evidence accounts — commercial agreements between manufacturers and governments that establish the basis for bilateral trade balances.
- Bilateral clearing agreements — trade pacts between governments that ensure a longer-term balance of trade.

Bavarian leader to visit SA soon

The Star's Foreign News Service

MUNICH — Bavarian Prime Minister Mr Franz-Josef Strauss will visit South Africa and Namibia later this month, it was announced in Munich yesterday

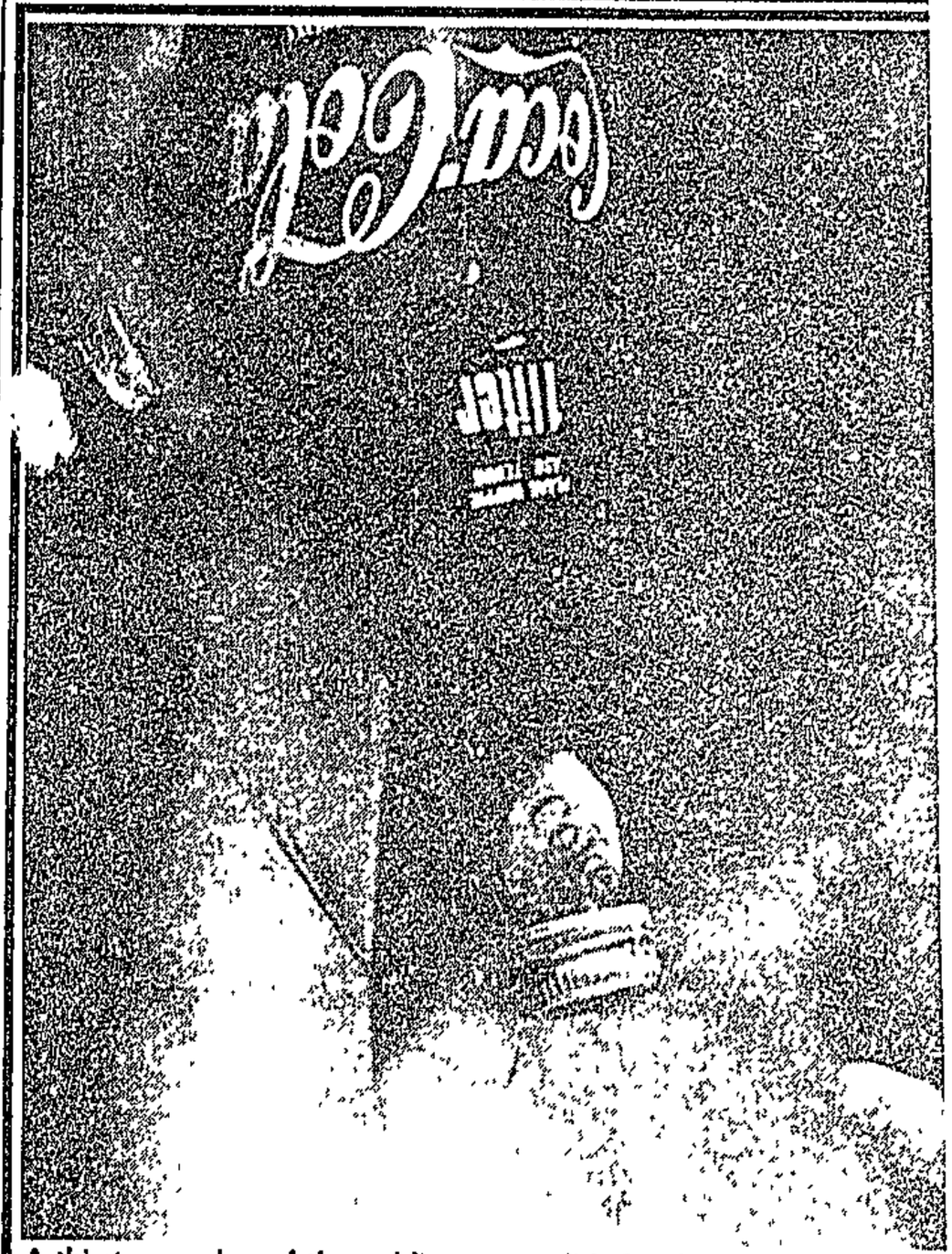
The rightwing politician will leave for southern Africa on January 19 on a tour that will also take him to Mozambique

In South Africa, Mr Strauss will meet President Botha and the Minister of Foreign Affairs, Mr Pik Botha

It will be Mr Strauss' first visit to Mozambique Chancellor Helmut Kohl visited Mozambique last November.

A spokesman for Mr Strauss' office said that his southern Africa tour was being undertaken with the full approval and co-operation of Mr Kohl.

Mr Strauss' globetrotting has sometimes led to tensions in the coalition headed by Mr Kohl and has earned him the title of "Germany's unofficial foreign minister".



A thirsty member of the public got two lids for the price of one whe heatwave at the weekend. He telephoned the company who prod The Star photographer, Ken Oosterbroek who had colleague, Rol

Cheers at Bulawayo un

BULAWAYO — Two cabinet Ministers, formerly from rival parties, jointly addressed the first rally organised by the newly integrated Zanu (PF) at Lupane near Bulawayo yesterday.

The Sunday News, a Bulawayo weekly, said the two Ministers promised the people that the unity accord signed by the president and first secretary of Zanu (PF), Mr Robert Mugabe and the leader of Zapu, Mr Joshua Nkomo, late last year ushered in an era of national renewal, reconstruction and peace, the Ziana news agency reported

The senior Minister of Political Affairs in the president's office, Mr Maurice Nyagumbo, and the Minister of Public Construction and National Housing, Mr Joseph Msika, told thousands of cheering members of both their former parties that the war to develop the country would be harder than the liberation war.

They also said ment between Zap Zimbabwe's enemi

What was left was for congresses order to ratify the a

Mr Nyagumbo si raping and maimi Zapu would now h he said

Mr Msika said: "T will be harder tha free the country, a Technology must h education must be g

"The two congres will be held in due ing the unity agreem

January 12 1988 13

'Bop' spy dealt with sanctions buster

The Star's Africa News Service

A former Bophuthatswana trade representative held in Israel on suspicion of spying, Mr Shabtail Kalmanovitz, had been working closely with one of the world's major sanctions busters, according to claims made in London long before his arrest.

Mr Kalmanovitz, who immigrated from the Soviet Union in 1971, was arrested by Israeli police last month on suspicion of spying for the Soviet Union. He had been detained in Britain in May and subsequently extradited to the United States to face charges of fraud which were later dropped.

His name has also been spelled as Kalmanovitch.

A London newsletter said in January last year that a company headed by Mr Kalmanovitz, LIAT Finance Trade and Construction, had been working closely "with one of the world's major sanctions busters, Marc Rich & Co".

Mr Kalmanovitz's company, LIAT, had offices in Bophuthatswana, Johannesburg, Israel and Sierra Leone. He is alleged by *Africa Confidential* to have travelled to the Soviet Union on a Sierra Leone passport.

In Sierra Leone Mr Kalmanovitz's company was said to have had influence with the government of President Joseph Momoh.

FORTUNE

The Bophuthatswana government said in a statement yesterday that its relations with Mr Kalmanovitz were terminated at the end of November 1987.

"Any further association of this man as a representative or employer of Bophuthatswana would be incorrect and improper," the statement said.

Mr Kalmanovitz is said to have built his fortune in Bophuthatswana through building contracts.

"By late 1982 Kalmanovitz was so well-established in Bophuthatswana that he was commonly referrred to as as 'the white president' or even, in the presidential entourage as 'Rasputin'," the London newsletter said.

In June last year, it said, President Mangope tried to depose Mr Kalmanovitz as his Tel Aviv trade representative. "The attempt failed. Kalmanovitz knew too much sensitive information."

The Bophuthatswana's government's statement saying that it had terminated its relations with Mr Kalmanovitz in November follows his firm's disappearance from Sierra Leone following Mr Kalmanovitz's arrest in Britain in May.

Mr Kalmanovitz is said to be a millionaire who drives around in a Rolls-Royce.

'New realism' is significantly altering the SA scene

Sowetan 13/1/88.

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If we could help South Africa regain its economic momentum and make its political peace with Africa, I believe we will have found the key to solving the African dilemma, writes Dr Walter Hasselkus, managing director of BMW (SA).

A year after the imposition of sanctions by the United States and the EEC, and six months after a general election which saw the National Party returned to Parliament with a commanding majority, I discern a new wave of realism permeating all manner of thinking about the South African political scene.

This new realism is evident within the hot debate that characterises white politics in South Africa; it is evident within black politics; it is evident among business leaders; and one sees telltale signs in the attitudes of some politicians and business people in the US and Europe.

This "new realism" is manifesting itself in several fields of action and thought. I would like to highlight six of these areas, the first being revolution.

The new realism I discern is that no radical believes anymore that the revolution is imminent; but neither do the Nationalists believe that "all's right with the world" And from the realistic, new assumptions that both sides are making right now, new perspectives are emerging, such as, for

'Business cannot avoid political involvement'

instance, the popular conception about the power and clout of business leaders.

Perspectives have changed somewhat concerning the extent of political change that business can and should bring about in South Africa. First of all, through the years — and more particularly during the recent years of turmoil — those business leaders in South Africa who had thought that they had better "stick to their knitting" and steer clear of political involvement, were drawn — albeit reluctantly — into the political process, if only because they had to deal with increasingly politicised trade unions. Business can no longer avoid political involvement.

The "new realism" that I'm talking about seems to be favouring those business leaders who decided against political rhetoric, and who chose political action, in a practical and meaningful way, instead.

A third area in which the new realism is manifesting itself is that of constitutional politics. More than ever before, the "South African issue" has become a political/ideological one, rather than an emotional one.

As far as the man in the street, whether white or black, is concerned, much of the emotion has been taken out of the apartheid debate with the removal of apartheid's more emotional pillars Legislation on mixed marriages, sexual liaison between black and white, influx control, the carrying of "passbooks" and the ownership of property by blacks in "white" South Africa, has been either abolished or substantially modified.

The results are remarkable. A representative of one of the country's largest home building construction firms has told me of an unprecedented boom in the construction of houses in the urban black townships No less a figure than Foreign Minister Pik Botha himself has declared that an estimated 40 000 blacks now live in Hillbrow.

These were issues for which people took to the streets not so long ago. They are issues no longer. The central political issue now is the question of power Who will control South Africa eventually black or white? Or will some form of power-sharing come into being? This is the central and curiously also the least emotional, of the apartheid issues still remaining.

A fourth new realism I discern concerns the attitude of whites towards Africa, and vice versa. There was a time when white South Africans — and here I mean Afrikaners and those English-speakers who had been here for several generations — thought of themselves first and foremost as people with European roots.

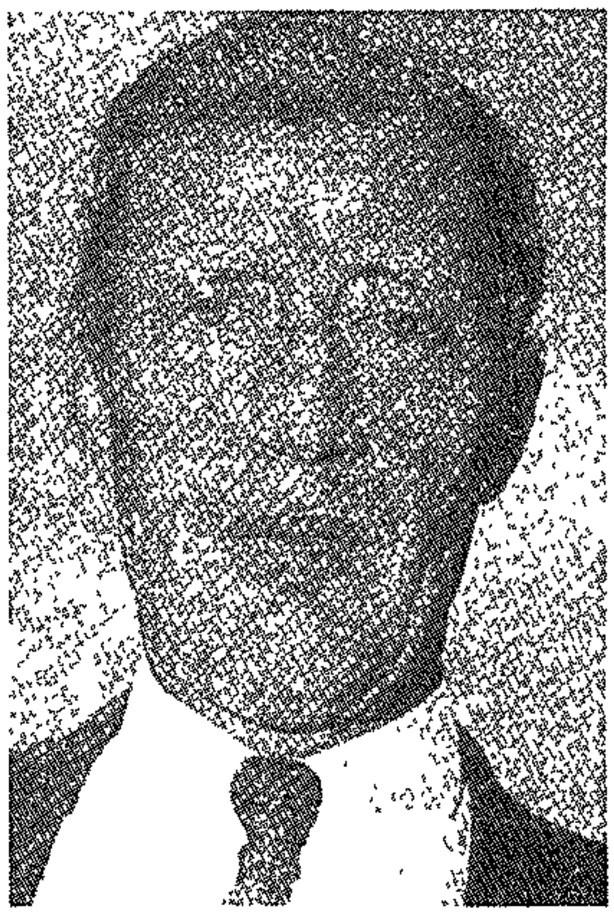
Ironically, it was discernible even in the way apartheid used to be administered in the petty sense of the word, separation signs at stations, bus stops or post office entrances used to read "Europeans" and "Non-whites". No more. Admittedly, the signs are disappearing anyway, but so have

'Whites will not be driven out'

the sentiments. With the exception of those whites who are relative newcomers to South Africa, I have come across none who comfortably or confidently contemplate living in Europe or America should whites be forced out of South Africa.

But significantly, neither do blacks anymore contemplate the idea of driving out the "white colonialists". In fact, some of the most voluble opponents of South Africa among the black leaders of Africa have described the presence of white South Africans as permanent.

In the fifth place I would like to highlight stability. The new realism recognises that although Government's security forces and services were severely tried and tested in recent years by ANC bombings and civil unrest, all of these forces are



Dr Hasselkus

unscathed and intact. Government is in complete control, even though it has had to effect unpopular and morally questionable emergency measures to stay in control.

I believe that the question of political power — or power-sharing — will not be pursued by politicised blacks in future via attempts at a public uprising, but that the black trades unions will be used increasingly as a vehicle for political expression. The mining strike and the eastern Cape labour strikes in recent months, are ominous forerunners of political action via labour which we may see increasingly in South Africa in the near future.

As a businessman, I would like to conclude by returning to a field of exceptional importance to me: the economy. One of the idealistic views of recent years was that the combination of internal and external political and economic pressures being exerted on South Africa would bring the economy to its knees, thus paving the way for political collapse.

As it turned out, the recession was the worst ever in South Africa's history, causing enormous damage to companies large and small, and creating massive unemployment. But the South African Government stands stronger than ever! Also from this exercise derives a new realism, a new insight: the South African economy is more resilient than many critics had hoped. As so often in the past, gold has come to the rescue.

With political stability has come increased business and consumer confidence Everyone concerned is recognising the reality of the current level of political and economic stability This is a good basis on which to plan a new future I would suggest that the role multinational business can play in bringing about this new future should move in two directions: locally and abroad.

In South Africa, we can integrate blacks into the industrial society by extensive and intensive training, and thus prepare the environment in which the political and economic emancipation of blacks becomes practical and realistic This, more than anything, is our social responsibility towards South Africa.

But the upliftment of the black community *per se* would be meaningless unless we give that community a worthwhile future to aspire to. This makes it imperative that we in business should also appeal to Gov-

'An exciting challenge for the multinationals'

ernment to finalise the dismantling of apartheid with renewed vigour.

In Europe and elsewhere, we ought to use our influence abroad not merely to minimise the effects of sanctions and disinvestment, but in fact to reverse the trend

The economic rescue of Africa poses an exciting challenge to the multinationals. We are South Africa's links to the technological know-how of the First World. We are in a position to increase the level of sophistication that exists in research and development, and in manufacturing in this country. We, along with our overseas parent companies and their associates in Europe and America, could help to reverse the boycott trend, and become the initiators of a new industrial revolution that will bring about the tempo of economic growth which South Africa — and Africa as a whole — needs.

If we could help South Africa regain its economic momentum, and make its political peace with Africa, I believe we will have found the key to solving the African dilemma.

● *This is a condensed version of an article written for* Leadership *magazine.*

US 'aid' — big talk, little action



❑ KASSEBAUM

SIMON BARBER in Washington

CAN BLACK South Africans trust the US to deliver on *anything*"

For those who want all-out sanctions, the answer, obviously — and thankfully — is no But what about those who want American help to foster real but bloodless change from within? I fear they are going to be disappointed too

In theory, the US Agency for International Development (AID) has developed and is implementing a grand array of projects under the slightly coy rubric of "aid to disadvantaged South Africans" The projects, to use the agency's own words, 'commit the US to help in concrete ways to support institutional change in South African society"

The words may be found in the agency's April 1987 presentation to Congress detailing its achievements in SA to date and its plans for the coming fiscal year The author was evidently listening to Wagner's "Flight of the Valkyries" or some such as he composed It is stirring stuff

The idea, he begins somewhat lamely (the Valkyries must still have been a distant hum) is to "support US policy objectives in SA" Good grief. But he quickly warms to his theme as the music and list of intentions swell

❑ To build bridges between the US and the legally disadvantaged,

❑ To promote communication and cooperation within and between the black communities and between the black communities and whites in SA,

❑ To aid the development of future SA leaders in the short to medium term through education, training and scholarship programmes, as well as through institutional development;

❑ To assist feasible black organisations and institutions in the most direct way to undertake sound and effective projects that have been identified as priorities.

❑ To promote non-violent political and social change in SA that leads to the end of apartheid and a democratic political system based on the consent of the governed

You get the drift. A high-minded and heroic plan The great economic might of the US targeted on helping black South Africans become masters of their destiny

"The fast growth of the AID program has demonstrated US commitment (that word again) to mobilising public and private support for black South Africans seeking fundamental change through non-violent means .. for fiscal year 1987, AID plans a programme of $25m."

Come again? $25m? After all that build-up, you would have thought there was going to be some real money involved. But even that figure is optimistic. The presentation continues. "Due to budget restrictions, only $11m is available"

How much was actually budgeted by Congress for SA in fiscal year 1987? $1,7m. The rest, $9,3m, would have to come from the Southern Africa regional account. So much for helping the Frontline become economically independent of SA.

Remember, this was the dream in April. Let us now look at the AID presentation delivered to Congress in October when fiscal 1987 slipped into history, and see what really happened. The answer, in project after project, is a fraction of what was originally promised.

Let's start with project No 674-0213 — "training for disadvantaged South Africans": basically a scholarship programme bringing SA students to the US

AID "planned to obligate" $5,575m to good old No 647-0213 in fiscal '87 To make this promise it had to borrow $4m from the let's-save-the-region-from-SA account. No matter, in the end AID estimates that only $3m (just over half the initial "obligation") was spent Of that, $2m came from the regional allotment and will have, eventually, to be repaid

As for the current year, fiscal 1988, AID has committed itself to spending $5m and thinks it might really lay out $4.575m, borrowing only $1m from the neighbours. That and 10c, as they like to say here, will buy you a cup of coffee.

Moving on .. No 674-0302 ("educational support for black South Africans") undertakes to support "high school-to-university bridging programmes, pilot community-based private schools, setting new curricula, and providing assistance in non-formal education administration" among other worthy causes.

AID promised $2,5m for this one in fiscal 1987. It thinks it spent $200 000 and hopes to spend a like amount this year, though it appears from the October congressional presentation that no commitment has been made

Private enterprise should, particularly under the Reagan administration be a priority area and, hey presto, No 674-0303 ("black private enterprise development") — a project upon which AID planned to lavish $40m between fiscal 1987 and fiscal 1991

"Technical assistance as well as short and long-term business training, will be made available," AID explained in April, adding that it intended to spend $3m in fiscal 1987. You guessed it the real figure came closer to $200 000 This year, the agency says it is going to try to lay out $5m but thinks it will be lucky to manage $500 000

Human rights are covered by No 647-0305

Under this project, grants — usually less than $10 000 — are awarded to foster "the advancement of due process in the administration of justice, greater support for the elimination of discriminatory policies and practices, greater appreciation of the relationship between a free market and human rights, governmental and individual respect for human rights, and increased tolerance for differing ideas in SA society."

At least a third of the funds must, by law, "be used specifically for direct legal and other assistance to political detainees and prisoners and their families, and support for black-led community organisations opposing, through non-violent means, the enforcement of apartheid policies."

This is a pretty bold idea (it belonged originally to Senator Nancy Kassebaum chairman of the Senate Africa Sub-committee when the Republicans still controlled the Senate) worthy of considerable resources Pretoria will be delighted to know that it is not getting them.

Under the law, AID must obligate $1,5m a year In fiscal '87 only $300 000 was spent

The US is promising southern Africa as a whole considerably more than it ever manages to deliver

The fault is not specifically AID's, although the shell game it seems to be playing with its accounts is not particularly encouraging Congress is also heavily to blame, and no member more so than Congressman Howard Wolpe chairman of the House Africa Subcommittee

Wolpe and his allies do not like the concept of black development, however subversive its intent, and they are forever holding up disbursements that do not meet their standards of ideological purity If they had their way, the entire programme would not exist and the money would be spent on external groups like the ANC

More generally, Congress is full of splendid ideas to help black South Africans, either as an alternative to sanctions or as some form of mitigation of sanction's effects But when push comes to shove and money that has been airily "authorised" has actually to be appropriated, the ideas are conveniently forgotten Black South Africans do not, after all, vote in US elections.

Many of the would-be recipients do not help either, because they consider the largesse tainted. The result is that in numerous instances, AID has trouble spending what few funds it has at its disposal.

All this might be different if the US government, as a collective whole, gave a damn. Since it does not, black South Africa would be well advised not just to distrust Americans bearing gifts, but to place no faith in their bearing gifts at all.

Thatcher gloomy over SA reform

MIKE ROBERTSON

LONDON — Prime Minister Margaret Thatcher said yesterday she had no plans to visit SA within the next two years because she did not believe she could "move things forward".

Thatcher was pessimistic about the speed at which apartheid would be dismantled, but vowed to continue her course of action.

She promised to re-assess the situation from time to time, but would only go if she saw some hope of helping to achieve the changes she wanted in SA.

The Prime Minister, who has just returned from a visit to Kenya and Nigeria, said one of the reasons for the tour was to stress there was no difference about the need to end apartheid.

Punitive sanctions would make the problems in the country worse and do untold damage to black South Africans and their children, as well to the neighbouring states, she said.

She reiterated her belief that progressive foreign companies were at the forefront of the dismantling of apartheid and it would be a tragedy if they were prevented from continuing to do this.

The course of action outlined by the Commonwealth Emminent Persons Group (EPG) mission to SA, she still believed, offered the best prospects for progress towards negotiations between all groups in SA against the background of the suspension of violence on all sides.

Thatcher said the constructive role Britain was playing in southern Africa was too little recognised.

Pharmaceutical firms have left

'SA must find own medical raw materials'

GERALD REILLY

"SA MUST urgently examine the options open to the country following the withdrawal of four well-known international pharmaceutical companies, deputy National Health Minister Dr M H Veldman said yesterday.

Opening a head office complex in Sandton for French based Servier Labortories, Veldman said it would have to be determined what materials were essential for the continued production of medicines and medical products.

This would be necessary in the event of international sanctions being extend to medicines, Veldman said.

Assurances had been given that sanctions would not be extended to include medicines but recently four international pharmaceutical companies had withdrawn from SA.

Steps would have to be taken to ensure continuity of supply of essential pharmaceuticals. A possible source of many of the raw materials might be found locally.

"We as a country must be well prepared for any eventuality as one cannot but wonder where it will all end," he said.

SA should urgently but carefully consider which raw materials would be essential for the continued production of medicines and medical products, and what would have to be done to make certain that supplies of essential materials were not cut off.

"Cognisance should be taken of the fact that a possible source of many of the raw materials required may be found in products and by-products of the local Sasol organisation," he said.

He said SA stood accused, judged and sentenced by the international community because of its apparent shortcomings.

Facts and the principles of fairness were often ignored, as were rationality and objectivity, resulting in emotional and sometimes also hysterical outbursts of condemnation.

The country had to cope with divestment, disinvestment, boycotts and sanctions and threats of further similar action "if we fail to bow to international pressure".

"The importance of a company such as Servier Laboratories perhaps now become apparent to you," Veldman added.

□ Meanwhile executive director of the Pharmaceutical and Chemical Manufacturers Assocation of SA John Toerien said it was wrong to conclude that because the four international pharmaceutical companies withdraw from SA their medicines would not be available.

The change of ownership in fact could be a key element ensuring continuity of supply.

Circular cites subsidised finance

US promotes trade with blacks in SA

SIMON BARBER

WASHINGTON — As Congress seeks to tighten the sanctions noose, the US Commerce Department is hoping to convince American businesses that the "highly promising black SA market" presents "excellent trade and investment opportunities".

An important selling point for the department's push is that ventures with black business are exempt from most sanctions and may be eligible for subsidised financing from the US export-import bank.

In a circular advertising a US government-sponsored "business development mission" to SA in May, the department urges companies "to get a leg up on the competition in the midst of new economic growth and direction in SA".

"Black South Africans welcome foreign investment and American firms participating in this (mission) stand to benefit from a wide and growing number of business opportunities."

The department points out that black consumer spending totalled more than $7bn in 1985 and constituted about 55% of total consumer spending in SA.

The circular contends that "investment opportunities include "a variety of service-related areas and consumer products, from insurance and transportation to sporting equipment, and computers and software systems."

Also highlighted is franchising, especially of fast-food restaurants, a market "expected to expand by a minimum of 25% over the next three years".

"Excellent opportunities also exist for dry cleaning, quick copying and printing, automobile spare parts and service, education products and servicing, educational products and services, shoe repair, and industrial cleaning, maintenance and security services.

"Participants in this (mission) should be able to negotiate franchises in several of these areas, many of which may qualify for US export-import bank financing".

The mission is to visit Johannesburg, Cape Town and Durban.

South Africa can expect further sanctions, in spite of growing doubts about their outcome, says a report from the Economist Intelligence Unit in London.

Sanctions found wanting by top British study group

Cape Times 15/11/88

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A REASSESSMENT is under way of the usefulness of economic sanctions as a means of provoking change in South Africa, according to a special report by the London-based Economist Intelligence Unit published this week.

Even so, the report argues, there is a strong chance that South Africa will face another round of sanctions These will result as much from international developments as from the domestic political struggle against apartheid.

The report, *Sanctions and South Africa: Thy Dynamics of Economic Isolation* by Merle Lipton, charts three stages in the evolution of sanctions·

☐ The first coinciding with the Sharpeville shootings of 1960.
☐ The second with the Soweto uprising of 1976.
☐ The third with the upheavals of 1984-87.

In each case political strife within South Africa was matched first by capital flight and then by the adoption of "official" measures against the government.

South Africa's growing international economic isolation has been made possible, the EIU report argues, partly by changing perceptions of South Africa's importance to the West.

For example its mineral resources — with the exception of platinum group metals and one or two others — are regarded as less critical to Western economic survival than they were. The report suggests it is no coincidence that the sanctions campaign has received strong backing from countries and groups standing to gain most.

Sanctions had reduced the "political space" for South Africans and could impede the interracial political debate, reducing the changes of an evolutionary route past apartheid.

Continued incremental sanctions were unlikely to unseat the Government and more likely to impede than accelerate reform.

"They are also likely to ensure this takes place in an even more authoritarian context.

"The central question of (the impact of sanctions) has been largely unexplored." Rather the debate had focused on the case for international action and the question of how sanctions might "work" in the technocratic sense

"There is less pessimism about trade bans because of the belief that about 60% of South Africa's exports, mainly precious minerals and metal, are immune to sanctions, short of a blockade or international action on gold."

Attempts to embargo gold, diamonds, platinum, chrome and vanadium would probably stimulate a price rise, so that if export volume fell earnings could remain the same or even rise Two other exports likely to escape embargoes were wool and paper and pulp.

The remaining 40% of exports, including most agricultural products, were more vulnerable. Other exports in this category include coal, steel, copper, aluminium, asbestos, and fluorspar.

Sugar and maize faced particularly difficult markets and manufactured exports were also vulnerable but less important

South Africa was vulnerable to sanctions on its imports, though it had already reduced its dependence on oil. Some other imports could also be replaced, though opinions differed over the extent.

The EIU report also marshalls a wide range of evidence on the recent wave of US withdrawals and says these partly reflect the generally low profitability of foreign investment in South Africa: in the case of profitable enterprises the withdrawers have tended to maintain close links with their erstwhile subsidiaries to minimize the effects of exchange control on disinvestment

As for the "bankers' sanctions" which precipitated the August 1985 debt moratorium, it is argued that the banks' "disorderly scramble for the door" was due not so much to repugnance at political developments in South Africa as to imprudent policies at the South African Reserve Bank and panic as one US bank tried to steal a march on competitors.

The report demonstrates that both proponents and opponents of sanctions tend to exaggerate their potential and effect to reinforce their own positions. It also suggests the sanctions debate often serves other political purposes for many of the protagonists. The result, it is argued, is to obscure the links between cause and effect and to divert attention from the real implications of sanctions for South Africa's economic and political future.

Such factors are behind what the report sees as growing unease about sanctions among some of those with potentially the most to lose — including South Africa's black trade unions and neighbouring countries. Though both groups remain formally committed to comprehensive sanctions, the report says their leaders privately express doubt.

The study says trade and other sanctions adopted so far will not have an immediately dramatic effect on the South African economy. Combined with a loss of international business confidence, they do nevertheless represent a continued narrowing of the economic options and dampen long-term growth prospects.

The very wide range of motivations and vested interests involved makes for acute uncertainty about the course of South Africa's economic relations with the outside world. For this reason, the report says, even comprehensive and mandatory UN sanctions — regarded by most analysts as remote — cannot be ruled out as a possibility. But a more likely outcome, it says, would be further partial tightening of the noose in response to new up-

region.

This would be unlikely to bring about political change quickly but could well have profound implications for a post-apartheid South Africa.

DD 15/11/88
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US firms urged to invest in S Africa

WASHINGTON — As congress seeks to tighten the sanctions noose, the US commerce department is hoping to convince American businesses that the "black South African market" presents "excellent trade and investment opportunities".

An important starting point for the department's push is that ventures with black business are exempt from most sanctions and may be eligible for subsidised financing from the US export-import bank.

In a circular advertising a US Government-sponsored "business development mission" to South Africa in May, the department urges companies "to get a leg up on the competition in the midst of new economic growth and direction in South Africa".

"Black South Africans welcome foreign investment," the circular states, "and American firms participating in this venture stand to benefit from a wide and growing number of business opportunities".

The department points out that black consumer spending totalled over $7 billion in 1985, and constituted around 55 per cent of total consumer spending in South Africa.

"Such spending fuels black entrepreneurship and economic and commercial expansion, in an effort to keep pace with the fast growth and increasing sophistication of South Africa's 26 million black consumers."

Investment opportunities include "a variety of service-related areas" and consumer products, from insurance and transportation to sporting equipment, computers and software systems".

Also highlighted is franchising, especially of fast food restaurants, a market "expected to expand by a minimum of 25 per cent over the next three years".

"Excellent opportunities also exist for dry cleaning, quick copying and printing, automobile spare parts and service, education products and servicing, shoe repairs, and industrial cleaning, maintenance and security services.

"Participants in this should be able to negotiate franchises in several of these areas, many of which may qualify for US export-import bank financing".

The mission is scheduled to visit Johannesburg, Cape Town and Durban between May 16-28, and will include a maximum of 10 business represenatives willing to pay in excess of $1 200 for travel expenses. — Sapa

280 Sowetan

FOCUS

Anti-apartheid pickets run into a storm

By THAMI MAZWAI
Sowetan News Editor

THE 24-hour picket outside the South African Embassy in London has run into stormy seas — London's police are mounting pressures on the pickets apparently hoping to force them off the steps of the embassy.

Organisers of the picket have expressed anger at the pressure and say it has resulted in a number of the protesters being assaulted, some severely, while others have been arrested on various charges

One official of the group said. "With Prime Minister Margaret Thatcher going out of her way to protect the South African Government and apartheid against sanctions, it is not surprising that her police are now virtually defending apartheid right here in London.

"We will not be intimidated. Our struggle against this evil system will not be abandoned."

The picket started on April 19, 1986. Groups of volunteers have been demonstrating outside the embassy round the clock in shifts.

Some of them have thrown missiles into the embassy, leading to an intensification of police surveillance of the picket.

Freed

The group behind the picket is the City of London Anti-Apartheid Group, which split from the broader-based Anti-Apartheid Movement (AAM) in Britain.

One of the reasons the City of London group split was that the AAM supports South African organisations subscribing to the Freedom Charter, while the City of London group believes that all organisations opposed to the P W Botha Government operating outside Government structures should be supported by the international community.

Soon after the split the City Group organised the non-stop picket.

A spokesperson for the group, Carol Brickley, says the picket will not end until Nelson Mandela is freed

But since May last year when red paint was thrown into the embassy the police have increased their surveillance.

The group alleges that some of the pickets are "brutally assaulted and dehumanised at Cannon Row police station," the police station serving Trafalgar Square.

Until yesterday the number of arrests on various charges was 381, most of them towards the end of last year and early this year.

The number of charges against pickets is 567.

Serious

A spokesman said it was significant that the group had won against 87 percent of the prosecutions.

One member, Simone Dewhurts, has been arrested 24 times. She alleges that on September 16, 1986 she was sexually abused by the London police. She says that on October 6 she was stripped naked in front of male members of the police at Cannon Row police station.

She has instituted civil action against the police and the case comes up on Thursday.

Another member of the group, Tunde Forrest, has been arrested 10 times over the past six months. Some of the charges against him include obstruction and assault. He has also charged the police with assault

The group says that in December four members were severely assaulted by the police.

Two of them were black and during the beating they had racial insults hurled at them.

The group also allege that on December 6, Tunde (22) and Ronald Tomlinson (27) were arrested near the embassy and assaulted by a white man from South Africa.

Calm

They allege that in the police van they were assaulted by the police.

Brickley said. "We regard this as a racist attack and are considering the most serious action against the officers concerned"

On December 15 Jimmy Brosnan and Adam Bowles were accosted by three men after leaving the picket. The three, who claimed they were from the police, accused the two protesters of being "drunk and disorderly."

"We were stone sober," Tomlinson later said in an interview.

The three "police officers" then beat them up thoroughly and left them lying on the ground semi-conscious.

"Brosnan and Bowles noted that the three men were very calm and controlled throughout the incident," a statement from Brickley said.

In a statement made to lawyers Tomlinson described his experiences at the hands of the police on December 6.

He says he was pushed into a police van and found Tunde lying on the floor of the vehicle with a policeman on top of him.

Intimidated

"The door of the van closed. A policeman came towards me. He punched me saying 'I am going to kill you f.... black ba. ..'

"I was moaning in pain and another policeman said I was all right. This policeman then also punched me," Tomlinson said.

The City Group says the police have tried to force the protesters off the embassy steps in order to get them to protest from a church opposite the embassy.

"We are exercising our democratic right as British citizens and under British law to protest against South Africa.

"We will not move from here and will continue to picket the embassy until Mandela is freed. We will never be intimidated by the police," a statement from the Group said.

• Yesterday the picket had been going on for 634 days or 15 216 hours without a break.



MRS MARGARET Thatcher . . . "Protecting SA Government".

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Danes demonstrate to sever links with SA, 200 workers go on strike

COPENHAGEN — Demonstrators splattered their handprints in red paint yesterday on a building designated as South Africa's consulate.

And earlier, 200 construction workers had downed tools to protest against apartheid.

Police arrested one demonstrator and took the names of six others who may face charges of wanton destruction.

A singer and a member of parliament were arrested last week after a similar protest.

The protesters demanded that Denmark sever diplomatic relations with South Africa.

Denmark closed its consulate in South Africa two years ago.

● The Rev Allan Boesak charged yesterday that Europe was undermining international efforts for economic sanctions against South Africa.

Mr Boesak, a founder of the United Democratic Front and president of the World Association of Reformed Churches, accused the European Community of "dragging its feet".

"Europe has not only not followed in the footsteps of the US in terms of limited sanctions ... Europe has, I think, actively undermined those sanctions," he said at a news conference.

"As far as Britain and the US are concerned, and maybe some other countries, I am absolute ly convinced that racism plays a large role," he said. — Sapa-AP.

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From Amsterdam

Whether the Amsterdam conference on culture marks a watershed for South African art remains to be seen. But there was no mistaking the quite palpable euphoria. Report by

WILLIAM KENTRIDGE

AMSTERDAM in winter has an air of unreality. Full of false perspectives and too many small lights. Like being lost backstage of a huge and extravagant stage set

This feeling of reprieve from usual life permeated the festival and conference, Culture in Another South Africa

It is too early to know whether the week of performances, discussions and meetings of about 300 South African artists, actors, photographers, filmmakers (local and exiled) marks any new cultural watershed But the euphoria of the event was palpable It was as if there were no longer a separation between artists inside and in exile, as if the struggle to end apartheid were as good as over

The participants in the performances and discussions included people from the suburbs of white South Africa, professional musicians and actors from the townships, cultural artists from the trade unions, musicians from the military camps of Umkhonto weSizwe, students from the Solomon Mahlangu Freedom College in Tanzania, Abdullah Ibrahim flying in from New York for a night to play three songs, Breyten Breytenbach half-welcomed, half-shunned, in Amsterdam for a night to read some of his poems It was a five-day ongoing performance, audience and people under the spotlight interchanging as the delegates moved from conference discussions to concerts to theatres.

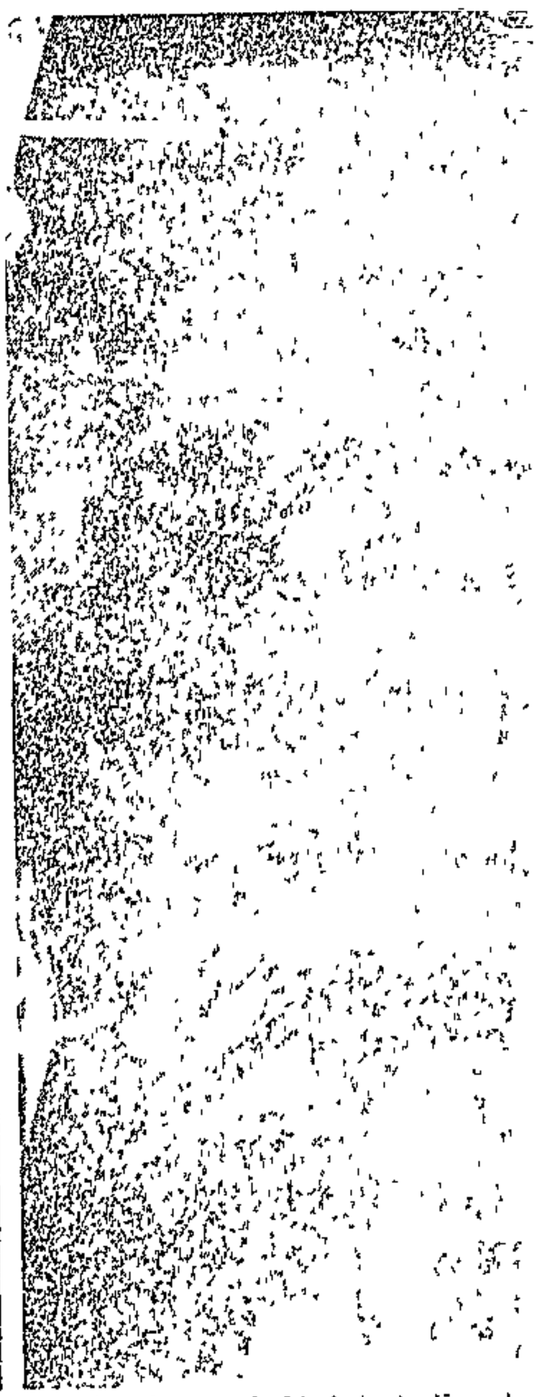
Certain moments stand out clearly

Abdullah Ibrahim slapping out a rhythm on his thighs and chest while crooning *Daar's 'n jakkals op die boer se plaas, byt hom jakkals, byt hom*

Thabo Mbeki making a Dingaans Day speech at one in the morning from the stage of the smoke-filled Milky Way nightclub where the dancing went on till dawn.

Three hundred Dutch choristers emerging from the dark wings of the gigantic stage of the State Opera singing *Nkosi Sikelel' iAfrika*





The agony and the ecstasy -- intense concentration showing on the face of Abdullah Ibrahi

An exile trio singing a capella with breathtaking purity of tone and harmony the words of the Freedom Charter

In the end what was most significant was the fact of the festival, the fact of the meetings. It was a filling of gaps Just as the return journey from Amsterdam via Addis Ababa and Entebbe showed that Africa north of the Limpopo does indeed exist, so the meetings with people like Barbara Masekela and Pallo Jordan (until then shadowy figures whose pronouncements carried the huge weight of being inferred or surmised rather than known) were present both to listen to people from South Africa and to present and defend the policies of their organisation, the ANC

The performance by the ANC's Amandla Cultural Ensemble was in some ways emblematic of the conference and festival. The group is made up of members of the ANC in exile and includes members of Umkhonto weSizwe divided between Tanzania and Europe, Africa's Revolutionary Theatre If they perform with South African and Defence Force rad performance sh -- shins, cardig

IN ANOTHER SOUTH AFRICA' CONFERENCE

'am with euphoria



face of Abdullah Ebrahim and relaxation in an Amsterdam bar Pic: JEEVA RAJOPAUL, Afrapix

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members of Umkhonto weSizwe whose time is divided between military camps in Angola or Tanzania and concerts with the group in Eastern Europe, Africa or in this case the Amsterdam Civic Theatre The huge backdrop against which they perform was painted by Thami Mnyele, a South African artist killed in a South African Defence Force raid on Gaborone in 1984 Their performance starts with a series of tribal dances — skins, cardboard shields, cowrie shells Then it shows through a series of vignettes the coming of the whites, the emiseration of the blacks, the shooting of schoolchildren, the growth of the ANC; the strength of the trade unions, the power of MK (though only fleetingly, black shadows shaking their arms as if holding machine guns)

Finally there is a second concert of tribal dances and jazz with Jonas Gwangwa playing his trombone to burst the roof of the baroque Stadschouwburg

A happy concert but hardly the cutting edge either thematically or formally of a new cultural era The work made by exile groups was no more radical, no more militant than that produced and shown inside South Africa In many cases the reverse was the case Much of the Amandla jazz was more reminiscent of a concert by, say, Dudu Pukwana than a revolutionary mass meeting The Culcha Klub had the feel of a Gibson Kente play or Sarafina

The cultural wings of the trade unions were conspicuous at home in the formal setting of the Amsterdam theatres The Cosatu play *Two Fingers Up* undoubtedly drew the largest audiences of any of the plays (though they were swamped by the many participants as the direction of the future the dramatic theatre we should want to see) The Cosatu choir, reduced to a small number by the high price and cost of the festival was overwhelmed by the size of the State Opera in which they performed

In general proletarian culture was welcomed, saluted, but not dealt with in great detail The South African Communist Party's presence was evidence at all and specifically so as the Cuban delegation came into relatively few of the papers and discussions dealt with by the conference

The cultural boycott was discussed though not at any great length There was a perceptible consensus among delegates that a boycott of apartheid culture must continue but that progressive culture must be nurtured The call for democratic cultural organisations was seen as the best way to proceed with this dual objective

The theme of accountability was raised often this was salutary because the conference was allied to a festival Abdullah Ibrahim's fantastic stunning accompaniment to his own solo piano (one of the few times that most musicians were out of the festival) and even Ndabuko Mtshali's reading of his short story of a boy watching his mother bath showed the problems of trying to accommodate unpredictable particular expressions of creativity — to the artists themselves, let alone any larger group

What was the residue? A flexibility Hard lines, rigid distinctions were few and far between In discussions the *de facto* situation was understood that community arts centres benefit from an input by professional artists, that there is space for a fruitful interchange between proletarian theatre groups and actors and directors from the professional theatre, that progressive culture though growing is still in its infancy Rather than a small exclusive purity, it needs the inclusion of a wide range of partisan artists

Texas city has no choice but to soften sanctions

By Neil Lurssen,
The Star Bureau

WASHINGTON — Houston in Texas has been obliged to soften its sanctions policy against South Africa because the self-imposed boycott kept essential reference books off city library shelves and cut off the only available supplies of snake-bite serum at Houston Zoo.

Nine months after approving one of the toughest anti-SA municipal ordinances in the United States, the city council has had to change its sanctions laws, making it legal now for the public library to buy books from companies with SA ties and for the zoo to import serum from South African suppliers.

"When City Hall passed that ordinance, it opened up a can of worms," said library spokeswoman Ms Joyce Claypool. "Of course we are concerned about the abuse of civil and human rights in South Africa, but the effects of the sanctions ordinance came close to imposing censorship on the people of Houston.

"We are opposed to apartheid, but we are equally committed to intellectual freedom in the US," she said.

The ordinance required the public library to obtain signed affidavits from its suppliers that they had no connection with South Africa. Without the affidavits, there were no purchases.

The Dow Jones Company, publisher of the *Wall Street Journal*, refused to sign because it had a correspondent in South Africa and the library was denied one of the world's most respected financial newspapers as well as all the other Dow Jones financial publications.

Even more important for average library-users, the publishers of the Encyclopaedia Britannica would not sign.

"Britannica is *the* standard reference work and we could not get it," Ms Claypool said.

She said the library found its best anti-apartheid reference works were published in South Africa, which made the boycott absurd.

While the library was wrestling with the city's laws, Houston Zoo found that the shelf-life of the serum it kept to protect the handlers of its cobras, puff adders and mambas was running out rapidly.

South Africa was the only supplier of the antidote.

"We have to have the serum. We have to keep it as a form of insurance," a spokesman said.

Leyland saga ends with SA buy-out



Roman Szymonowicz . . . we're our own masters

ANOTHER foreign motor manufacturer has fallen into South African hands.

After 11 months in which a successful conclusion to a buy-out was uncertain, Leyland SA management has reached agreement with the British-based Rover Group.

In the 11 months Associated Automotive Distributors (AAD) had two managing directors, closed several branches and underwent a major restructuring.

Under its new management team and its new name, the company hopes to push turnover to R100-million this year and run at a profit while it consolidates its position in the automotive market.

Offshore money

The deal, negotiated for an undisclosed sum, was concluded on January 5, having been announced in February last year.

Backing the deal are Trust Bank and Volkskas and a "reasonable" financial contribution comes from an offshore source. Controlling the offshore interest is new managing director Roman Szymonowicz, who insists the company is wholly SA owned and has no link with Rover from which it was bought.

Mr Szymonowicz says the two banks will continue to support AAD.

The Rover Group will also offer AAD components, technology, franchise opportunities and an improved supply agreement.

Mr Szymonowicz says the reason for the delay in concluding the deal was the requirement by Rover that a sound business base be established and that the company be SA owned.

However, it is believed that financial backing was another stumbling block and it was not until Mr Szymonowicz arrived in July that the deal looked like going through.

Mr Szymonowicz became managing director after the amicable departure of Noel Williams who succeded Brian Fuller who was on secondment from Rover.

By Don Robertson

Unlike the withdrawal of General Motors and Ford, Rover has not paid off Leyland SA's debts, which are "not onerous".

Rover's decision to disinvest was in line with its attempt to privatise its operations internationally. But with the injection of funds by the management team, AAD is "financially sound", says Mr Szymonowicz.

Last year AAD incurred a large loss, but is now trading profitably.

"We have turned the company around and are now in a consolidation phase," says Mr Szymonowicz.

"Now that we are in control of our own destiny we will change the structure of the company."

This will involve a move from being an original equipment manufacturer, although production of the HLC bus with 85% local content will continue. The Tiger luxury buss will also be aggressively marketed and a new minibus chassis is available.

Expensive

AAD will also continue to operate in the heavy truck sector.

Recognising that tooling for new models is expensive, Mr Szymonowicz says it will be undertaken only if it is possible for the company to make a profit. However, development of existing models will continue.

More emphasis will be placed on the heavy 4x4 market with two models — a diesel Land Rover and a fuel-injected Range Rover — being launched in the first quarter of this year.

The Unipart parts service will be expanded to cover the complete range of vehicles, not only Leyland as in the past, and the workshop services will include all vehicle makes.

This will result in a significant switch in the contribution to profits by the various divisions.

Referring to the company's relaunch, Mr Szymonowicz says. "We have suffered some pain in the past few months, but I have full confidence in the management team Our group policy is profit growth through expansion, productivity and improved efficiency."

Staff cut

AAD recently spent R1,5-million on a computer system linking all branches.

With the staff cut from 3 500 at the peak in 1982 when Leyland SA made a large range of passenger vehicles, the company now employs only 400, which Mr Szymonowicz says is about the optimum.

The management buy-out was negotiated by chairman Francois Jacobs, a member of the State President's Economic Advisory Council, Mr Szymonowicz, Mike Elsbury, Piet Rademayer, Meiert Grootes and Jack Massardo. Retired chairman Ellis Rhodes-Harrison is also a shareholder.

There is a possibility of going for a JSE listing, but it will not be necessary to raise capital.

A trust fund has been established to spread the benefits of equity participation for all employees.

Anti-SA ban on literature backfires

By PATRICIA CHENEY: Washington

ALLEGING they were being forced to become censors for the South African Government, America's big publishers came out unanimously on Friday against the growing book boycott being foisted here by local governments, school boards and colleges.

A statement by the American Association of Publishers (AAP) said: "If the Government of South Africa was to ban all foreign books from being sold there, the world community, led by the US, would unleash a storm of criticism.

"The AAP is opposed to efforts, no matter how well intentioned, to force American publishers to serve tyranny by providing this censorship.

"AAP believes books are among the most effective agents for change in the world, and to withhold them from societies such as South Africa (or the Soviet Union or other countries denying civil rights to their populations) is only to play into their hands."

The resolution, which follows a similar statement by the Association of American University Presses, comes in answer to measures passed by many local municipalities prohibiting city agencies from having any dealings with companies doing business with South Africa.

Penguin publishes sanctions handbook

B/Day 18/4/88 (280)

ALAN FINE

PENGUIN is to publish a new book later this month on sanctions against SA which, the cover blurb claims, is "the book that will help you make up your mind on one of today's most urgent issues".

Ultimately The Sanctions Handbook — co-authored by two prominent British-based journalists with extensive experience in southern Africa, Joseph Hanlon and Roger Omond — is designed to provide anti-apartheid groups with new ideas for promoting the international sanctions campaign.

The first half of the book, written by Omond, examines differing views of black and white South African groups and individuals on the issue. It looks at effects of sanctions on the economy and on SA's neighbours.

Omond also probes the debate in Britain and the US, and looks particularly at the academic, cultural and sports boycotts.

Negotiating table

He concludes that in the short term sanctions, combined with guerrilla war, seem unlikely to affect the country sufficiently to force South African whites to the negotiating table.

This will have two simultaneous effects, he says. Those committed to sanctions will demand they be intensified, while the uncommitted will point to the failure of economic measures thus far and "try to shrug off further responsibility for trying to end apartheid".

Omond also predicts that the major black union groupings — Cosatu and Nactu — which see themselves as part of the liberation movement will come under opposing pressures, from members who fear for their job security to tone down demands for sanctions and from government who will try to restrict their political role.

The worsening economy, argues Omond, will cause businessmen to step up calls for reform.

Condemnation

Whether government takes any notice, he says, will depend on the confidence of the NP and on the succession to the State Presidency.

Finally, he says, while the potential of sanctions in the long-term remains to be seen, they do demonstrate world condemnation of apartheid.

In the second half of the book, Hanlon sets out to make the case for sanctions. He looks at what sanctions are already in force, what effect they have had, and whether the West is as dependent on SA's minerals as the conventional wisdom would have it.

Using the Rhodesia experience, he argues that sanctions can work. He proposes measures which can be taken to alleviate their effects on other southern African countries, and to avoid a situation where other countries will open markets to replace those lost to present trading partners.

Hanlon also lists a "directory" of 50 types of sanctions that can be imposed by pressure groups in the absence of comprehensive measures imposed by Western governments.

Zulu aspirations 'not tribal' — king

18/1/88 B/Day 280

NONGOMA — King Zwelithini Goodwill of the Zulus has called on the US and others to stop regarding his people's aspirations as tribalistic.

He made the appeal at a weekend meeting at Nongoma with US Ambassador to SA Edward Perkins.

Propaganda to this effect was depriving the poorest in Kwazulu from international humanitarian aid, he told the envoy.

Referring to sanctions, the king said he was encouraged by the way the US was trying to balance its political action with greater humanitarian concern about the poorest of the poor in SA, but believed that the correct balance had not yet been struck.

"The humanitarian aid which is welcome from the US does not reverse the suffering of those who pay the price of sanctions", he said.

KwaZulu Chief Minister and Inkatha president Mangosuthu Buthelezi told Perkins that if it were possible to force blacks into supporting political parties, the ANC would long ago have dominated SA.

Buthelezi said he was correcting what he called "shallow media representations" of the conflict situation in his country.

"Now that Inkatha's historically significant mass membership can no longer be ignored, I am accused of dragooning blacks into becoming members," he said.

"I can assure you that if it were politically possible to do what I am accused of doing in this regard, the ANC would long since have dominated the country. They would be the only force to be reckoned with."

Buthelezi told Perkins that "forces of destruction" were claiming that everything in SA needed to be destroyed by political violence before rebuilding could start.

Propaganda that reform was not possible, pessimism about the prospects of blacks and whites together eradicating apartheid, conjured up visions of "hideous bloodbaths which justify any means to avoid them".

In fact there was sufficient good will among all groups to enable them all to work with the forces undermining apartheid and to establish just social, economic and political orders.

"There is no need to rely on the politics of prescription which is inherent in the intimidatory tactics and strategies of the ANC and those in the UDF, Cosatu and other organisations who work in tandem with them," he said. — Sapa.

Fresh reassessment of sanctions underway

SA could face second round

LONDON — A reassessment is under way of the usefulness of economic sanctions as a means of provoking change in South Africa, according to a major report, published by the London-based Economist Intelligence Unit.

Even so, the report argues, there is a strong chance that South Africa will face another round of sanctions.

These will result as much from international developments as from the domestic political struggle against apartheid.

The report, Sanctions and South Africa: The Dynamics of Economic Isolation by Merle Lipton, charts three distinct stages in the evolution of sanctions so far — the first coinciding with the Sharpeville shootings of 1960, the second with the Soweto uprising of 1976 and the third with the upheavals of 1984-87.

In each case, political strife within South Africa was matched first by capital flight and then by the adoption of "official measures" against the government.

The report argues that South Africa's growing international economic isolation has been made possible partly by changing perceptions of the Republic's importance to the West.

For example, South Africa's mineral resources — except platinum group metals and one or two others — are now regarded as less critical to Western economic survival

The report suggests it is no coincidence that the sanctions campaign has received strong backing from those who stand to gain most in replacing South Africa in world markets.

It also argues that the recent wave of US company withdrawals partly reflect the generally low profitability of foreign investment in South Africa in the 1980s

In the case of profitable enterprises, the "withdrawing" companies have tended to maintain close links with their subsidiaries, designed in such a way as to minimise the effects of exchange control on their disinvestment

As for the "bankers' sanctions", it is argued that the banks' "disorderly scramble for the door" was due not so much to repugnance at political developments, as to imprudent policies at the South African Reserve Bank and panic as one US bank attempted to steal a march on its competitors.

The report demonstrates that both proponents and opponents of sanctions tend to exaggerate the potential and effects of sanctions in order to reinforce their own positions.

The result, it is argued, is to obscure the links between cause and effect, and to divert attention from the real implications of sanctions

Such factors are behind what the report sees as growing unease about sanctions among some of those with potentially the most to lose, including the South African black trade unions and the governments of neighbouring countries.

Their doubts have grown since it became clear that majority rule in South Africa is not around the corner.

These factors make for acute uncertainty about the future course of South Africa's economic relations with the outside world.

For this reason, the report says, even comprehensive and mandatory UN sanctions — regarded by most analysts as remote — cannot be ruled out.

But a more likely outcome, it says, would be some further partial tightening of the noose in response to new upheavals in South Africa or the region

● Only 10 African countries have paid their contributions to a special fund for southern Africa set up a year ago by the Non-aligned Movement, a member of the fund's management committee has said

The fund was set up specifically to help cushion the effects on South Africa's black neighbours of possible retaliatory measures by Pretoria in the event of anti-apartheid trade sanctions

Donors have pledged up to $70 million. Only $307 000 had been paid into the fund's account with the Bank of India.— Sapa-RNS

Black SA market gets a push in US

From SIMON BARBER

WASHINGTON. — The United States Commerce Department is hoping to convince American businesses that the "highly promising black South African market" presents "excellent trade and investment opportunities".

This statement comes as Congress is trying to tighten sanctions against South Africa.

An important selling point for the department's push is that ventures with black businesses are exempt from most sanctions and may be eligible for subsidized financing from the US Export-Import Bank.

In a circular advertising a US government-sponsored "business development mission" to South Africa in May, the department urges companies "to get a leg up on the competition in the midst of new economic growth and direction in SA".

"Black South Africans welcome foreign investment," states the circular.

The department points out that South Africa's 26 million black consumers spent more than $7 billion in 1985, and constitutued around 55% of total consumer spending in the Republic.

"Investment opportunities", the circular contends, include "a variety of service related areas and consumer products, from insurance and transportation to sporting equipment"

The mission is scheduled to visit Johannesburg, Cape Town and Durban between May 16 and 28

AWR bulletin 'undesirable'

'Club Top Eight' to meet

Tougher sanctions on SA likely

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By Michael Morris, The Star Bureau

London

Eight Commonwealth Foreign Ministers, with the notable exception of British Foreign Secretary Sir Geoffrey Howe, meet in Lusaka in a fortnight to decide how to increase pressure on South Africa.

One of their chief concerns will be to ensure the spotlight of world attention is kept on southern Africa.

The Committee of Eight — established in terms of the Okanagan Statement on southern Africa at the last Commonwealth summit in Vancouver in October — will consider further sanctions against Pretoria, how to co-ordinate aid to the Frontline states, extend aid to victims of apartheid in South Africa itself, and what measures to take to counteract South African news censorship. The future of Namibia will also be discussed.

Stiffen measures

Detailed background reports have been prepared by Commonwealth staff. On the sanctions front, the Foreign Ministers are likely to give particular attention to stiffening financial measures against South Africa. Pretoria is perceived to be particularly vulnerable in this sphere.

Canadian Foreign Minister Mr Joe Clark will chair the committee. The other members are Mr Rashleigh Jackson of Guyana, Major-General Ike Nwachukwu of Nigeria, Mr Bill Hayden of Australia, Mr Benjamin Mkapa of Tanzania, Dr Nathan Shamuyarira of Zimbabwe, Mr Natwar Singh of India, and Mr Luke Mwananshiku of Zambia.

Commonwealth Secretary-General Sir Shridath Ramphal will visit Maputo prior to the Lusaka meeting in February.

Commonwealth heads of state faced criticism after their summit last October for failing to agree on more effective measures against South Africa.

Big question mark over effect of sanctions

The role of external pressures in South Africa should not be overstated, says a special report published in London and reviewed here by Barney Mthombothi.

Increased sanctions will have the effect of reducing the "political space" available for all South Africans, thereby impeding the interracial political mobilisation and debate that is under way, and reduce the chances of an evolutionary route to a post-apartheid South Africa.

This is the conclusion of a special report on sanctions by the London-based Economist Intelligence Unit, released today

The report, "Sanctions and South Africa: The Dynamics of Economic Isolation", compiled by liberal academic Merle Lipton, says continued incremental sanctions seem unlikely to unseat the South African Government and more likely to impede than accelerate reform. They are also likely to ensure that this takes place in an even more authoritarian context.

Enormous uncertainty

The impact of a drastic programme of comprehensive sanctions is, however, uncertain. It is by no means clear that they would inflict on the government and its supporters sufficiently high costs to force them to give up power. In the long run, they might contribute to the erosion of white control over the whole of present-day South Africa. But the outcome might not necessarily be black rule over an undivided country.

"Enormous uncertainty surrounds the possible effects of sanctions. It seems unlikely that even full sanctions — unless accompanied by exceptional measures — would lead to a dramatic or quick collapse of the South African economy. Sanctions alone would probably achieve no more than a process of attrition, which could be very gradual, and which could be preceded — and even at times interrupted — by phases of economic recovery and growth.

"In practice, much will depend on developments in the gold and other commodity markets; on the general political and military situation; and on who gets the upper hand in the sanctions-busting game. Further sanctions would impose costs — notably a deterioration in South Africa's international terms of trade and the encouragement of uncompetitive, high cost and inflationary import substitution industries."

But, the report adds, there will also be gainers, including South Africans in the import substitution and sanctions-busting industries.

The report says domestic pressures by the rapidly growing trade union movement and other political organisations have been decisive for reform. This has led to a growing realisation among white voters that the existing system is untenable There is, however, still uncertainty and disagreement about the form, extent and pace of change.

Most white south Africans, the report says, think of themselves as part of the Western European tradition and do not want to be cut off from their cultural and other links with the West, nor to live in a "banana republic".

International attention has played a role, the report says, acting a shield that provides some protection for political activists and trade unionists. But external pressures led the domestic opposition to overestimate its strength.

"The intense media coverage from late 1984 contributed to the bankers' flight (the bankers' sanctions which precipitated the August 1985 debt maratorium) and imposition of formal sanctions, thereby intensifying verkrampte demands for the clampdown on the press and on political activity which has since taken place.

"This has destroyed the limited and precarious, but valuable, political space that was emerging for the opposition and which has now practically disappeared, reducing the possibilities for black political organisations and for public debate across racial lines.

"The role of external pressures should not be overstated — it was the internal unrest that was decisive."

The country's growing international economic isolation has been made possible, the report argues, partly by changing perceptions of South Africa's importance to the West. For instance, South Africa's mineral resources are regarded as less critical to Western economic survival than they used to be.

It is no coincidence, it says, that the sanctions campaign has received strong backing from those countries and interest groups which stand to gain most in replacing South Africa in world markets.

The recent wave of US company withdrawals partly reflects the generally low profitability of foreign investment in South Africa in the 1980s. In the case of profitable enterprises, the "withdrawing" companies have tended to maintain close links with their erstwhile subsidiaries to minimise the effects of exchange control on their disinvestment.

The report argues that the bankers' "disorderly scramble for the door" in 1985 was due not so much to repugnance at political developments in South Africa as to what it calls imprudent policies at the South African Reserve Bank and panic as one US bank tried to steal a march on its competitor.

Repression which intensified after the imposition of the state of emergency will not end anti-apartheid activity; nor will it wipe out the intense political consciousness that the events of the last decade and a half have wrought. But it could cut off the opposition from overseas sources of funds and support and increase the attractions to the government of a more insulated siege society.

"These trends will inhibit the more open form of political organisation, which could go underground and take more revolutionary forms. They will have a large following to draw on among the young unemployed, especially if sanctions increase their numbers. The risk is then of a further escalation of the conflict as strengthening of the revolutionary and anarchic elements provokes violent counter-reactions."

EIU The Economist Intelligence Unit

Coal export crisis threat to thousands of miners

The Argus Correspondent

JOHANNESBURG. — Retrenchments in coal mines threatens to push the number of jobs to be axed from 3 000 to as high as 13 000 within the next 12 months because of a multi-million-rand nosedive in exports.

The estimate was disclosed today by Mr Allen Cook, chairman of the collieries committee of the Chamber of Mines, who confirmed that sanctions alone, though only one in a list of causes of the cutbacks, had slashed exports by about nine million tons a year.

Mr Cook also blamed South African Transport Services for worsening the industry's problems with steep increases in rail tariffs on export shipments through Richards Bay.

Mr Cook said· "The industry is struggling with a host of problems. Sanctions by the United States, Denmark and France have alone cost SA exports about nine million tons a year in losses.

"Now we have Mr Arthur Scargill, the British mine union leader, out on a campaign to try to spread sanctions to the whole of Europe.

"We wonder what explanation he will offer to his brothers of the National Union of Mineworkers in South Africa if some of them confront the realities of losing their jobs.

"South African exporters hit by sanctions are forced to seek sales on the world spot market, notorious for ridiculously low prices.

"The economic viability of several mines also comes under threat from domestic inflation, which has sent production costs soaring.

OPPORTUNITIES

"And now we have been hit by big increases in rail tariffs by Sats on shipments from the collieries to Richards Bay.

"South Africa is still a world player in international markets and there are still opportunities to be seized. We see good chances of an improvement in the near future

"But for the moment it is feared that redundancies may have already climbed to about 3 000. And we have to face the reality that perhaps another 10 000 mineworkers will lose their jobs by the end of the year"

Provisional estimates by the Chamber of Mines indicate that coal exports tumbled from 45,4-million tons in 1986 to around 39-million tons last year.

Labour row

Botha's reaction was "shocking".

'Here is a case of the President playing small-time politics. After all, Mr Hendrickse is a chairman of the Ministers' Council in the House of Representatives and leader of the majority party.

Extended SA sanctions ahead?

JOHANNESBURG — There is a strong chance that South Africa will face another round of sanctions this year, in spite of growing doubts about their effectiveness in bringing about political change.

This is the conclusion of the London-based Economist Intelligence Unit (EIU) in a report released in Johannesburg yesterday.

The report, entitled "Sanctions and South Africa: the Dynamics of Economic Isolation" expects an increase in sanctions would result as much from international developments as from the domestic political struggle against apartheid.

Both proponents and opponents of sanctions tended to exaggerate the potential and actual effects of sanctions in order to re-inforce their own positions. This resulted in diverting attention from the real implications of sanctions for South Africa.

The report says there is a growing uneasiness about sanctions among some of those with potentially the most to lose — including the South African black trade unions and the governments of neighbouring countries such as Zimbabwe and Zambia.

While they remained formally committed to comprehensive sanctions, the leaders of such groups privately expressed doubts about the sanctions campaign. Their doubts had grown since it became clear that majority rule in South Africa was not just around the corner.

While comprehensive and mandatory UN sanctions could not be ruled out, it was likely that there would be "some further partial tightening of the noose", which could have profound implications for a post-apartheid South Africa.

The report says South Africa's growing economic isolation had been made possible partly by changing perceptions of her importance to the West. Her mineral resources, for example, were regarded as less critical to Western economic survival than they used to be.

It was no co-incidence that the sanctions campaign had received strongest backing from countries and interest groups which stood to gain most in replacing South Africa in world markets.

The recent wave of US company withdrawals partly reflected the generally low profitability of foreign investment in South Africa in the eighties. However, in the case of profitable enterprises, the "withdrawing" companies had tended to maintain close links with their erstwhile subsidiaries.

Regarding the "bankers' sanctions" which precipitated the August 1985 debt moratorium, the banks' "scramble for the door" was due not so much to repugnance at political developments in South Africa, as to imprudent policies at the SA Reserve Bank and panic as one US bank attempted to steal the march on its competitors. — Sapa

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SA minerals lose their sparkle in eyes of the West

More sanctions likely — report

THERE is a strong chance that SA will face another round of sanctions this year, despite growing doubts about their effectiveness in bringing about political change in this country.

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The expected further sanctions would result as much from international developments as from the domestic political struggle against apartheid, said the report, entitled "Sanctions and South Africa: the Dynamics of Economic Isolation"

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The report said there was growing unease about sanctions among some of those with potentially the most to lose — including SA black trade unions and the governments of neighbouring countries such as Zimbabwe and Zambia. While they remained formally committed to comprehensive sanctions, the leaders of such groups privately expressed doubts about the sanctions campaign. Their doubts had grown since it became clear that majority rule in SA was not just around the corner.

The wide range of motivations and vested interests involved made for "acute uncertainty" about the future course of SA's economic relations with the outside world, the EIU said.

While comprehensive and mandatory UN sanctions could not be ruled out, it was more likely that there would be "some further partial tightening of the noose", which could have profound implications for post-apartheid SA.

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Business as usual but...

Rangel mangle puts screws on US businesses

SVEN LUNSCHE

The introduction of the so-called Rangel Amendment, the temporary climax to the sanctions campaign in the United States, is expected to make even the most dogged of companies rethink their position in South Africa.

A trade of protests by the remaining 162 US companies in the country, local businessmen and politicians has so far proved fruitless.

The amendment is certain to be a low blow to the profitability of US multinationals operating in South Africa, as it repeals tax credits for American companies received at home for taxes they paid in this country.

Threatening

While there might be efforts in the wings to hit back at or at least dilute the amendment in this year's congressional session, the clause is already threatening to push many US businesses, especially those generating marginal profits, out of South Africa.

This would represent a continuation of the recent trend that saw disinvestment maintained at a high level last year.

Since 1984, 126 US companies have disinvested from South Africa, with a peak reached in 1986, when 49 firms left the country, and about 30 companies withdrew in 1987.

But the question critics are asking is whether disinvestment and for that matter sanctions and boycotts are bringing the South African economy to its knees.

It was inevitable that the pace of disinvestment would accelerate in 1987 after the passage of the Comprehensive Anti-Apartheid Act through the US legislature in late 1986.

Many of the disinvesting firms, nonetheless, managed to find ways of retaining access to South Africa's lucrative markets, largely through the maintenance of licensing, distribution or franchise agreements with a local firm.

Huge amounts of money are also flowing into the country, so that companies can repay debts or start new ventures after their US-based companies have withdrawn.

Less pressure

Further pressure on the remaining US companies in the country has also been eased by the fact that, according to a recent study, the number of US states and cities passing divestment and other anti-apartheid ordinances fell to zero in the second half of last year.

To summarise, in most cases it has been business as usual.

South Africa should also be feeling the squeeze of the sanctions imposed last year by the US, the European Community and other industrialised countries. Is it?

Not if the aim of sanctions was to bring apartheid tumbling down. In 1987, the year after sanctions were first imposed by both the South African economy and Government look in reasonable shape.

May's elections swept President Botha back to power and parties to his Right displaced those to his Left as the opposition.

Increased surplus

In a recent interview with the *Financial Times*, Reserve Bank Governor Dr Gerhard de Kock said: "Despite sanctions, South Africa has managed to increase its trade surplus, while disinvestment — far from bringing the economy and the Government to its knees — has 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 changes. They have forced business to divert its energies into busting sanctions and profiting from disinvestment."

The outcome of sanctions might have been different if the measures had been more ambitious.

The bewildering range of sanctions (see accompanying chart) nominally affects only about 30 percent of South Africa's exports, according to research by the London-based Economist Intelligence Unit, and mostly items that compete directly with the sanctions-imposers' exports, such as coal, iron and steel.

Yet about half of South Africa's export earnings come from gold and another tenth from diamonds and strategic metals.

South Africa has also been lucky. The dropping oil price and a stronger rand have cut its import bill, while the gold price has soared from about $280 an ounce in 1985 to about $500 last year.

Therefore, allowing for all the leaks and distortions, *The Economist* recently estimated that official sanctions have cut exports by only about 3 percent, rather than the 8 percent that should in theory be reached if all the current sanctions had been strictly adhered to.

However, while South Africa has been let off lightly up to now, it will certainly need huge investments in future to create jobs for its burgeoning population.

Coming on top of the fact that the country cannot obtain capital from foreign banks, the loss of foreign capital poses a serious threat to the economy's capacity for growth.

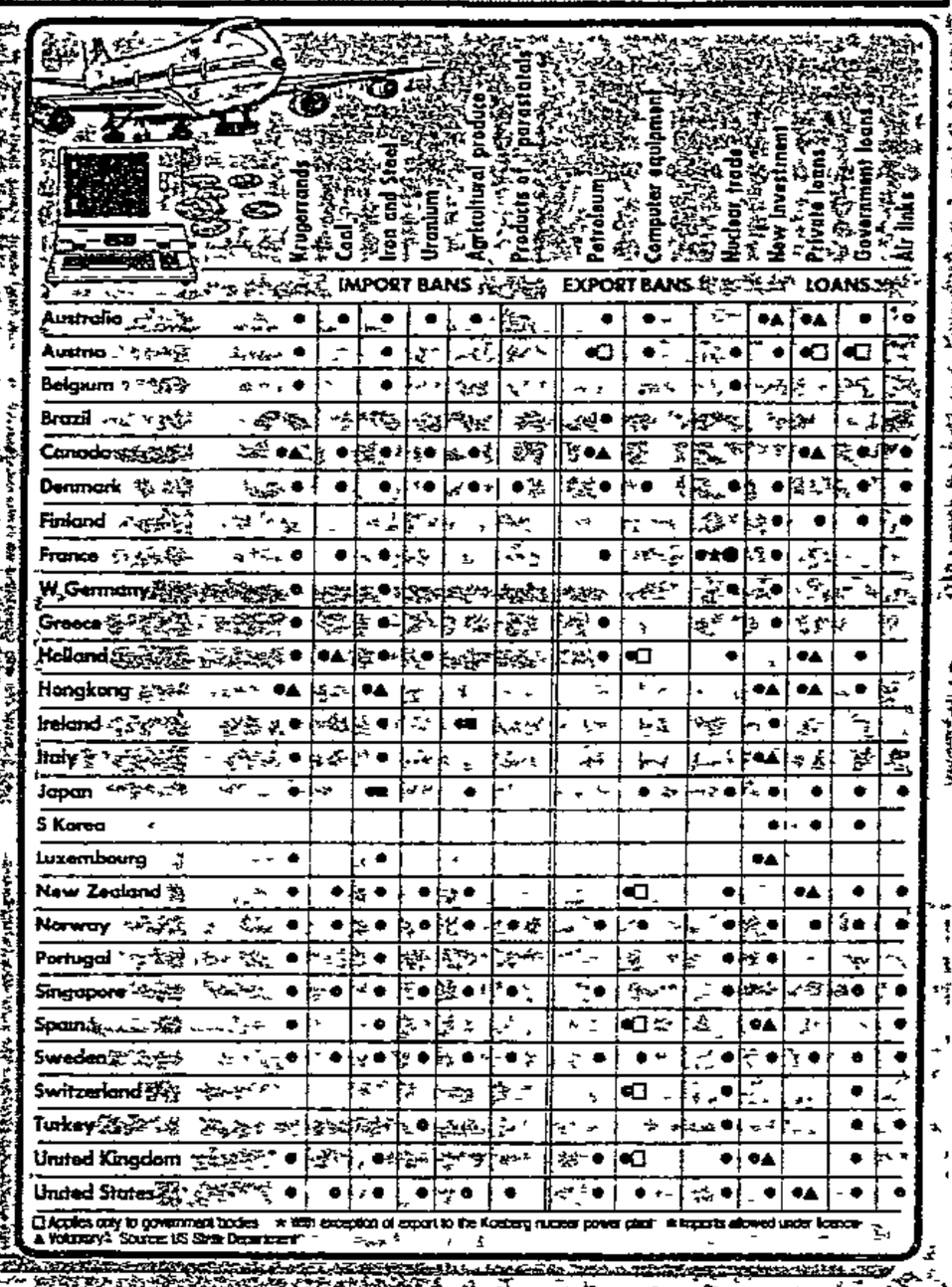
Interest rates

At the moment the subdued growth rate of the economy has sheltered South Africa largely from the lack of foreign investment.

But if the economy improves and consumers and corporations cannot find the money to sponsor this growth, interest rates will rise and inevitably choke off the recovery.

It is then that disinvestment campaigners can hail their leads up high and point to the increasing number of unemployed blacks to show the success of their campaign.

The vast range of sanctions



'Disinvestment hinders reform'

MUNICH — Disinvestment by Western companies in South Africa is hindering the reform process there, according to a report by the West German section of the International Chamber of Trade.

Sanctions and the withdrawal of foreign firms and capital had so far only led to a hardening of the South African Government's stand, the German chamber said. The South African economy, on the other hand, had shown hardly any signs of suffering from the measures. The withdrawals, particularly of multinational companies, were "counter-productive". — Saturday Star Foreign News Service.

Business Report

Sanctions and lower dollar hit suppliers

Cape Times 21/1/88

Export drop threatens 13 000 coal mine jobs

JOHANNESBURG. — The toll of retrenchments in South African coal mines threatens to push the number of jobs to be axed from 3 000 to as high as 13 000 inside a year because of a multimillion-rand nosedive in exports.

This estimate was revealed yesterday by Allen Cook, chairman of the collieries committee of the Chamber of Mines, who confirmed that sanctions had slashed exports by about 9m tons a year.

Hit by declining export earnings — linked to the weaker dollar — as well as by sanctions, coal mines have laid off up to 3 000 coal miners to date, according to trade unionists.

The 300 000-member National Union of Mineworkers (NUM) cautioned that thousands more could be retrenched if mine owners proceed with plans to cut staff and close uneconomic pits.

"The mining houses have indicated this is only the beginning of the retrenchment," said Marcel Golding, the NUM's assistant general secretary.

General Mining Union Corp Ltd last month laid off 1 165 miners and cut coal production by 40% at its Ermelo colliery.

Last april the same mine retrenched 400 miners.

The Witbank Colliery company, run by Rand Mines, has axed 550 jobs at its Welgedacht mine, and 308 jobs at Van Dyks Drift. Anglo American Coal Corp has informed shareholders that its Landau colliery faces closure.

A NUMBER of opinion polls among blacks have produced varying results, but the latest, conducted last year by the Community Agency for Social Enquiry (Case), indicated majority support for punitive economic measures.

The Case survey showed 46% support for sanctions to press for the lifting of the state of emergency with another 21% wanting sanctions to remain in force until the government abdicates.

Earlier surveys claimed that blacks supported sanctions only until their own jobs were on the line.

The London-based Economist Intelligence Unit said in a report this week that sanctions were proving counter-productive.—UPI

Anglo American is also planning to close its Witbank colliery within the next few months with the probable loss of several hundred jobs.

Graham Boustred, chairman of Anglo American Coal Corp, said in an annual report that the industry suffered a R1,3bn loss in foreign earnings last year.

Cook, of the collieries committee, also laid blame on SA Transport Services for worsening the industry's problems by recent steep increases in rail tariffs on export shipments.

"The industry is struggling with a host of problems at the moment," said Cook.

"Sanctions by the United States, Denmark and France have alone cost South African exports about 9m tons a year in losses.

"Now we have Arthur Scargill, the British mine union leader, out on a campaign to try to spread sanctions to the whole of Europe."

Cook added that South African exporters hit by sanctions were forced to seek sales on the world spot market — notorius for ridiculously low prices because of international over-supply.

"The economic viability of several mines also comes under threats from domestic inflation, which has sent production costs soaring.

"And now we have been hit by big increases in rail tariffs by Sats on shipments from the collieries to Richards Bay.

"SA is still a world player in international markets and there are still opportunities to be seized. We see good chances of an improvement in the near future."

 TRG45 21/1/88 280

BMW's top man calls for a 'Marshall Plan'

By DEREK TOMMEY
Finance Editor

IF THE West were serious in wanting to uplift and improve the conditions of black South Africans it should think about starting some kind of Marshall Plan which would generate the growth rates this country badly needed, said BMW's top man in South Africa, Dr Walter Hasselkus.

This was what BMW told foreign politicians, media representatives, trade unionists and others who were continually confronting the German company on sanctions and disinvestment.

A huge economic aid programme coupled with some form of political reform would be a far more innovative way of creating long-term prosperity than the "crude technique" of sanctions, he told the Press in Pretoria recently.

If South Africa was to provide jobs in the formal sector for its growing labour force the economy would have to grow by 5,5 percent a year.

But South Africa would not achieve that objective as long as the West imposed some form of sanctions, as long as no new capital was invested and as long as Western banks refused this country credit.

Dr Hasselkus said he had seen some improvement in the political situation.

There had been a subtle, almost unnoticed but important change in perceptions here and overseas about South Africa. This was evident in black and white politics, in business circles and even among key politiiana and business people in the United States and Europe

REALISM

Dr Hasselkus said there was a "new realism" abroad and it was hard to believe that even as recently as 1985 people considered that a major change, perhaps even a classic revolution, was imminent.

Business was also being confronted by increasing realism. People were realising that business could no longer avoid political involvement.

Dr Hasselkus cited the Government's plan to force companies to deduct rent from the wages of their black employees who were in turn being forced not to pay rent by roving bands of township "comrades".

"This is clerly a purely political issue in which companies do not want to become involved. But already many of us have been drawn into it."

Another example of companies being involved in politics arose from recently amended labour legislation.

"The most important labour lesson we have learnt is that labour laws do not provide solutions to management/labour problems," he said.

"We do not believe that we at BMW need yet another law as a backstop to our agreement with the union."

Dr Hasselkus said BMW's experience suggested that South Africa should develope relatively small plants at which fewer than 5 000 people were employed and where morally-binding relationships could be established and upheld.

THE ECONOMY

Untangling the rhetoric: A sober look at disinvestment

A study by Merle Lipton, a prominent liberal critic of South Africa, attempts to separate the practical implications from the political symbolism. HILARY JOFFE reports

A SOBER look at the arguments about sanctions is contained in a new study by the Economist Intelligence Unit in London.

Sanctions and South Africa: The dynamics of economic isolation, published this week, was written by Merle Lipton, a former South African and author of *Capitalism and Apartheid*, published two years ago.

Measuring the effect on the South African economy of sanctions and disinvestment is a difficult enterprise. Their impact in recent years is hard to disentangle from the more general effects of deterioration in the economy, lack of business confidence and South Africa's changing position in the world market.

Lipton points to the adverse economic effects which these measures have had so far, on business confidence, and on economic growth and employment.

The "capital sanctions" foreign bankers imposed in 1985 have, in her view, had by far the most significant impact.

Sanctions and disinvestment generally are uneven in their impact, imposing costs on some but bringing benefits for others, she says.

Lipton is critical of arguments against sanctions which rely on crude predictions of their effect on, for example, unemployment.

Her reservations are more centrally based on the effects of the imposition of sanctions on South Africa's political dynamics: in her view increased sanctions have been among the factors reducing the "political space" inside the country.

Increasing repression in recent years, a response to external pressures as well as internal resistance, has destroyed some of the space for opposition organisations, as the government has grown more attracted to a more insulated siege society.

The evidence suggests that the impetus to change in South Africa, particularly in the 1970s and 1980s, has come more from internal resistance than from external pressures. And a central question which Lipton's study raises is the effect of sanctions and disinvestment campaigns in strengthening or weakening opposition organisations.

Sanctions and disinvestment have become, crucially, symbolic stances for anti-apartheid campaigners and other governments as well as for their proponents inside South Africa. In turn, the opponents of sanctions and disinvestment are waging their own ideological battle.

Lipton's argument is that the importance of sanctions as symbol has tended to confuse or stifle the debate on precisely how such economic measures would work to bring about change.

Her study is based on published sources rather than original research but it is useful in that it assesses the evidence on the implementation and effects of sanctions thus far and attempts to explore the different positions in the debate neutrally.

It is particularly interesting in exploring the combination of morality, self-interest and *realpolitik* which have shaped the sanctions imposed against South Africa so far.

And decisions of disinvesting companies or of bankers have been as much shaped by financial as moral or political considerations, dynamics which Lipton examines in detail.

But the symbolic force of sanctions as a rejection of racism continues to be great and there is a range of interests involved in the international debate. Hence, Lipton argues, it is impossible to predict the course of the sanctions company in the future.

But she considers many of South Africa's key exports to be "effectively unsanctionable". About 40 percent of exports, with coal top of the list, would be vulnerable to sanctions.

But, Lipton writes, the other 60 percent of South Africa's exports are not. On this list are precious metals and minerals, such as gold, and the strategic minerals chrome and vanadium.

She also takes a careful look at South Africa's vulnerability to sanctions of its key imports of capital goods, arms and oil and outlines the ways the government has acted and might act in the future to neutralise the effects of such measures by developing local sources of supply as it has done with Armscor or Sasol, through other import substitution measures or import cuts.

First National Bank of Southern Africa Limited Registered Bank



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Book outlines how sanctions can work

by ALAN FINE

JOHANNESBURG — Penguin is to publish a new book on sanctions which the blurb claims is "the book that will help you make up your mind on one of today's most urgent issues"

Ultimately, The Sanctions Handbook — co-authored by two British-based journalists with extensive experience in Southern Africa, Mr Joseph Hanlon and Mr Roger Omond — is designed to provide anti-apartheid groups with new ideas for promoting the sanctions campaign.

Mr Omond examines the views of black and white South Africans on the effects of sanctions on the economy.

In the short term sanctions, combined with guerilla war, seem insufficient to force South African whites to the negotiating table, he writes.

This will have two simultaneous effects. Those committed to sanctions will demand they be intensified, while the uncommitted will point to the failure of economic measures and "try to shrug off further responsibility for trying to end apartheid."

Mr Omond also predicts that major black union groupings — like Cosatu — will come under countervailing pressures, both from members and from the government.

The worsening economy will cause the business sector to push for reform, he says.

Whether the government takes any notice will depend on their confidence and on the State Presidents' successor.

While the potential of sanctions in the long-term remains to be seen, they do demonstrate world condemnation, he writes.

In contrast, Mr Hanlon looks at sanctions already in force and the effect they have had.

He proposes measures which can be taken to alleviate their effects on other southern African countries, and to avoid a situation where other countries will open markets to replace those lost to present trading partners.

Mr Hanlon also lists a "directory" of 50 types of sanctions that can be imposed by pressure groups in the absence of comprehensive western measures.

DID 25/11/88 (280)

Sanctions will avert bloodbath says Kaunda

ROME — Sanctions against South Africa would help to avert a bloodbath, the President of Zambia, Dr Kenneth Kaunda, said here yesterday.

Dr Kaunda, who began a five-day visit to Italy yesterday added that western countries should impose them if only out of self-interest.

He told the Italian newspaper, La Repubblica, that the apartheid system was a bigger problem for black states in southern Africa than their own foreign debt.

He acknowledged that sanctions would harm neighbouring black states such as Zambia, whose economies depend on South Africa.

But, he added: "Better sanctions rather than millions of deaths."

Dr Kaunda said the leaders of Britain, West Germany and the US, the main western opponents of sanctions, argued that they would make blacks suffer but were really interested in protecting their investments in South Africa.

"But I say: 'if you don't want to help us for reasons of principle . at least do it out of fear that your investments will go up in smoke'."



PRESIDENT KAUNDA

Dr Kaunda, who is the chairman of the Organisation of African Unity and leader of the group of black Frontline States in southern Africa, is due to meet Italian leaders for talks today and tomorrow.

On Wednesday, he will address the governing council of the Rome-based International Fund for Agricultural Development

280 288

British union charges Clegg over SA gigs

Own Correspondent

LONDON. — Despite calls by the African National Congress for a more "flexible" approach to the cultural boycott, its suporters here are continuing to hinder the efforts of South African artists to seek international exposure.

In the latest event of an ongoing saga; Savuka's Johnny Clegg is being charged by the British Musicians Union (BMU) with failing to give an undertaking not to play in SA.

The union's action is causing embarrassment to the ANC because British-born Clegg, as well as being a BMU member, is a member of the UDF-linked SA Musicians' Union.

At a recent cultural conference in Amsterdam it was agreed that artists approved by the UDF would be exempted from the cultural boycott.

Clegg, whose latest single Asimbonanga is dedicated to Mr Nelson Mandela, joined the BMU to enable him to play in Britain The BMU, however, is apparently not impressed with his anti-apartheid credentials.

Last year it unsuccessfully tried to ban Clegg from playing in Britain.

The application of the cultural boycott has been an increasing source of embarrassment to the ANC in recent years

The ANC's call for a more flexible approach followed the humiliating failure of an attempt to get its supporters to boycott Paul Simon's Graceland concerts at the Royal Albert Hall.

The call went almost unheeded, not just by audiences, but also by prominent exiled musicians Miriam Makeba and Hugh Masekela who joined Simon on stage

Soon after that, ANC president Mr Oliver Tambo unveiled the new "flexible" approach which entailed SA musicians being cleared by the UDF to perform internationally, and overseas artists seeking the go-ahead from the ANC before appearing in SA.

While welcomed in some circles, the new approach has been rejected by many leading artists, both inside and outside SA, who say they have no intention of allowing either the ANC or UDF to be the arbiter of where they perform.

Argus

January 27 1988 3

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R52-million for secret sub plans — report

The Argus Foreign Service

MUNICH. — South Africa paid R52,7-million for secretly-supplied German submarine plans and will probably get most of the money back, it was disclosed in Kiel this week.

The Kiel shipyard Howaldtswerke received R36,5-million for the plans and the Lubeck engineering agency IKL got the rest for arranging the deal, the Schleswig-Holstein State Parliament was told by Economics and Finance Minister Mr Roger Asmusen.

The plans were smuggled to South Africa by diplomatic pouch.

The affair is now being investigated by a Bonn parliamentary inquiry committee. However, a Kiel legal investigation of the case has been dropped.

Mr Asmusen said the money paid to Howaldtswerke had been frozen in a special account after the deal was discovered. It had now grown to R39,3-million with interest and would probably be returned to South Africa.

Mr Asmusen did not say when he expected the money to be released, nor did he say whether the R16,2-million paid to IKL would also be returned.

Japan 'embarrassed' at being SA's top trade partner

Own Correspondent

TOKYO — The Japanese government is embarrassed about the country's emergence as South Africa's leading trading partner, but foreign ministry officials said the reason for this is rise of the yen. They said there has been no increase in trade.

The publicity surrounding the development may push the Japanese government into taking additional sanctions against South Africa. But divisions exist within the government over the need for further action. Some officials claim that Japan's sanctions are already tougher than those of most Western countries.

According to the International Monetary Fund statistics, the United States slipped to fourth place among South Africa's trading partners in the first seven months of last year, while Japan was a clear leader, 13% ahead of West Germany in second place, and 59% ahead of Britain in third.

In dollar terms, Japanese trade with South Africa rose 24% between 1984 and last year, while in yen terms it declined by 24%.

Japanese officials think they have been unjustly criticized by other countries. Their sanctions against South Africa include restrictions on investment, travel and imports and exports of certain strategic products.

Some officials also believe the government should put pressure on certain key exporters to South Africa to restrict their imports to that country. For example, Japan's exports of iron and steel and motor vehicles to South Africa increased last year.

But there is no consensus within the government to put pressure on exporters.

Similarly there seems to be no agreement on whether the country's policy should be to continue to put pressure on the South African government or to press for full economic sanctions.

Officials said the Japanese people's lack of awareness about the South African situation made it difficult to win support for tougher action against the South African goverment.

They hoped that the Attenborough film "Cry Freedom", which is to open in Japan soon, would have an effect on public opinion

● Japan yesterday joined the US in imposing tough sanctions against North Korea to protest against the alleged sabotage of a South Korean airliner last November, in which all 115 people aboard died.

280 B/day 27/1/88

Sanctions have little support — Koornhof

SIMON BARBER

WASHINGTON — Risking possible ridicule, ambassador Piet Koornhof is using a survey of 50 000 largely sympathetic Americans on his embassy's mailing list to argue that sanctions have negligible public support here.

This is at variance with a professional poll commissioned by the Embassy in October 1986 showing 37% support for increased pressure on SA.

One of Koornhof's assistants said recently the mailing list survey was "not scientific" and had been meant for internal use. It had not been intended as a measure of popular sentiment.

Instead, the intention had been to help mobilise Americans known to be friendly to SA's cause.

The mailing, sent out in October last year, comprised a reprint of an anti-sanctions article from Forbes Magazine, an appeal from the Ambassador, and a questionnaire.

Recipients were drawn from the embassy's contact list, visa applicants, and names provided by Satour. The response rate was said to be around 20%.

Koornhof began citing the results in an interview with the Wilmington News Journal last week and at several speaking engagements.

Unfair

Journal reporter Merrit Wallick said the Ambassador did not describe how the poll was taken and described it only as an "SA government survey".

Koornhof said the survey found 85% believed the media portrayed SA unfairly and only six per cent believed sanctions were effective, Wallick reported.

Full results provided by the embassy found 81% of respondents had travelled to SA. The most valid finding was on the impact of their visits. Before and after "positive perceptions of SA" rose from 43% to 69%.

Sixty-seven per cent approved government attempts to "eliminate apartheid" and 62% believed the reforms would broaden democracy in SA.

Eighty-one percent were concerned by claims that sanctions against SA had increased US dependence on the Soviet Union for strategic minerals.

UK bursaries for black S. Africans

CAPE TIMES 28/1/88 280

Own Correspondent

LONDON. — More than 2 500 black South Africans will benefit from a British plan to make £21 million (about R62 million) in education grants available over the next five years.

The grants are the main feature of a package of positive measures agreed by the British government which believes this kind of assistance, and not mandatory economic sanctions, is the most effective way of helping peaceful development and change in SA.

Releasing details of the education package, a spokesman for the Overseas Development Agency said a total of £2,85m would be spent in this financial year.

British education aid has expanded rapidly from £512 000 in 1984/5 financial year, £850 000 in 1985/86 to £1,5m in 1986/87.

The grants are available through seven separate schemes.

- The postgraduate scheme makes 140 bursaries year available for graduates with degrees in English, mathematics and science to study at a university or higher education institution in the UK.
- The Nassau Award scheme, run by the Commonwealth secretariat, provides 50 bursaries a year for postgraduate training in "key areas" at a British university.
- The British Undergraduate Scheme offers 80 — increasing to 90 — awards to study for degrees in mathematics, science, technology and social sciences at UK universities.



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week.

UDF slates UK union over Clegg's SA ban

CAPE TIMES 28/1/88

Staff Reporter

THE British Musicians' Union's call for Savuka leader Johnny Clegg not to play in South Africa was described by the UDF as "ridiculous".

A UDF spokesman said it appeared that the union was deciding for itself what the cultural boycott should be and how it should be applied.

"Perhaps if it consulted with South Africans about this whole issue it would get a far clearer and more cohesive picture," the spokesman said.

He said it was not anybody's intention to prevent people like Clegg from going abroad and "projecting our struggle there".

British-born Clegg joined the union to enable him to play in Britain. He is also a member of the South African Musicians' Alliance.

The alliance, of which Clegg is vice-president, said it did not understand the British union taking a stand like that against him.

A spokeswoman for the alliance said: "As far as we know Johnny consulted with the mass democratic movement in this country and was given the go-ahead to perform overseas."

The Facts

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SANCTIONS AND JOBS

Sowetan 29/1/88

THE president of the Chamber of Mines, Mr T I (Naas) Steenkamp, issued a warning yesterday that escalating unemployment as a result of sanctions, would logically lead to South Africa adopting a preferential labour policy which would hit neighbouring countries.

Speaking at a luncheon given by the Chamber in honour of Bavarian premier, Dr Franz Josef Strauss, Mr Steenkamp said it was estimated that about 8 000 jobs had been lost in the coal industry since 1985.

Of the 750 000 people employed in the mining industry, 90 percent were black and of these, 40 percent were foreign workers, he said.

UDF swipe at 'ridiculous' UK music bar on Clegg

By STEVE GORDON, Cape Town

THE cultural desk of the United Democratic Front this week hit out at the British Musicians' Union for their attack on Johnny Clegg.

The BMU had criticised Clegg, who holds a British passport and is a member of the union, for playing in South Africa.

"It is ridiculous to expect a South African musician not to play in his own country," a cultural desk representative said.

Speaking in Johannesburg on his return from London and on his way to New Zealand, Clegg said: "We just went over to do the video for Asimbonanga (Mandela)."

The video was largely made up of footage shot during the 1985-86 State of Emergency as well as live footage of his band, Savuka, which was filmed in London, he said.

Last week, while Clegg was in London, he received a letter from the BMU. Dated January 6 1988, the letter, from Sid Allen of the Brighton branch of the musicians' union, complained about Clegg's failure to reply to a letter they sent to him in July last year.

"As you have not replied to my letter of May 6 1987 and July 1 1987 and have also failed to give undertaking to observe the Musicians' Union's embargo on its members working in South Africa, I am writing to tell you that I am charging you of ... conduct detrimental to this union."

Regarding the MBU criticism Clegg said he would "consult with the organisations here — I cannot just go along into this as an individual".

The UDF believes "progressive" artists from this country should be supported rather than harassed when working abroad.

"It is not anybody's intention to prevent people like Johnny Clegg from going abroad and projecting our struggle over there", the UDF statement said.

"Perhaps if the BMU consulted South Africans about this whole issue it would get a far clearer and more cohesive picture."

While the cultural boycott of South Africa remains strictly enforced by the African National Congress and its allies, that organisation has made it clear that the boycott should not be allowed to work to the detriment of progressive cultural forms emanating from South Africa.

At the recent Culture for Another South Africa conference in Amsterdam, delegates — including members of the ANC's cultural department — resolved that South African artists who want to travel abroad should first consult "the mass democratic movement".

Clegg has appeared with his band, Savuka, on Cosatu and UDF platforms.

In Cape Town, Musical Action for People's Power said: "We are supportive of musicians who offer a true reflection of the South African cultural struggle."

Clegg is still to be advised of the date for his MBU hearing, but says that he will certainly send a legal representative to it.

Savuka leaves soon for Auckland, New Zealand, where it will appear with The Pogues, James Brown, Bob Geldof and other stars in a major open-air festival.

Much change in SA, says Strauss

CANC Times 30/1/88 (280)

BONN. — The Bavarian Prime Minister, Mr Franz Josef Strauss, said at the end of his 10-day tour of Southern Africa that "much has changed for the better in South Africa".

Mr Strauss, whose trip provoked protests from black South Africans and from politicians in West Germany, said in an interview released here that he remained a firm opponent of sanctions against South Africa.

"I believe it is politically mistaken and morally irresponsible that those who demand sanctions from the safe position of European and American excess fail to consider the consequences," Mr Strauss had told journalists in Windhoek.

But Mr Gerhart Baum, deputy leader of the liberal Free Democrats (FDP), junior partner in Chancellor Helmut Kohl's coalition, said in a radio interview that Mr Strauss's tour had been "wholly negative".

Mr Strauss, who is the leader of the rightist Christian Social Union, said that what had most impressed him on his trip through Mozambique, South Africa and Namibia were his encounters with "those blacks who ... say a clear 'no' to violence and are ready to build a peaceful future for South Africa, together with the whites".

Mr Baum said Mr Strauss, who went to the region at Mr Kohl's request, had "completely failed to distance himself from the South African government".

From Windhoek it is reported that Mr Strauss ended his tour with attacks on the United States and European media

He singled out German television, accusing it of adopting a negative attitude towards South Africa and of twisting facts to mislead European public opinion.

Meanwhile, hopes for Namibian independence were decreased by the Minister of Foreign Affairs, Mr Pik Botha

Mr Botha, accompanying Mr Strauss, dismissed a visit by US Assistant Secretary of State Dr Chester Crocker to neighbouring Angola for fresh talks on the complex independence issue

"As far as the South African government is concerned, nothing much is going on According to my information, nothing substantially new has been proposed regarding Cuban withdrawal," Mr Botha told reporters

● Swapo yesterday claimed responsibility for the bomb blast in Windhoek this week, saying it was timed to coincide with Mr Strauss's visit to Namibia

A statement released through the organization's office in London said the supermarket inside the Suiderhof military base served exclusively "the South African occupation troops and their families". — Sapa-Reuter and Own Correspondent

Sanctions battle is far from won

LONDON. — There has been a lull since mid-1987 in the international sanctions campaign against South Africa.

But it may be temporary and future moves will be determined primarily by events in SA

This is the view of the London-based Economist Intelligence Unit in a report compiled by historian Merle Lipton. The report, a detailed and objective account of the sanctions campaign since its origins in the 1960s, says: "It seems unlikely that even full sanctions — unless accompanied by exceptional measures — would lead to a dramatic or quick collapse of the SA economy."

Miss Lipton points out, however, that sanctions are rarely pursued for their expected impact on SA. Advocates of sanctions usually have self-interested motives.

Complex

Her analysis of the complex pressures for and against SA sanctions leads Miss Lipton to postulate these scenarios.

● A continuing lull — sanctions remain in place but without any great new thrust. This presupposes no new upheavals in SA, but could also result from world preoccupation with some entirely different area, such as the Middle East. ● Resumption of gradual incremental sanctions.

"The next possible steps in this process might be the adoption of sanctions on coal and agricultural products by the EC and Japan."

● Changes in the strategy — perhaps a shift "towards a more complex and differentiated approach", with the lifting of sanctions against employers who meet specified criteria.

● Major intensification of sanctions if the packages adopted by the Nordic countries become more widespread. "The most likely catalyst of this development would be another disaster within SA or the region."

● Erosion of sanctions is conceivable if the cost to the rest of the world becomes too high. This could happen if there were a raw materials shortage after a spurt in world growth.

By Richard Rolfe

The conclusion is that the second scenario — continued incremental sanctions, evolving at some point into a major intensification — is the most probable. But "the fluidity and complexity of the situation is such that this course cannot be deemed inevitable and each of the other scenarios is possible".

SA business leaders have tended to assume in recent months that the battle against sanctions has been won, both in intellectual and practical terms. This view takes the US Anti-Apartheid Act of 1986 as the high-water mark of the campaign.

It also recognises that SA black groups which previously advocated sanctions and disinvestment have become less certain of their ground as the costs of these moves have become more apparent — job losses, reduced social responsibility commitment as US firms have withdrawn and less pressure for change from the new SA owners of foreign assets.

Business has also been encouraged by the attitude of leaders like President Reagan and Mrs Thatcher and their opposition to sanctions in the UN Security Council and in European Economic Community forums. Hence business leaders have been saying: "The sanctions battle has been won."

Miss Lipton turns some of these arguments on their head. In her view, the significant point is that sanctions intensified from 1984 to mid-1987 despite the opposition of key Western industrial nations and of multinational companies.

She says: "Many people — and certainly Marxists — would expect that the economic power of these two groups would be sufficient to block economic sanctions which adversely affected their interests."

Part of the problem is that these interests have changed. With the rand's devaluation, reduced profitability of SA companies and reinvestment elsewhere, few multinationals now make more than a small percentage of their profits in SA.

Likewise, neither governments nor Western public opinion are overmpressed by arguments hinging on the strategic nature of SA minerals — certainly not to the extent that disruption of SA supplies is seen as comparable to the oil shocks of the 1970s.

Instead the view is that any future SA black government would need Western markets for its minerals, and that disrupted supplies are just as likely under the present dispensation.

For all that, Miss Lipton points out, substitutes for platinum group metals in particular would be virtually impossible to find. Sanctions against SA minerals have been cautious and largely confined to those which are in oversupply

But "as minerals account for over 60% of SA export earnings, it is impossible to have meaningful sanctions which exclude them."

It might appear that the sanctions campaign has become so discredited, both in terms of self-interest factors and its unpredictable effects, that it runs the risk of being disregarded. But this view would be unduly complacent. Miss Lipton finds that there is a huge international pro-sanctions movement, embracing church groups, universities, trade unions and the ubiquitous anti-apartheid movement. The latter, she suggests, is even more radical than the ANC.

Dubious

Miss Lipton says the US "has become the most important force propelling the movement towards sanctions", not least because of its leverage over prospective sanctions-busting states like Israel and Hong Kong.

Independently, there have been reports that the US is seeking to raise the level of Europe's sanctions to those of its anti-apartheid legislation.

Thus in spite of the dubious history and motivation of many sanctions, it seems that the lull may only be temporary.

"In the long run, they might contribute to the erosion of white control over the whole of present-day SA. But the outcome might not be black rule over an undivided country."

SA sanctions before its too late, urges Kaunda

Pers 31/1/86

CP Correspondent

ORGANISATION of African Unity chairman Kenneth Kaunda said on Wednesday the West must impose sanctions against South Africa before it was too late to stop an explosion of violence.

The Zambian president called for comprehensive mandatory sanction, saying apartheid was an "affront to the whole international community".

He was addressing a meeting in Rome to celebrate the 10th anniversary of the UN International Fund for Agricultural Development.

Kaunda said those in the West who opposed sanctions were worried about their investments, but these would be destroyed if there was an explosion of violence in South Africa.

At a Press conference later he said: "If we cannot be moved by the suffering of the black people, then for God's sake, let us be moved by the threat of an explosion."

Kaunda also attacked Israeli action to suppress unrest in the occupied West Bank and Gaza Strip

He said there was no chance of African countries renewing diplomatic relations with Israel, "as long as she continues to occupy Arab lands, so long as she continues to do what she is doing to the Palestinians".

Refering to OAU efforts to end wars in Africa he said: "We are not idly sitting by, we are doing something about these problems ... But powerful forces of the West, which have heavy investments in South Africa, don't want us to succeed.

"They want to prove Africa can't do it. I assure you, we are going to prove them wrong."

He said the whites of South Africa should not be afraid of ANC leaders Oliver Tambo and the jailed Nelson Mandela.

"I know both are decent men who would govern the country on the basis of multi-racialism," he said.

Asked why Africa had not voted solidly for its candidate, Moise Mensah of Benin, in the recent election for director general of the UN Food and Agricultural Organization, Kaunda said OAU countries had been divided along the lines of alliances with East and West.

He said because the West was backing Mensah, Soviet allies felt they must support the incumbent, Edouaard Saouma of Lebanon, who won the election. – Sapa.



Kenneth Kaunda

Nordics to help Frontline states

C/Pres
31/1/88

CP Correspondent

SCANDINAVIAN and Frontline foreign ministers, who ended a two-day meeting in Arusha yesterday, have pledged to step up the defence of South Africa's neighbours in the struggle to end apartheid.

According to reports, all the Nordic countries are to consider helping their Frontline counterparts through providing non-lethal military assistance to counter Pretoria's "war of aggression".

It was announced at a joint Southern African Development Co-ordination Conference and Nordic states' Press conference that the Scandinavians were expected to push for more pressure on South Africa.

Western countries would be urged to join the Nordic trade boycott of South Africa, implement the UN Security Council mandatory sanctions package and increase assistance to both Frontline and SADCC members this year.

Sweden, Denmark, Norway, Finland and Iceland have implemented wide-ranging trade bans on South Africa.

Closing the joint meeting – a follow-up to the first meeting in Sweden, in June 1984 – Zambian Foreign Minister Luke Mwananshiku said the ministers took note of South Africa's "move to step up its war against Mozambique and Angola to preserve apartheid".

"We noted that the threat against international peace and security has increased," he said. – Sapa

Disinvestment hasn't hurt African Cables

STAR 1/2/88

280

During the past year control of African Cables was transferred to South Africa. Previously it had rested in British BICC PLC but in May last year 1987, Cullinan Holdings bought their entire shareholding. In September 1987 they increased their stake to just over 50 percent.

The technical agreement with GEC Cable group in the UK was also terminated. This now allows African Cables own technical staff to visit other countries far more frequently and must result in a higher degree of in-house knowledge.



I pose the question: Just who is the loser in all this disinvestment nonsense? The UK shareholder lost out on its share of the final dividend — a cool R1 million and the technical and commercial fees of R838 000 paid in 1987 will be substantially saved in future.

Modern technology and new products can always be acquired abroad and brought back to SA for copying purposes and produced much cheaper, too. When one door closes, another one opens and SA businessmen simply learn to be more resilient.

Despite these changes, 1987 produced the best results of the decade. Turnover increased to R104,5 million (1986 R95,3 million). Margins improved substantially with net income before tax R15,4 million (1986 R9,1 million). After tax earnings totalled R7,85 million (1986 R4,8 million) producing 33,5 cents (1986 19,9 cents) earnings per share.

Dividends were increased to 22 cents (1986 12 cents) absorbing R5,2 million (1986 R2,8 million). While the dividend payments appear exorbitant it must be noted that the group has no debt but large cash resources.

The cable industry is extremely competitive with excess plant capacity and too many players in the electrical power cable business, says outgoing chairman Mr A Bosworth Smith.

Apart from Bill Venter's Powertech group succeeding with combining Aberdare Cables, Asea Cables and Scottish Cables, there has been no real rationalisation in recent years.

African Cables attempted merger of interests with certain other cable companies was rejected by the Competiton Board. However, they did indicate that they were prepared to sanction certain other merging of interests but unfortunately agreement has not been reached with any third party to date.

At present order books are lower than a year previously. This often leads to orders being fulfilled on a short-run basis and far more costly. Unless the total overall demand for cable increases this is cause for concern.

However the anticipated increase in the generation of power, its distribution and reticulation arising from urbanisation and the present and future mining developments makes the medium to long term prospects for the cable industry good. New controlling shareholder Cullinan Holdings will also help through their mining connections.

The group's balance sheet deserves special mention for its strength and general improvement of all ratios over the past two years. Shareholders interest increased to R57 million (1986 R53,7 million) and working capital further improved to R39,7 million (1986 R35 million). The ratio of current assets to current liabilities is almost 3 to 1. Eye catching was the healthy cash balance of R25,4 million which exceeds total current liabilities of R23,7 million. With such large cash balances I query why interest received for the year was only R985 000 (1986 R782 000). This could have been much higher.

Recently the group obtained a licence from a major Japanese supplier to manufacture the complete range of super tension accessories which will save foreign exchange. In early 1988 African Cables will be in a position to offer locally manufactured cable, accessories and complete supply and installation on a turn-key basis utilizing local materials and skilled personnel. Hence losing its UK shareholder was no big deal.

Currently the JSE price is R2,75 and the net asset book value R2,50. Land and buildings are shown at cost R8,7 million but market value is substantially higher.

The dividend yield is currently 8 percent and the P/E ratio 12 times. If the trend of the past two years is anything to go by, a superb balance sheet base with no debt and substantial cash resources, it would be extremely difficult for African Cables management, who have done their work so well, not to maintain their upward momentum.

D | Dispatch 11/02/88

Ministers meet on sanctions

NAIROBI — The Canadian Foreign Minister, Mr Joe Clark ended a two-day visit to Kenya yesterday and flew to Zambia to chair a Commonwealth meeting at which he has promised to strengthen sanctions against South Africa.

The visit to Lusaka, the Zambian capital, is the most important of Mr Clark's four-nation Africa tour.

The meeting is the first of a foreign ministers' committee set up to monitor Commonwealth efforts to end South Africa's policy of racial separation.

The committee was formed at the Commonwealth summit in Vancouver last October despite strong dissent from the British Prime Minister, Mrs Margaret Thatcher.

Britain is not a member of the committee. Mrs Thatcher rejects Commonwealth demands for broader sanctions, arguing that they would cause suffering to the black majority in South Africa and neighbouring black-ruled states.

Other members of the committee are Australia, Guyana, India, Nigeria, Tanzania , Zambia and Zimbabwe.

A provisional agenda for the talks includes an analysis of responses from the 48-nation Commonwealth to sanctions, and possible assistance to the black-ruled states neighbouring South Africa.

Today's talks in Lusaka will be the first of a series of five before the next Commonwealth summit in Kuala Lumpur, the capital of Malaysia, next year.

Both Australia and Canada have publicly cautioned neighbour states against imposing sanctions themselves, because of their dependence on South Africa.

The foreign ministers are also to discuss ways of helping apartheid victims through education, trade union support and unspecified measures of countering censorship and propaganda in South Africa, according to organisers.

Zambian-based officials of the ANC have been asked to meet the foreign ministers tomorrow.

Most of the talks will be held behind closed doors.

The Zambian president, Mr Kenneth Kaunda, current chairman of the 50-member Organisation of African Unity, will formally open the conference at Lusaka's Mulungushi Hall.

In Kenya, Mr Clark visited Canadian aid projects and talked with President Daniel Arap Moi.

During the meeting, the Canadian minister discussed alleged human rights violations in this East African nation.

International human rights organisations, including Amnesty International, have accused Kenyan police of torturing, in some cases to death, suspects accused of opposing the government. — Sapa-AP

D Dispatch 11/02/88

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SAA jumbos are the latest anti-apartheid taggers' target

Star 1/2/88 280

Own Correspondent

DURBAN — Anti apartheid protesters in London are geared to strike at South African Airways' jumbo jets at Heathrow Airport.

To make their point, however, they will not use explosive devices but ordinary aerosal cans of paint.

"Taggers", as graffiti writers are known, are bent on gaining entry into hangars where SAA aircraft are parked and daubing them with slogans to make a political protest.

But police at the airport have warned that airline passengers' lives could be endangered by the their activities.

The warning, in the airport police newsletter, Eyes In The Sky, follows a plea in an American cult magazine, *Spraycan Artists*, for graffiti writers to start hitting 747s.

Graffiti artists are believed to be already planning for accomplices to distract police at Heathrow while aircraft are defaced.

According to the newsletter, one tagger said there was no point in hitting buildings any more. All they got was a slap on the hand.

"Everyone knows a 747 jumbo jet is the ultimate target. There is a danger, but it won't stop me trying."

SA exporters regain access to R14bn-a-year market

UK sanctions lobby defeat

LONDON — The sanctions lobby in the UK has suffered its worst defeat yet.

As a result of a vote in the House of Lords, SA exporters will again have access to a R14bn-a-year local authority market from which they have been excluded.

In a poorly attended debate which has received scant publicity here, the House of Lords rejected an attempt to remove from the Local Government Bill, clauses which forbid councils from boycotting SA products or companies with links to SA.

Bulk buyers

Anti-Apartheid Movement organising secretary Mike Terry, who described the vote as a "severe set back" for the sanctions campaign, estimated that until now, 80% of people in Britain lived in areas where councils operated boycott policies

MIKE ROBERTSON

against SA.

Local authorities are the largest bulk buyers in Britain spending R17,5bn a year on goods ranging from fruit and vegetables for school meals to sophisticated machinery and vehicles.

While Margaret Thatcher's Conservative government has been staunchly opposed to sanctions, agreeing to only a few largely ineffective measures which it regards as signals to SA to end apartheid, local authorities have implemented tough boycott policies.

The largest and richest metropolitan councils in cities such as Glasgow, Liverpool, Manchester, Edinburgh and Birmingham are Labour-controlled and all have operated purchasing bans on SA products.

The Conservative Party's large majority in the Commons ensured that the Bill passed through unamended, but the AAM was banking on the House of Lords blocking it.

The debate in the Lords was to have been held next Tuesday but was brought forward, giving the AAM only a day to muster its forces.

As a result only 60 Opposition peers attended the debate. One of them, the maverick Labour peer, Lord Paget of Northampton, voted with government, saying apartheid was the best available form of government for SA.

The Bishop of Sheffield tried to introduce an amendment that would allow local authorities to base purchasing decisions on moral or ethical grounds.

The amendment divided the house on party lines apart from the intervention from Paget.

Paget, a former Labour MP who supported UDI in Rhodesia, said he opposed the amendment.

He argued that the government of SA fulfills the three primary duties of any government: to feed its people; to employ its people; and to protect its people.

Paget was greeted with cries of shame from his fellow Labour peers.

The amendment was defeated by 112 votes to 59.

Terry said the AAM was extremely disappointed by the result as well as the low attendance by Opposition peers.

A final attempt would be made to amend the bill at the report stage in the Lords. But, in doing so, the AAM would give up the hope of amending the clause which forbids the boycotting of companies with links to SA.

Instead it would concentrate only on the clause affecting purchasing policy, which, once it became law, would represent the most serious setback to the sanctions campaign.

ANC asks for action from Commonwealth

Call for new sanctions

The Star's Africa News Service,
London Bureau and Sapa-Reuter

Star 1/21/85 280

Lusaka

The African National Congress is asking for fresh, hard action from the Foreign Ministers of eight Commonwealth countries, who are meeting in Lusaka today to discuss sanctions on South Africa.

A top-level ANC delegation, including Secretary-General Mr Alfred Nzo, has been lobbying delegates to the meeting.

However, the delegates to the two-day meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa said they would take "no momentous decisions".

The Star's London Bureau reports that the gulf between Britain and the rest of the Commonwealth over sanctions against South Africa will be underlined by Britain's absence from today's talks in Lusaka.

This is believed to be the first time that Britain has declined to participate in an important Commonwealth conference.

The Labour Opposition calls it a boycott and plans to deplore it in questions to Foreign Secretary Sir Geoffrey Howe in the House of Commons on Wednesday. There is also widespread dismay among Liberal and Social Democratic MPs and a significant minority of Conservatives.

The criticism centres on fears that Britain's absence will weaken the Commonwealth and reinforce an international impression that Britain is Pretoria's ally.

There is also regret that Britain is allowing the moral leadership of the Commonwealth to drift from London towards Ottawa, whose External Affairs Minister, Mr Joe Clark, will chair the meeting.

Britain, which rejects demands for tougher sanctions, is not a member of the committee, which was set up at the meeting of Commonwealth leaders in Vancouver last year. It is charged with keeping international attention on South Africa.

'Rubbishing'

The Lusaka delegates have accused Britain of "rubbishing the whole exercise".

The eight nations are Canada, Australia, India, Nigeria, Guyana, Tanzania, Zambia and Zimbabwe.

The talks are the first of a series of five before the Common wealth summit next year.

The eight Foreign Ministers did not agree on the agenda until the last minute. Their job is to put the nuts and bolts on the machinery established in Vancouver aimed at ending apartheid.

It was the Vancouver call for "wider, tighter, more intensified application" of sanctions to which British Prime Minister Mrs Margaret Thatcher objected.

Besides considering tighter sanctions on South Africa, the meeting will also look at ways of encouraging the opponents of apartheid within South Africa.

Canadian officials said the Ministers would discuss ways of increasing legal assistance and scholarships for the victims of apartheid, and support for South Africa's black trade unions.

Mr Peter Temple-Morris, vice-chairman of the Conservative Party's foreign affairs committee, said: "The party would be divided down the middle if they really had to make up their minds" (on sanctions).

Sanctions gulf widens

Britain snubs Commonwealth talks in Lusaka

The Argus Foreign Service

LONDON. — The gulf between Britain and the rest of the Commonwealth over sanctions against South Africa will be underlined today by its absence from talks in Lusaka on how to tighten the screw on Pretoria.

Foreign ministers of eight countries will meet there to inaugurate the Commonwealth Committee on South Africa, following instructions given at the Vancouver summit last October.

This is believed to be the first time that Britain has declined to participate in an important Commonwealth conference. The Labour Opposition calls it a boycott and plans to attack the government in questions to the Foreign Secretary, Sir Geoffrey Howe, in the House of Commons on Wednesday.

There is also widespread dismay among Liberal and Social Democratic MPs and some Conservatives.

The criticism centres on fears that Britain's absence will weaken the Commonwealth and reinforce an international impression that Britain is Pretoria's ally.

There is also regret that the government is allowing the moral leadership of the Commonwealth to drift from London to Ottawa — the Canadian External Affairs Secretary, Mr Joe Clark, will chair the meeting.

Mr Peter Temple-Morris, vice-chairman of the Conservative Foreign Affairs Committee, said: "The party would be divided down the middle if they really had to make up their minds (on sanctions).

"It is not right to stand alone decrying further sanctions when everyone else wants to make clear their disapproval of apartheid. It is putting undoubted stress on the Commonwealth . . ."

Other aspects

Mr Gerald Kaufman MP, a Labour spokesman, will be among MPs tackling Sir Geoffrey on Wednesday. He said: "There is no doubt that it is disgraceful. The government's attitude towards sanctions is discreditable. Britain's reputation in the Commonwealth and in black Africa stands at a very low point."

Whitehall sources said that although the government would not contemplate further sanctions, it supported other aspects of the committee's work.

On Friday, Mr Christopher Patten, Minister of State at the Foreign Office, announced a R35-million increase in Britain's aid to the Southern African Development Co-ordination Conference, representing the frontline states.

● It is reported from London that Kwazulu leader Chief Mangosuthu Buthelezi says he has asked the foreign ministers of Commonwealth and non-aligned nations to exert diplomatic pressure on South Africa to change its policies.

An international effort was vital, said Chief Buthelezi in a satellite interview from Durban yesterday.

He said: "I've sent letters to the foreign ministers of all Commonwealth countries and all non-aligned countries appealing to them, asking them to continue with some kind of diplomatic pressure on the South African Government.

"I don't think I've any illusions that changes in this country will take place because South Africans will come to some agreement — black and white South Africans.

He reiterated his support for the opposition of Britain's Prime Minister, Mrs Margaret Thatcher, to sanctions and said: "What Mrs Thatcher stands for is consistent with what the majority of South Africans believe." — Sapa-AP.

Canada sanctions immoral — envoy

The Argus Foreign Service

WASHINGTON. — Sanctions by Canada are "immoral", says the South African ambassador, Mr Hennie de Klerk.

In a toughly worded broadside, he called Canada's sanctions immoral, insensitive and short-sighted. "Well-meaning Canadians should not fool themselves or be misled into thinking they can take out some form of moral insurance by supporting sanctions against South Africa," he said

Writing in International Conservative Insight magazine, Mr de Klerk said there were signs that a growing number of Western and African countries had realised that punitive economic measures "will not provide the right ambience for the search for a peaceful solution in South Africa".

Regrettably, others, including Canada, were still pressing for punitive measures and were, deliberately perhaps, ignorant of progress South Africa had made

The Canadian Government had aligned itself with undemocratic countries on policy towards South Africa, which was "trying to do the right thing".

"It does not make sense to tell a country, on the one hand, that they have a rotten system of government and should change and, on the other, to invent new reasons to justify the meting out of more punishment when that government, out of conviction, takes giant steps to move away from the status quo"

Mr de Klerk emphasised South Africa's regional economic strength. "It simply makes no sense for the mainstay of the economic life of Southern Africa to be singled out for punishment which will so obviously have dramatic repercussions beyond its borders," he wrote

Working

Canada could promote peace and stability in the region, he said, if it "ceased to undermine and destabilise the evolutionary forces already at work in the establishment of a new South Africa".

The Argus Africa News Service reports from Lusaka that the Commonwealth Committee on Southern Africa wants to know whether sanctions against South Africa are working or not

Foreign ministers from eight countries, meeting here, are calling on experts to find the answer for them.

"The Commonwealth says sanctions are working. The Anti-Apartheid Movement says they are not We want to know what's happening," the committee said.

Opening the meeting yesterday, Zambia's President Kenneth Kaunda said the ministers should try to influence opponents of sanctions.

Sanctioneers running out of things to do

D/D 040288

280

Quite honestly, it is impossible to predict what extra torments the American Congress will inflict on South Africa this year, but I think we can safely say that ambassador Piet Koornhof's current goal of avoiding any new legislation by the time of the super primary elections on March 8 will be met. Another triumph!

Alas, seeing that congress will not be much in session before then, this is something of a straw man.

The Dellums total-except-if-it-hurts-us isolation bill is high on the usual suspects' agenda, as is a poisonous little numero designed to kick oil companies. Secondary boycotts are also climbing the hit parade, with Japan, SA's new number one trading partner, as the principal focus.

To understand what joy Japan's latest trade figures are giving the sanctioneers, you only have to recall the scene of nine congressman assaulting a small Toshiba radio with sledgehammers on the steps of the Capitol last year. The radio may have bought it, but thanks to Japan's $58 billion trade surplus with the US, the yellow peril theme is going to play and play.

And the truth is, the sanctioneers have run out of fun things to do directly to SA.

In the first nine months of 1987, the value of US imports from SA totalled $974 million. Of that, $530 million was for platinum and platinum group metals (up from $496 million for the same period in 1986), and $99 million was for ferroalloys.

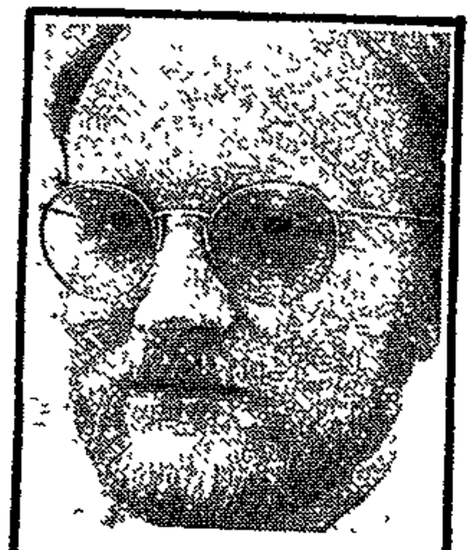
In other words, nearly 70 per cent of what remains to be embargoed is of a "strategic" or "critical" nature, and exempted even by Dellums. Ergo, if congress wants to expand its bullying of SA, and does not want to enrich the Soviet Union at the expense of its own industrial and defence base, it is going to have to find other targets.

Section 402 of the Comprehensive Anti-Apartheid Act adumbrates the approach: "the president is authorised to limit the importation into the US of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition against any national of US imposed by or under this act."

The congressional black caucus and congressman Howard Wolpe's cretinous House Africa subcommittee are discussing this in stage whispers, hoping to seare any American ally who declines to follow America's "moral leadership". Fortunately, low-velocity meringue is not a particularly frightening weapon. Section 402 is low-velocity meringue.

To give it a little boost, Wolpe commissioned the General Accounting Office to do a study of SA's international trade It is due out shortly, and however disappointing its conclusions, the worthy member for Kalamazoo is up to the task of making the thing sensational.

Sophistry is needed to prove that Japan, or most anyone else for that matter, has taken advantage of the act. Advantage presumably means increased market share in, rather than volume of exports from, SA



SIMON BARBER writes from Washington

The fact the Japanese purchased $1,6 billion dollars worth of coal from SA last year, if indeed the figure cited by Senator Paul Simon is a fact, would not seem to constitute an advantage. A disadvantage for West Virginia's impoverished miners, you might tendentiously argue, but not a definite, act-related plus for the mighty ministry for international trade and investment.

As it happens, everything that Japan sells to SA — car assemblies, cameras, vcr's, industrial equipment, computers — American companies remain at liberty to sell also, except, in certain instances, when the government is the customer. In those instances Japan has much the same restrictions, and, unlike the US, it bans direct investment outright.

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In only one of the commerce department's 10 major export categories has there be a significant drop in sales. Exports of mineral fuels and lubricants plummeted to $9,5 million between January and December this year from $24 million over the same period in 1986. This can be attributed to the act's petroleum products ban and was more than made up for by increased sales of machinery and transport equipment ($397 million to $424 million) and chemicals ($170 million to $186 million).

The point remains that if American companies are losing market share in SA, it cannot be ascribed to any particular provision in the CAAA. Japan may have benefitted from the atmosphere created by the law, but the word atmosphere does not appear in section 402. Nor is there any mention of the rising value of the yen, perhaps the most important factor in Japan's new number one status.

Also unmentioned are the growing array of state and local ordinances penalising business ties to SA. Kyoto does not threaten to boycott Toyota because there are Toyotas on SA's streets. It leaves that kind of loopiness to the pharisees of Los Angeles and San Francisco.

Obviously, if the sanctioneers want to have a crack at Japan they will need to come up with language more convincing, not to say mandatory, than section 402. I sincerely wish them luck in getting something exquisitely vicious onto the statute books. I do so because it is my fondest hope that Messrs Wolpe, Dellums and the gang will finally manage to pull off an act of such awe-inspiring idiocy that the entire country will have to suffer.

Giving the protectionists extra ammunition to thug up Japan would be an excellent step in this direction. Let's have some truly stiff quotas on Japanese cars, I say, and prohibitive tarriffs on Japanese steel and electronics and a total embargo on the Japanese microchips that have made the US boom in personal computers possible.

Let's make enemies of the world's biggest creditor nation and most successful industrial power. Really punish those little yellow me for daring to take advan tage in SA.

Here is one predictio of the outcome, courtes of George Packard, dea of the school of ad vanced internationa studies at Johns Hok pins University:

"This would lead t retaliation, recriminat ion and a search for dif ferent partnerships Each side would seek to gain technological advantage in a zero sum game. Industrial espionage would run rampant.

"Japan would turn to markets and raw materials from the Chinese and Soviets. Japan would find it necessary to protect a widening economic sphere in Asia and the Pacific, placing it in direct confrontation with the US and upsetting the balance of power."

A more reasonable approach would be to encourage the Japanese to invest some of their surpluses in black business development, education and helping workers leverage ownership stakes in their employer's companies; in short, just the sort of things that the Dellums brigade despises. But that would be constructive, wouldn't it? And therefore hopeless.

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Kaunda D/D 2/02/88 calls for tougher embargoes against SA (280)

LUSAKA — President Kenneth Kaunda yesterday called for tougher embargoes against South Africa.

He said those with moral qualms about sanctions should impose them to protect their investments.

"Unless apartheid is removed there will be a major explosion in Southern Africa which will lead to hundreds of thousands of lives being lost," Dr Kaunda said as he opened the first meeting of the Commonwealth Foreign Ministers' Committee on South Africa.

Some Western nations opposed sanctions to protect substantial investments in South Africa, he said.

"We are saying that if you cannot apply sanctions on principle, you should apply them for fear of your investments going up in flames," the Zambian leader, who is current chairman of the 50-member Organisation of African Unity, said.

British Prime Minister Mrs Margaret Thatcher opposed the establishment of the eight-nation committee, set up at the Vancouver Commonwealth summit last October, to review pressures on the South African Government

Dr Kaunda urged the committee to send top-level delegations to countries that have not taken significant measures against South Africa.

He said he hoped the committee, chaired by Canadian Foreign Minister Mr Joe Clark, would review the effects of sanctions imposed by the United States and the Nordic countries

The committee, he said, could also consider ways to influence opinion in Britain, France, West Germany and Japan

Britain alone among the 48-member Commonwealth has rejected demands for broader sanctions, arguing they would cause suffering to the black majority and neighbouring black states dependent on South African trade and transport routes.

Mr Clark, who will chair five meetings of the committee before the 1989 Commonwealth summit in Kuala Lumpur, said the committee had a clear mandate to provide impetus to the campaign for international action against South Africa

In another keynote address, he said South Africa had responded to increasing social and political unrest with "systematic repression" that could lead only to further chaos and destruction

"There is no doubt that sanctions increase the cost of maintaining apartheid and have a major psychological effect," Mr Clark said.

Black neighbours of South Africa had suffered from the government's destabilisation policy and "the Commonwealth and international community must help insulate South Africa's neighbours and maintain their security," he said.

The Commonwealth Secretary-General, Mr Shridath Ramphal, said military and sabotage attacks against neighbouring states, showed South Africa had become more bold in its violent resistance to opposition

The agenda of the foreign ministers — from Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe — includes assisting apartheid victims in South Africa through education, trade union support and combating South Africa's censorship and propaganda.



DR KAUNDA

Lusaka-based officials of the African National Congress have been asked to meet the ministers tomorrow.

The fate of Namibia, the former German colony administered by South Africa in spite of a United Nations resolution demanding its independence, will also be discussed at the meeting, which is being held mainly behind closed doors. — Sapa-AP

SANCTIONS

The risk factor

It is now virtually common cause among the proponents and opponents of sanctions against SA that, taken alone, the economic impact of sanctions will be slow and attritional — more akin to water dripping on a stone than a sledgehammer blow. And as a political weapon, in dismantling apartheid, they have so far proved counterproductive and far less effective than internal pressures

Unsurprisingly, a special report written by ex-Cape Town economist Merle Lipton, and published this week by *The Economist* Intelligence Unit in London, reaches similar conclusions. Lipton (author of *Capitalism and Apartheid: South Africa 1910-86*) is no friend of the South African government, but she is an honest academic. And as one who now earns her living in Britain, Lipton has taken something of a risk in her objectivity — in company with Margaret Thatcher, Helen Suzman and others For as Lipton notes: "Sanctions have become so symbolic of opposition to apartheid that those who oppose them are liable to be branded as supporters of apartheid. The result is a virtual absence of serious debate about their effects on SA (as distinct from a debate about the reasons for adopting them and the likelihood that they can be implemented). For those engaged in research . . . it is disconcerting how frequently the public utterances of participants in this debate differ from their private, off-the-record assessments, because many people feel constrained from saying publicly what they think."

In terms of fact, there is little new in Lipton's report. Most of it comes from published material. But as a concise wrap-up of the development of sanctions and disinvestment campaigns, against the background of political events and external perceptions of SA, it is a valuable reference work for anyone involved.

Sanctioneers win no moral plaudits from Lipton. She points out the hyprocrisy of applying selective sanctions to exports where there exists a global surplus — for example, coal, iron, steel and fruit but not ferrochrome, vanadium or other strategic minerals — and to the vested interests of SA's competitors in supporting them. Disinvestment decisions are similarly dissected, as is the rush for the door by the international banks in 1985

The report takes a theoretical shot at quantifying the economic effect of comprehensive sanctions (were they to work). Lipton estimates that some 40% of SA's exports are vulnerable, with coal (in surplus) being the biggest. The rest, led by precious metals, are either fungible or essential. Loss of half the vulnerable category in 1986 would have amounted to R8,4bn, which on crude calculations could have reduced GNP by 9%. But as Lipton admits, that takes no account of import savings and adjustment strategies SA is weaker if imports were cut off, but again policy responses (the "hot-house" effect seen in post-UDI Rhodesia) would mitigate the effect and could accelerate growth, even if it was accompanied by inflationary problems.

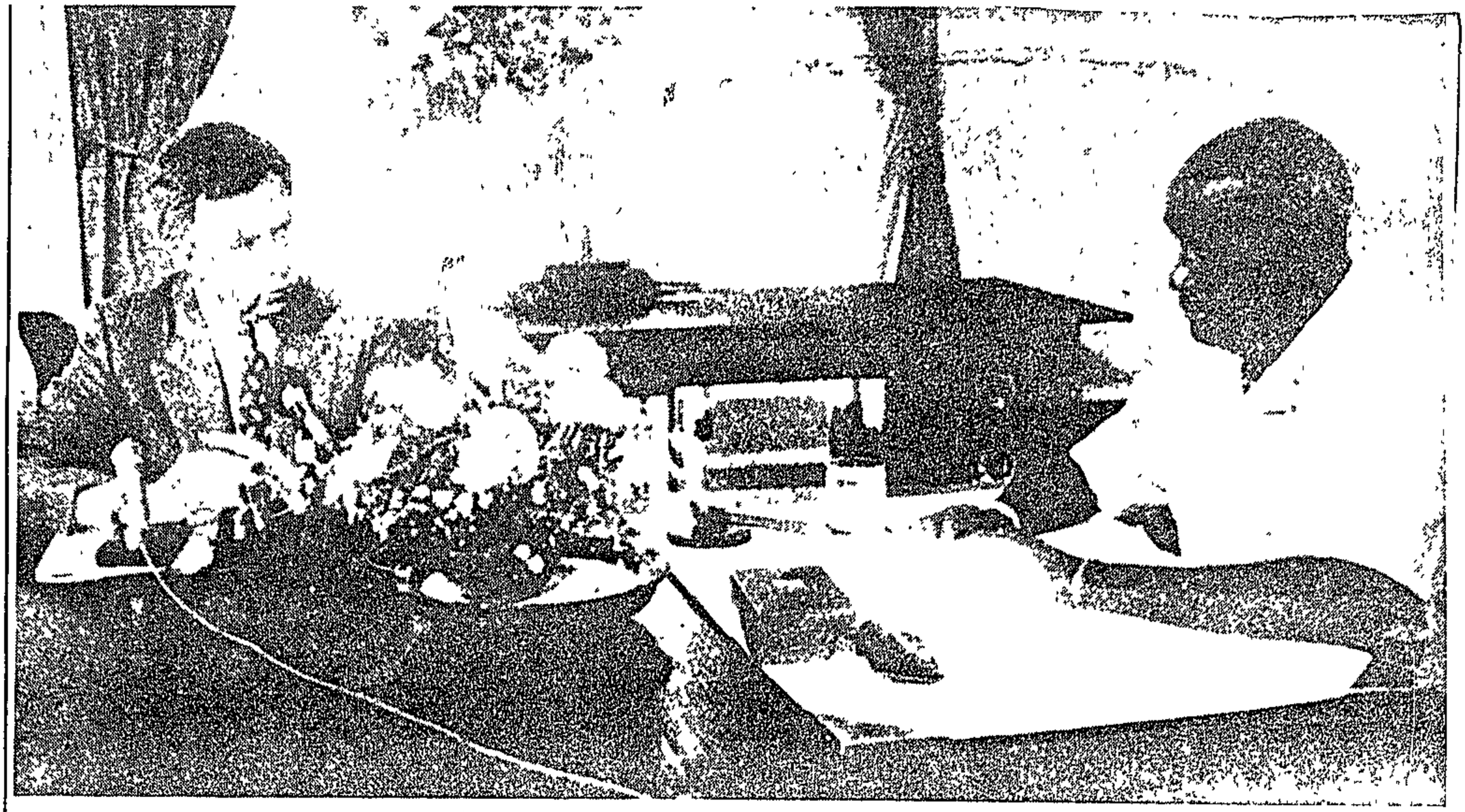
Lipton also highlights the dilemma facing internal supporters of sanctions if they did really translate into rising unemployment and increased poverty And while the imposition of sanctions was a "victory" which increased the prestige and legitimacy of the ANC, if they became really effective they could further divide the black opposition as living standards fell

Lipton sees grave dangers for everyone if more outside screws are put on SA International attention and action may have helped at first in producing reforms — "a shield" for opposition political activists and trade unions — but the cost was high as SA reacted with more stringent controls to combat internal unrest.

Overall, she sees external pressures (sanctions) as but one factor in the polarisation of South African politics. They will, however, make a bad situation worse, in reducing further the "political space" available for blacks and whites and the chance of an evolution towards a post-apartheid society

"Continued incremental sanctions seem unlikely to unseat the government and more likely to impede than accelerate reform (that is, de-racialisation)," says Lipton The effect "must be adjudged very uncertain" even if "in the long run" it contributed to the erosion of white rule over SA as it is today

But the outcome "might not be black rule over an undivided country" if decline severed the economic bonds between its people, making partition more possible. Lipton's final warning is that ". . . what emerges may not be the 'inevitable' outcome that sanctioneers anticipate."



FOREIGN MINISTERS . . . The Canadian Secretary of State for External Affairs, Mr Joe Clark, met Zambian President Dr Kenneth Kaunda in Lusaka on Sunday before the Commonwealth foreign ministers' conference.
Picture: REUTER

Cape Times 2/2/88 (18) (360) 280

Call for more sanctions to stop SA 'explosion'

LUSAKA. — President Kenneth Kaunda yesterday called for tougher embargoes against South Africa and said those with moral qualms about sanctions should impose them to protect their investments.

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"We are saying that if you cannot apply sanctions on principle, you should apply them for fear of your investments going up in flames."

Dr Kaunda urged the committee to send top-level delegations to countries that had not taken significant measures against Pretoria.

He said he hoped the committee, chaired by Canadian Foreign Minister Mr Joe Clark, would also review effects of sanctions imposed by the United States and the Nordic countries, and consider ways to influence opinion in Britain, France, West Germany and Japan.

Mr Clark said Pretoria had responded to increasing social and political unrest with "systematic repression" that could lead only to further chaos and destruction.

"There is no doubt that sanctions increase the cost of maintaining apartheid and have a major psychological effect."

South Africa's black neighbours had suffered from Pretoria's destabilization policy and "the Commonwealth and international community must help insulate these neighbours and maintain their security", he said.

"Social and political unrest are the natural result of apartheid and the government of South Africa has responded with systematic repression.

"Instead of negotiating with those who seek change, the government jails them. This cannot continue," Mr Clark said.

Commonwealth Secretary-General Sir Shridath Ramphal said military and sabotage attacks against neighbouring states showed South Africa had become more bold in its violent resistance to opposition.

Lusaka-based officials of the African National Congress, the biggest guerilla movement fighting the Pretoria government, have been asked to meet the ministers today. — Sapa-AP

Frontline states ready to talk coexistence — Kaunda



President Kaunda "pessimistic"



AAM leader Mr Robert Hughes is "concerned".

The Star's Africa News Service and Sapa

LUSAKA — The Frontline states are prepared to hold discussions with South Africa on means to achieve peaceful coexistence, President Kenneth Kaunda of Zambia, the present chairman of the Organisation of African Unity, said yesterday.

But he was pessimistic that such talks were possible at present because of "South Africa's attitude".

Dr Kaunda was opening the meeting of Commonwealth Foreign Ministers in Lusaka. The meeting is aimed at finding ways to implement the sanctions on South Africa that were agreed at the Commonwealth summit in Vancouver, Canada, in October.

The committee decided yesterday to commission two detailed studies on South Africa's economy in a bid to marshal evidence in favour of sanctions.

Spokesman Ms Patsy Robertson said the studies would cover South Africa's links with the world financial system, and the impact up to now of limited economic sanctions on the country's economy.

President Kaunda said in his opening address: "We are ready to talk if they show better commitment to peace and good leadership qualities."

On Sunday the Ministers had talks that went long beyond their scheduled time with the general-secretary of the South African Council of Churches, Mr Frank Chikane, and his predecessor, the Rev Beyers Naude.

At the opening ceremony yesterday, President Kaunda said in a reference to countries opposing sanctions, which appeared to be directed especially at Britain: "If you cannot apply sanctions through principle, do it through fear that your investment will go up in flames."

Ambassador appeals to Canadians: 'Be fair'

By Alan Dunn, The Star Bureau

WASHINGTON — The South African ambassador to Canada, Mr Hennie de Klerk, has rebuked the country for imposing economic sanctions on the Republic, saying they did not make sense.

In a toughly-worded broadside, he called Canada's sanctions immoral, insensitive and short-sighted: "Well-meaning Canadians should not fool themselves or be misled into thinking they can take out some form of moral insurance by supporting sanctions against South Africa," he said.

Mr de Klerk, writing in the local magazine *International Conservative Insight*, said there were signs that a growing number of Western and African countries had realised that punitive economic measures "will not provide the right ambience for the search for a peaceful solution in South Africa".

Regrettably, others — Canada included — were still pressing for punitive measures and were, deliberately perhaps, ignorant of progress South Africa had made.

The Canadian government had aligned itself with undemocratic countries on policy towards South Africa, which was in turn trying to do the right thing.

"It does not make sense to tell a country, on the one hand, that they have a rotten system of government and should change and, on the other, to invent new reasons to justify the meting out of more punishment when that government, out of it's own conviction, takes giant steps to move away from the status quo."

Mr de Klerk stressed South Africa's regional economic strength and southern African links. "It simply makes no sense for the mainstay of the economic life of southern Africa to be singled out for punishment which will so obviously have dramatic repercussions beyond it's borders," he noted.

Canada could promote peace and stability in South and southern Africa, he said, if it "ceased to undermine and destabilise the evolutionary forces already at work in the establishment of a new South Africa".

In other Canadian developments, Montreal's executive committee has decided to press ahead with naming a park after African National Congress leader Nelson Mandela. Quebec province's place-name officials had opposed the move. Montreal is also preparing a fuller anti-apartheid policy.

Last week, six Montreal city councillors voted against leasing office space near the city hall because the building's owners also owned the block in which the South African consulate had a 10-year lease.

The University of Toronto governing council has, after a bitter, year-long campus debate, decided by 30 votes to 12 to sell about R1,7 million of holdings in five companies doing business in South Africa.

In Halifax, Nova Scotia, the city council last week approved a seven-point anti-apartheid plan: it will in future not buy any goods from South Africa, will not deal with any businesses dealing with South Africa, and will encourage the local school board to establish an educational programme on the black struggle in South Africa.

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● To Page 2

momentum, while the March budget is also cited as a crucial factor.

'Sanctions raise apartheid cost'

LUSAKA — Sanctions had increased the cost of maintaining apartheid in SA, Canadian External Affairs Minister Joe Clark told the eight-man Commonwealth Foreign Ministers' Committee on southern Africa yesterday.

"Intensified pressure is being felt in SA. My colleagues and I intend to ensure that the Commonwealth retains its leading role in ending apartheid," Clark said.

The conference, focusing on how further to strengthen sanctions already imposed on SA by the US Congress and some Nordic countries, is being attended by foreign ministers from Austrailia, Canada, India, Guyana, Nigeria, Tanzania, Zambia and Zimbabwe.

The Canadian minister, who is chairing the conference, said sanctions were the only practical demonstration of those who supported the struggle in SA.

Commonwealth Secretary-General Shridath Ramphal said SA repression had intensified and the major victims had been black children who, despite their age, had been "jailed and brutalised".

He called on the international community to intensify its economic isolation of the republic to help bring apartheid to an end.

Despite opposition, it was clear sanctions had had a significant impact on the SA economy.

Opening the conference, Zambia's President Kenneth Kaunda called on the Commonwealth to strengthen its campaign against Western anti-sanctions lobbies.

He said the lobbies, led by the US and Britain, had gained credibility, but had to be checked before any further damage was done to international effort to impose sanctions.

Campaign to extend sanctions against SA

Star 24/2/88

280

The Star's Foreign News Service

LUSAKA — A committee of eight Commonwealth Foreign Ministers meeting here have made their opening moves in a campaign to reinforce and extend economic sanctions against South Africa.

The committee was established at last year's Commonwealth summit in Vancouver in the face of opposition from Britain's Mrs Margaret Thatcher. Britain is not taking part.

Chaired by Mr Joe Clark, the Canadian Secretary of State for External Affairs, the group is attempting to keep the issue of apartheid in the forefront of international politics.

Opening the meeting yesterday, Zambia's President Kenneth Kaunda suggested that the Ministers should try to influence opponents of sanctions and send emissaries to the United States, Britain, West Germany and Japan.

"It is clear to me that some of the right-wing forces in the northern hemisphere today oppose sanctions purely on the grounds of protecting their heavy investments in that unhappy country, South Africa," he said.

The recent growth of the anti-sanctions lobby has been emphasised at the meeting. The Commonwealth Secretary, Sir Sridath Ramphal, described the committee's task as "daunting".

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Soviets' 'never' to car deal with SA

The Star's Africa News Service

HARARE — The head of the Soviet trade mission in Zimbabwe has emphatically denied that the Soviet Union had concluded a deal with South Africa for the sale in South Africa of Russian-made Lada Niva cars.

Commenting on a report in The Star about the vehicles being on sale by a Randburg company, Mr Tenjis Kvaliashili said: "We are not selling the Lada Niva to South Africa. Never.

"Maybe they bought it from European country. There was no agreement from both sides on this deal."

The *Sunday Mail* reported that Zimbabweans thought it ironic that Russian vehicles were being sold in South Africa when Western companies were being urged to pull out.

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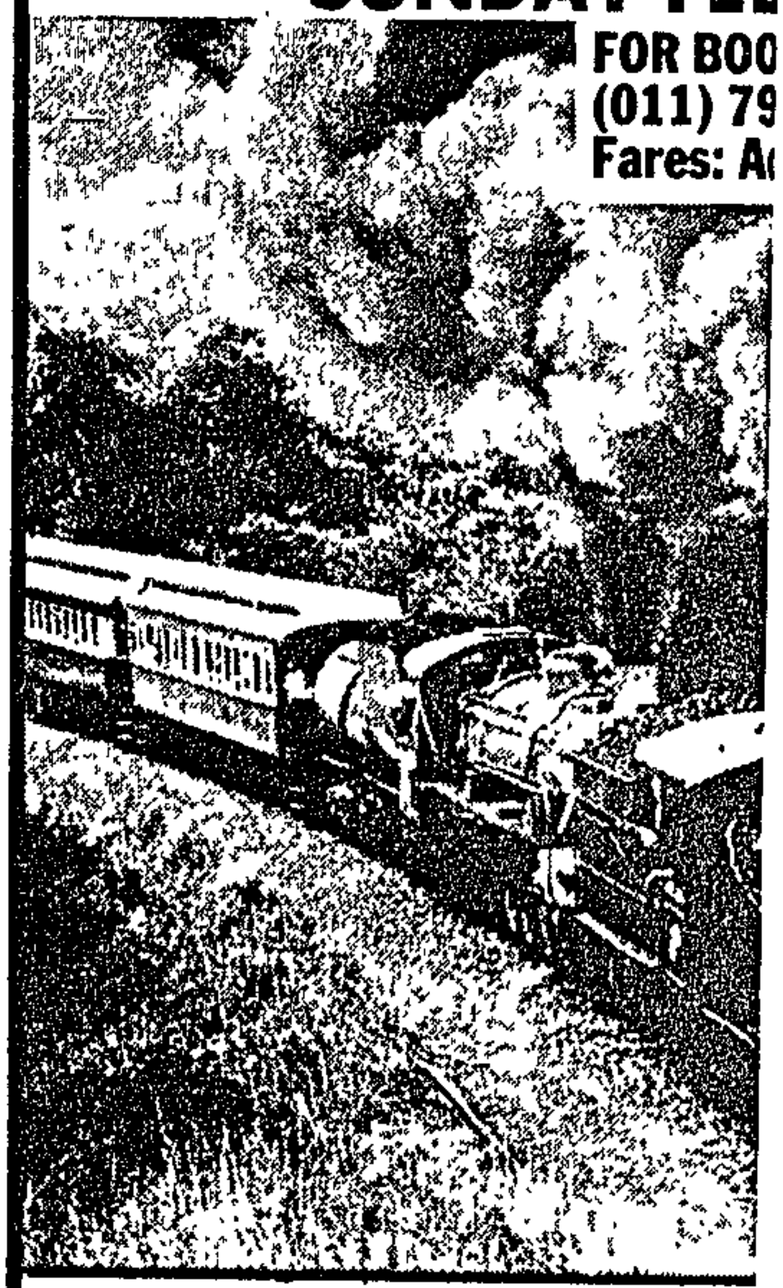

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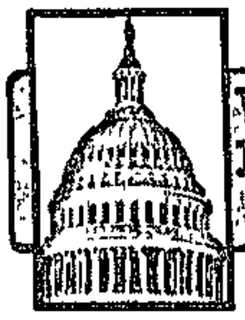
Let the sanctioneers bake their low-velocity meringue

Cape Times 2/2/88



Washington Letter by SIMON BARBER

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The Dellums total-except-if-it-hurts-us isolation bill is high on the usual suspects' agenda, as is a poisonous little numero designed to kick oil companies Secondary boycotts are also climbing the hit parade, with Japan, SA's new No 1 trading partner, as the principal focus

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In the first nine months of 1987, the value of US imports from SA totalled $974 m (R1 948 m) Of that, $530 m was for platinum and platinum-group metals (up from $496 m for the same period in 1986), and $99 mn was for ferro-alloys

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The congressional black caucus and Congressman Howard Wolpe's cretinous House Africa subcommittee are discussing this in stage whispers, hoping to scare any American ally who declines to follow America's "moral leadership" Fortunately, low-velocity meringue is not a particularly frightening weapon Section 402 is low-velocity meringue

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Let's make enemies of the world's biggest creditor nation and most successful industrial power Really punish those little yellow men for daring to take advantage in SA

Here is one prediction of the outcome, courtesy of George Packard, dean of the School of Advanced International Studies at Johns Hokpins University

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World

ANC pleads for sanctions

LUSAKA. — Exiled leaders of the African National Congress met Commonwealth foreign ministers in the Zambian capital yesterday to plead for tighter economic sanctions against South Africa.

Britain has snubbed the Commonwealth committee which was set up at the Vancouver summit in October 1987.

Diplomatic sources said the committee was likely to send missions to South Africa's major economic partner nations to put the sanctions case.

Foreign ministers from Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe were also briefed by the Pan-Africanist Congress and Swapo.

Mr Abdul Minty, secretary of the British Anti-apartheid Movement, told journalists he urged the ministers to plug loopholes in the 1977 United Nations mandatory arms embargo on South Africa.

He said governments were not doing enough to publicize violations of the ban. — Sapa-Reuter

ANC puts case for tightening SA sanctions

LUSAKA — Exiled leaders of the ANC met Commonwealth foreign ministers yesterday to plead for tighter economic sanctions against SA.

The ministers are meeting in the Zambian capital to discuss ways of widening and tightening sanctions against SA in a bid to force it to end apartheid.

Britain, the key Commonwealth nation because of its huge trade and investment links with SA, has snubbed the committee that was set up at the 48-nation grouping's Vancouver summit in October.

Diplomatic sources said the committee was likely to send missions to SA's major economic partner nations to put the case for sanctions, which have lost momentum over the past 18 months.

Briefing

The Commonwealth foreign ministers — from Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe — were also briefed by the ANC's rival, the Pan-Africanist Congress of SA, and the Namibian independence movement Swapo.

British Anti-apartheid Movement secretary Abdul Minty said he urged the ministers to plug loopholes in the 1977 UN mandatory arms embargo on SA.

Minty, who is director of an Oslo-based world campaign against military and nuclear collaboration with SA, said governments were no doing enough to publicise violations of the ban

"Nobody has been complaining except us," he said, describing the idea of SA being self-sufficient in arms as a myth.

Weapons systems

"The embargo has been effective in denying SA main weapons systems but in other areas it has not been so effective," he said.

Minty said weapons and technology were still reaching SA through legal loopholes in exporting countries, the continued use of licences and supplies of spare parts and the export of material such as helicopters that could be used either for civilian or military purposes.

He said Israel was the leading supplier of military equipment and know-how to SA, but Britain, Italy, West Germany and France were also involved. — Sapa-Reuter.

Buthelezi to pull out of JEA?

ULUNDI — KwaZulu leader Mangosuthu Buthelezi is to consult his people on whether or not to withdraw from the racially trail-blazing KwaZulu/Natal Joint Executive Authority (JEA).



● BUTHELEZI

Buthelezi said yesterday in a meeting with UK MP and British-SA Parliamentary Group secretary George Gardiner the decision would be a central issue at the forthcoming annual general conference of Inkatha and would be raised at next month's session of the KwaZulu Legislative Assembly.

He made it clear his re-appraisal of the question of continuing in the JEA had come as a result of government's rejection of the KwaZulu/Natal Indaba proposals.

If he, as a black leader, moved to accept government's claim that SA was a country of minorities he would lose all political relevance, he told Gardiner

Millions of black, white, Indian and coloured South Africans knew that their country had a black majority and that their very future depended on negotiating "with blacks as blacks".

Apartheid was doomed. However recalcitrant government appeared to be about retaining the Group Areas and Population Registration Acts, there would be a post-apartheid era with a one-man-one-vote system in one SA in which all were equal before the law and constitution.

"The other alternative is a one-party socialist state," Buthelezi said. — Sapa.

Arguments for pullouts 'fallacious'

CHRIS CAIRNCROSS

CAPE TOWN — The fallacy of arguments in favour of disinvesting from SA to press for reform have been demonstrated by effects these efforts have had on the country in the past two years

This is one of the main conclusions reached by a working group of the International Chamber of Commerce after a review of the activities of the disinvestment lobby.

Although about 150 transnational companies have sold their SA subsidiaries or affiliates in the past two years, the ICC concludes that the impact this has had on change in SA has been opposite to what was intended.

Cape Town's Chamber of Commerce has summarised the ICC's observations:

☐ Disinvestment and economic pressure has — if anything — led to a hardening of the position and policies of the SA government, resulting in a slowdown of the reform process.

☐ The SA economy has not been significantly affected.

☐ Physical assets remain and the domestic owners who have taken over have not exerted the same pressure for change that their predecessors did

☐ In a number of cases, black employees have suffered a deterioration in working conditions and social benefits, and some important community programmes have been brought to an abrupt halt.

The ICC observes that "the decision to leave SA or stay is a business decision but the achievements of the major foreign investors in that country cannot be denied.

"They have worked hard to improve the education of blacks, and to promote equal employment opportunities.

"Often it has been the multinationals who have pressed hardest against the apartheid laws.

"The experience of disinvestment thus far demonstrates what the ICC and others had anticipated. The assets remain in SA, the operations continue, but what is lost is the pressure for change and, most importantly, the commitment of foreign-owned companies to the development of all the human resources of SA."

DD 3/2/88 (280)

ANC meets Commonwealth ministers to discuss sanctions



President Kenneth Kaunda of Zambia talks with the Canadian Secretary of State for External Affairs, Mr Joe Clark (left), and the Australian Minister of Foreign Affairs, Mr Bill Hayden (right), at the opening of the Commonwealth Foreign Ministers Conference in Lusaka yesterday. — Reuters

LUSAKA — Exiled leaders of the African National Congress, met Commonwealth foreign ministers yesterday to plead for tighter economic sanctions against South Africa.

The ministers are meeting in the Zambian capital to discuss ways of widening and tightening sanctions against South Africa, in a bid to force it to end apartheid.

Britain, the key Commonwealth nation because of its huge trade and investment links with South Africa, has snubbed the committee which was set up at the 48-nation grouping's Vancouver summit in October 1987.

Diplomatic sources said the committee was likely to send missions to South Africa's major economic partner nations to put the sanctions case, which has lost momentum over the past 18 months.

The Commonwealth foreign ministers — from Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe — were also briefed by the ANC's rival, the Pan-Africanist Congress of South Africa, and Swapo.

The secretary of the British Anti-apartheid Movement, Mr Abdul Minty, told journalists that he urged the ministers to plug loopholes in the 1977 United Nations mandatory arms embargo on South Africa.

Mr Minty, who is also the director of an Oslo-based world campaign against military and nuclear collaboration with South Africa, said governments were not doing enough to publicise violations of the ban.

"Nobody has been complaining except us," he said, describing the idea that South Africa was now self-sufficient in arms as a myth.

"The embargo has been effective in denying South Africa main weapons systems, but in other areas it has not been so effective," he said.

He said weapons and technology were still reaching South Africa through legal loopholes in the exporting countries, the continued use of licences and supplies of spare parts, and the export of material such as helicopters that could be used either for civilian or military purposes.

He said Israel was the leading supplier of military equipment and technical know-how to South Africa.

However, Britain, Italy, West Germany and France were also involved. — Sapa-RNS

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Arms embargo on SA 'violated every day'

LUSAKA. — South Africa still receives large quantities of sophisticated military equipment despite a United Nations arms embargo imposed a decade ago, Commonwealth foreign ministers were told.

The eight-member Special Commonwealth Committee on South Africa concluded its two-day meeting yesterday in the Zambian capital with a vow to intensify economic sanctions against South Africa.

Mr Abdul Minti, director of the Oslo-based World Campaign Against Military and Nuclear Collaboration with South Africa, said at a news conference yesterday that there had been few successful prosecutions of arms dealers selling to South Africa.

"When these cases have come to court the penalties are often no greater than the profits from a single day's business," Mr Minti said.

Mr Minti said no world government had lodged complaints with the UN Security Council on violations of the embargo and reports of confirmed arms deals with South Africa had been left to non-governmental pressure groups.

"Most people believe the arms embargo works and that South Africa is self-sufficient in weapons production. This is not the case and the embargo is being violated every day," he said.

● Mr Joe Clark, Canadian Foreign Affairs Minister, yesterday met President Robert Mugabe at State House in Harare to brief him on the decisions of the foreign ministers on sanctions, the national news agency Ziana reports.

The Canadian minister, according to his delegation's spokesman, also used the meeting to discuss the forming of a joint economic commission to boost and strengthen ties between the two countries.

The task of the proposed Zimbabwe-Canada commission would be the supply of essential goods to Harare should tougher sanctions be imposed on South Africa. — Sapa-AP

New Zealand immigration minister may bar Budd

WELLINGTON — New Zealand's immigration minister, Mr Stan Rodger, has the power to prevent South African-born runner Zola Budd from representing Britain in the world cross-country championships in Auckland next month, a spokesman for Mr Rodger said yesterday.

There was no doubt the minister had the power to refuse a visitor's permit to Zola, now a British citizen, said the spokesman, who declined to be identified.

Mr Rodger so far was not involved in the controversy over Budd's selection, the spokesman said

The New Zealand sports minister, Mr Peter Tapsell, said in a statement yesterday that he had no power to prevent Budd from coming to New Zealand because she was legitimate holder of a British passport.

But he said many people had good reason to regard Budd as a South African

"Budd's home is South Africa and white South Africans regard her as one of their own. Her family is there, her trainer, and even her doctor," Mr Tapsell said

"She has spent eight months of the past year there with her family and just slipped over to England to qualify for the British team so that she could run at Auckland.

"The fact that under international amateur athletic federation rules Budd is eligible to run doesn't mean that the government considers it acceptable for her to take part," he added.

The anti-apartheid group Halt All Racist Tours (HART), has vowed to renew its appeal to Mr Tapsell that Budd be barred

HART's international secretary, Mr John Minto, said yesterday it was simply untrue for the government to claim it could not block the entry of a British citizen

"The government has stopped British citizens from coming before, the most celebrated case being that of Mandy Rice-Davies," Mr Minto said

In 1965, the then immigration minister, Mr Tom Shand, refused Rice-Davies an entry permit, although she had not been convicted of any crime



ZOLA BUDD

Rice-Davies was involved in the Profumo affair in 1963 which shook the Macmillan government She wanted to come to New Zealand as an entertainer

Shand's reason for refusing her a permit was that "her entry was likely to offend a substantial section of the people of this country"

Mr Minto said the same reason could be advanced for barring Budd — Sapa-AP

280 Star 4/2/88

Aussies to do South Africa study

LUSAKA — Australia has been charged by the Commonwealth committee of Foreign Ministers, which ended its meeting in Lusaka yesterday, with the task of carrying out a comprehensive study on the effects of sanctions against South Africa and how they could be tightened, Zimbabwe's national news agency Ziana reports.

REVIEW SCOPE

According to a document at the end of the meeting setting out the terms of reference of the study, Australia will be required to review the scope of the existing sanctions.

The study will also identify efforts to frustrate sanctions and the manner and extent to which the impact of sanctions is weakened as a result.

In examining what action can be taken to strengthen the impact of sanctions, it will consider the scope for further concerted efforts by the Commonwealth and wider world, the document said.

LEGAL STATUS

It outlines the areas of enquiry of the study as a review of the current sanctions, the scope and legal status of sanctions adopted by a country or group of countries by major category, the status of various UN measures (mandatory or non-mandatory), as well as their implementation.

The political impact on the South African Government and its willingness to negotiate on the political perceptions of the business community and the white electorate in general, would also be taken into account. — Sapa.

GERMAN INVESTMENT

Bonn's ban

Any optimism that the homelands or SA could receive an injection of private sector German funds — following Franz Josef Strauss's southern African whirl — is premature. This is the view of SA-German Chamber of Commerce and industry CE Liesel Quambusch.

"German companies have been asked by the minister of economic affairs to refrain from further investment, as part of the ECC sanctions package against SA," she says.

A ban on new investment in SA was part of the ECC sanctions package agreed on at The Hague in late 1986. However, the implementation of this decision was left to member countries, according to the political councillor at the German Embassy, Peter Schmidt.

The form chosen by Bonn was a voluntary ban. There was a delay in coming to a decision, says Schmidt, but "sometime in the middle of last year" letters were sent to the German Federation of Industry, the head of the Associations of Chambers of Industry and Commerce, and the Federal Association of Banks.

In essence, the letter requested no new investment in SA, and expressed the hope that legal steps would not be needed.

Disinvestment remains a controversial issue in Germany and legislation would not necessarily have an easy passage. As leader of one of the coalition parties in Germany, Strauss would be influential.

Because the ban is not yet mandatory, individual companies may still choose to invest. Schmidt, however, does not believe that much new investment will be forthcoming. There is a reluctance because of a lack of political and economic confidence, he says.

Strauss's controversial suggestion that private companies should increase their investments, particularly in Bophuthatswana, flouts official policy. Germany does not recognise the "homelands."

Bophuthatswana's Lucas Mangope was clutching at straws with his claim that Strauss's visit was *de facto* political recognition. Strauss's visit to the homeland was not at the behest of Chancellor Helmut Kohl, nor was his meeting with Mangosuthu Buthelezi, or his visit to Namibia.

Funding of individual projects remains an option. But this would amount to limited funding for non-governmental organisations such as churches and schools, "as long as no recognition is afforded to the homelands." ■

☐ See *People* and *Business*

The *FM* brings its readers the most news, comment and interpretation possible under the new regulations restricting publication of certain matters.

It does not believe that the restrictions are necessary or in the public interest, but will obey the law.

THE ECONOMY

Commonwealth leaders call on banks to squeeze SA

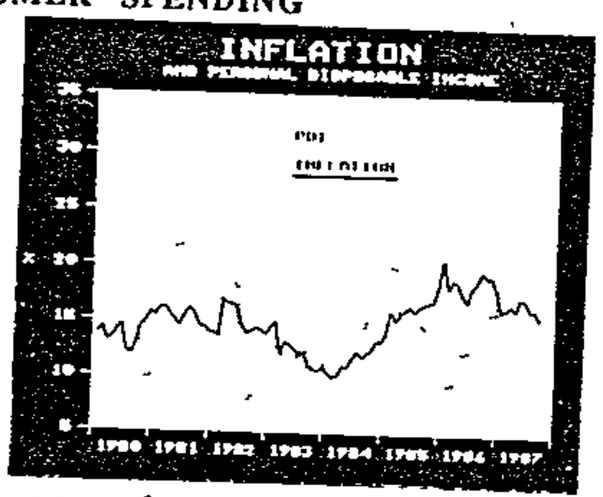
BUSINESS BAROMETER

GENERAL INDICATORS

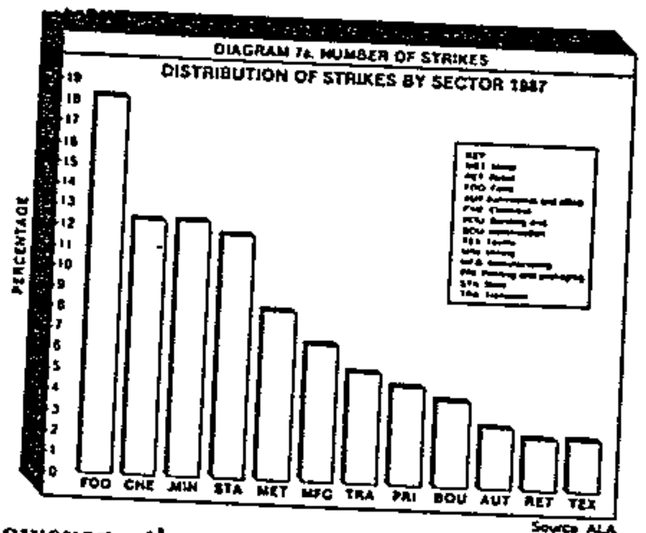
UNITED STATES ECONOMY

The US economy recorded a 2,9 percent growth rate for 1987. Gross national product grew by a better than expected 4,2 percent in the fourth quarter of last year. Exports in the fourth quarter were up by 19,7 percent compared with 10,3 percent for the same period in 1986, while imports increased by 5,8 percent (11,1 percent in 1986). Economists said the narrowing trade gap means US producers are increasing their domestic and global market share. However, the US budget deficit for December was $23,88-billion (about R47-billion), according to the Treasury, compared with $12,22-billion one year earlier.

CONSUMER SPENDING



Private consumption expenditure last year was about four percent above the 1986 level and consumers made more use of bank credit to finance their purchases. Hire purchase credit, for example, was increasing at an annual rate of 14 percent between Jan-



tion. However, there was much less stayaway action by workers. Whereas in 1986, stayaways accounted for 77,8 percent of "mandays" lost, according to ALA, for 1987 this figure was 15,5 percent.

JOB LOSS IN COAL INDUSTRY

About 8 000 jobs have been lost in the coal industry since 1985. According to Chamber of Mines president Naas Steenkamp, many of the jobs have been lost due to sanctions but depressed coal prices have also affected employment. Coal exports have fallen by 10 percent.

FINANCIAL INDICATORS

Johannesburg Stock Exchange Indices

JSE Indexes	2/2/88	WEEK AGO	% CHANGE
All Market Index	1563	1623	—3,7
All Gold Index	1319	1366	—3,4

EIGHT Commonwealth foreign ministers this week called on international banks not to participate in debt rescheduling exercises with South Africa.

They want the banks to maintain maximum pressure for early repayment of all due amounts.

The call came from Lusaka at the end of the first meeting of the Commonwealth standing committee of foreign minister on Southern Africa.

The meeting decided that Canada, India and Australia would join forces to examine the vulnerability of the South African economy and to pinpoint ways in which pressure can be exerted to end apartheid.

The standing committee was set up at the Commonwealth summit last year in Vancouver. Britain decided not to take part because of its refusal to apply increased sanctions.

The committee members are Australia, Canada, India, Guyana, Nigeria, Tanzania, Zambia and Zimbabwe.

The British and American banks are nervous of the South African position. This became apparent in September 1985 by the way they took fright when South African declared a standstill on all foreign loan principal repayments and a rescue organisation

By DEREK INGRAM in Lusaka

was organised.

Negotiations with the British and US banks on the conversion of short-term debts to long-term debts are now nearing completion and the foreign ministers intend to appeal to the banks not to make concessions.

The foreign ministers are firmly of the view that the sanctions so far applied have had some impact on the South African situation, but they want to examine exactly these effects — psychologically as well as economically.

This will be the subject of a second Commonwealth study.

The ministers were given disturbing details of the way in which the arms embargo is being breached by many countries with impunity — particularly by Britain, France, West Germany, Israel and Italy — and they want Commonwealth countries to press for international action against the embargo breakers.

The ministers will meet twice again this year in Canada in July and in October in one of the Frontline states. — Gemini News

Sanctions: Hayden, Mugabe meet

HARARE — The Australian Foreign Affairs Minister, Mr Bill Hayden, met the President of Zimbabwe, Mr Robert Mugabe yesterday morning, mainly to discuss the issue of sanctions against South Africa, Zimbabwe's national news agency reports.

Mr Hayden and Mr Mugabe, and the Minister of Foreign Affairs, Mr Nathan Shamuyarira, are having a closed meeting at State House.

Their discussions are expected to delve extensively into Australia's new role thrust on it in Lusaka this week by the Commonwealth foreign ministers regarding sanctions against South Africa.

At the two-day Lusaka meeting, Australia was assigned the task to carry out a comprehensive study of sanctions against South Africa and how to tighten them.

Australia will also review the scope of existing sanctions by Commonwealth and non-Commonwealth governments, voluntary bodies and the private sector.



PRESIDENT MUGABE

Australia has prepared a preliminary study to find the effect of sanctions against South Africa and how to make them more effective

It is this aspect that is expected to dominate the discussions between Mr Hayden and the Zimbabwe leader, who is also chairman of the 101-member Non-Aligned Movement.

280 W/Mail 5-11-2-88

Ominous new black-out bill

AN ominous new Bill tabled in parliament this week will place extensive power in the hands of the minister of economic affairs to control information about "any goods or services" he feels it is "in the public interest" to restrict.

The government has not stated precisely what sort of information it wants to control, but the new Bill is clearly aimed at controlling information about goods and services which could be affected by sanctions.

In the past, the minister of economic affairs could slap a ban on information if he believed this was necessary for the security of the state.

But, in terms of the National Supplies Procurement Amendment Bill, he will soon be able to impose similar restrictions if he believes it to be "in the public interest".

In the past, the minister could only impose controls by notice in the Government Gazette.

In the new Bill, these prohibitions can now be imposed on any individual or any group.

Anyone who violates the Act outside South Africa, will be charged on re-entering.

S African goods for Africa in Kaunda country

Star 5/2/88

280

The Star's Africa News Service

LUSAKA — Why were South African wines, beers and other goods freely available in Zambia when it was supposed to be supporting sanctions against the Republic?

This was the question asked by Canadian journalists covering the meeting in Lusaka this week at which Commonwealth Foreign Ministers tried to tighten sanctions against South Africa.

President Kenneth Kaunda came up with an explanation. It was not the one that most Zimbians had always accepted — that South African goods are imported into their country with their government's approval because it is much cheaper and easier to do so than importing such goods from overseas.

The real reason, said President Kaunda, was that the goods were secretly brought into the country as part of a plot by the South African Government to keep Zambia dependent on the Republic.

He told the Canadian journalists that the wines, beers and other South African luxuries they found in Lusaka hotels were not there with the Zambian government's approval, but had secretly been offloaded at night from trucks ostensibly in transit to Zaire and Malawi.

He said this was part of a racket in which the South African goods were exchanged for essential commodities such as maize meal, soya beans and sunflower oil, and sold to Zaire and Malawi for kwacha stolen from Zambia.

Zambia could do little to stop this, he said, because it was barred by international law from examining the contents of trucks in transit through the country to other countries

He said the South African Government was bent on sabotaging Zambia's economy so that it would be forced to depend on South African imports.

● Zambia is believed to get about 15 percent of its imports of maufactured goods and commodities from South Africa. This week, Zambian Railways was reported to have been saved from collapse by Sats agreeing to lend it 24 locomotives.

WE IMPORT DIRECT — BELOW WHOLESALE

tors, Mr Guy Chevallier, is also under

THE ECONOMY

Black capital eats a slice of the divesting cake. A thin slice

A black company has finally grabbed a stake in one of the many American companies to flit from our shores. But it remains to be seen what the new owners can do with a company that has dwindled to a five percent market share. PHILLIP VAN NIEKERK reports

THE recent acquisition of Pepsi Cola Africa by the Soweto Investment Trust Company (Sitco) is the first real stake which black businessmen have had of the billions of rands of stock of divesting foreign companies.

But only the months ahead will tell whether the new management will be able to resurrect the company which has been squeezed out of nearly all the major centres and reduced to a less than five percent share of the softdrink market.

Pepsi is the only notable exception to the trend in which black businessmen have come away virtually empty-handed from the disinvestment bonanza.

In one other case, the Ford Motor Company donated 24 percent of the South African Motor Company (Samcor) to an employee trust, after five months of negotiations with the National Union of Metalworkers (Numsa).

But for the rest, American and other companies pulling out of South Africa have sold their stock to large white-owned corporations such as Anglo American and Barlow Rand or to the local white managements

Herded out because of domestic pressure, most of these companies have sold at bargain prices

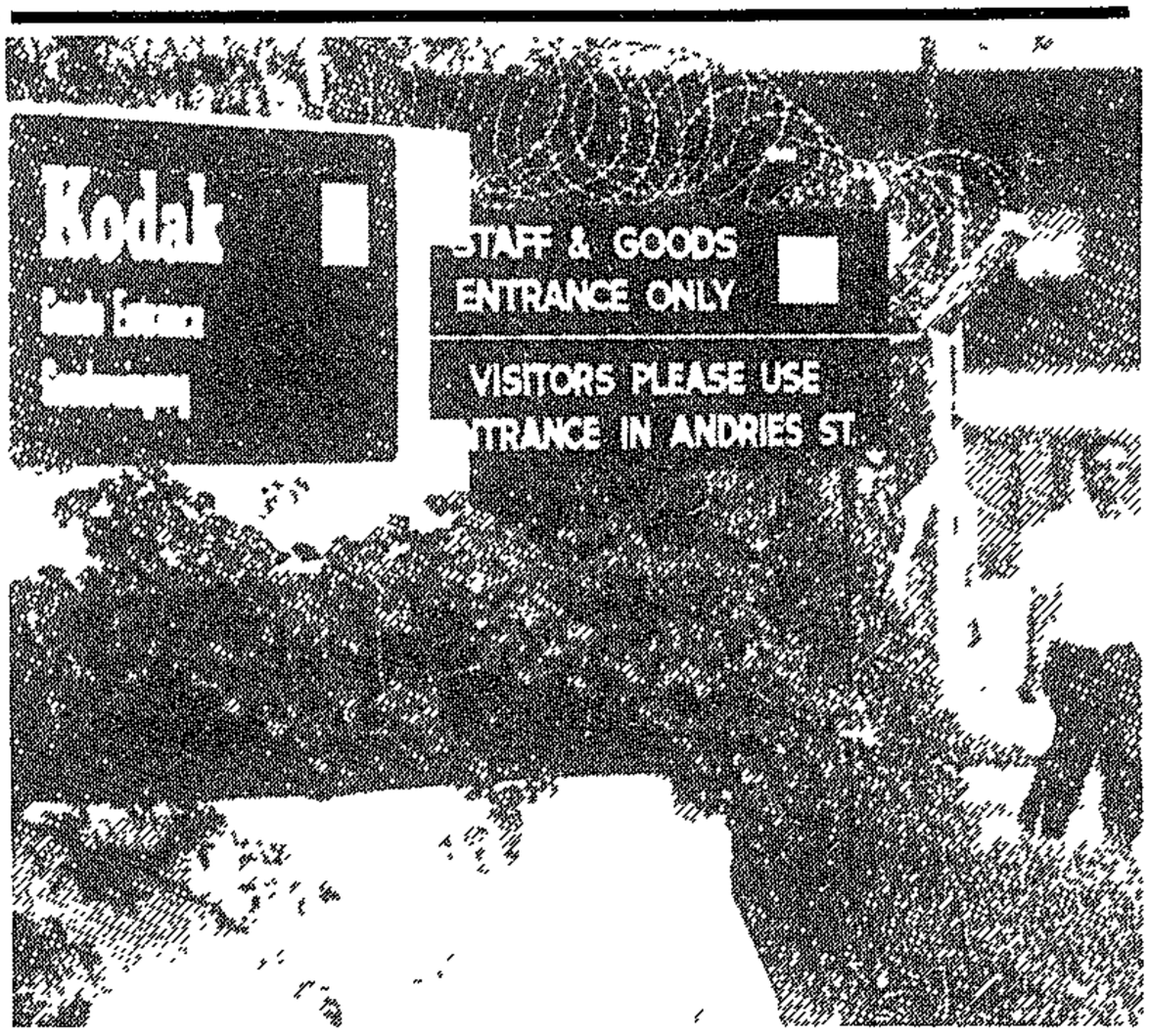
Anglo American, has entrenched its domination of the South African economy by picking up new interests in banking, chemicals, pharmaceuticals and automobiles.

Sitco is a trust set up by the Soweto Chamber of Commerce and First National Bank aimed, in the words of representative Mike Levitt, as a "vehicle to expand black business".

Yet Anglo American control of First National Bank and the fact that the bank is Pepsi's largest creditor means that even the first tentative black control of a medium sized concern has an Anglo American dimension.

"We expected that the benefits of disinvestment would be shared out and that blacks would be able to participate," said Eric Mafuna, a business consultant and managing director of Consumer Behaviour, "but blacks have not been able to buy up a single company other than Pepsico.

"What is disgraceful about the whole thing is that when companies started to pull out, their high moral statements raised a lot of hope among black business people. They thought they might be able to get a piece of the action."



Kodak severed all links with South Africa

Only three of the more than 50 corporate leavers have cut all ties with South Africa.

These include Scholl-Plough, the Dutch investment bank Pierson, Heldring and Pierson and Eastman-Kodak, which sold its laboratories to a large corporation, Premier Group.

The rest simply sold out their existing stock to South African-based concerns. Products such as IBM Computers, Coke and Ford motor cars continue to be made and marketed in South Africa.

"Its not that blacks didn't make approaches to these companies," said Mafuna. "A number were made but they were all rebuffed. They were either told they didn't have the capital or the expertise.

"I think that in the end local management and their United States counterparts were not prepared to countenance black ownership," he said.

"Blacks are just on the periphery of the private sector. Until we get investment capital, the logjam will remain unbroken, we will be unable to get into the major companies."

Adrian Botha, executive director of the American Chamber of Commerce in South Africa, said that though the divesting companies were selling out at bargain basement prices they were still very expensive.

"I think the reason why blacks didn't get in on the act was that they simply didn't have the capital. And when management buyouts take place, that management is usually white.

"In some cases shares have been offered to individual employees, and that's open for black as well white staff."

A group of black businessmen calling themselves Kilimanjaro Investments did manage to acquire a small portion of Coke bottling and marketing rights in East London.

But not until Sitco bid for Pepsico Africa in November last year, did black business get a serious look in to a medium-size concern.

Technically, the sale is not a divestment because Pepsi Cola International sold Pepsico Africa three years ago to Cape Beverage, which in turn sold to Sitco

However, Pepsi Cola International still controls the sale of franchise rights and in the words of Philip van Rensburg, managing director of Concourse Consultants, Pepsis' agents in South Africa "Pepsi International never left South Africa."

The company Sitco has purchased is far from a going concern. The sale cost them nothing in real terms but they assumed liabilities of R2-million and Levitt estimates they will be recapitalising the company to the tune of a further R2-million to get it back on its feet.

Pepsico's share of the South African soft drink market has dwindled to less than five percent and it is no longer sold in the country's largest markets, Johannesburg and Durban.

The initial purchase gave them exclusive bottling and marketing rights in Cape Town and Bloemfontein only.

Last month they acquired marketing rights in the rest of the country and Levitt said that they would probably be moving into the Johannesburg market in the second half of next year — and hence challenging Coke domination.

According to Levitt Pepsi International was providing management expertise and marketing assistance to help get the company off the ground and back as a competitor.

'Mastermind' plots embargo

Star 6/2/88

SATURDAY STAR FOREIGN NEWS SERVICE

280

MELBOURNE — An economist in the Australian Prime Minister's Department in Canberra is the "mastermind" behind a new Commonwealth sanctions strategy against South Africa.

The national daily *The Australian* yesterday named him as Mr Tony Cole (41), the man who is preparing a fresh and major anti-South African plan.

Known as "The Cole Report", it will be presented to the next meeting of Commonwealth Prime Ministers in Canada in July.

The newspaper said it will "isolate South Africa from sources of international finance it so badly needs".

Slimming firm sheds SA

Sunday Times Reporter

AMERICAN slimming company Weight Watchers is to shed its South African interests at the end of February.

Local managing director Mr Imker Hoogenhout has told staff in a letter that "foreign pressure" has forced the US parent company to sever its South African franchises.

But Weight Watchers' staff and 5 000 members will tie up with a rival slimming company, Weigh-Less International, from March.

Weight Watchers was founded in the US in 1963 and has been operating in most major South African centres since the early '70s.

THE contents of this issue of the Sunday Times have been restricted in terms of the emergency regulations.

S11 280 1278

Restraints on trade sought

TOKYO — Japan's leading business organisation has urged member firms to restrain trade with South Africa.

Director Masaya Miyoshi of the Federation of Economic Organisations provides no details of what he considers restraint and does not specify a time-frame.

Foreign Ministry officials are embarrassed over Japan's position as South Africa's top trading partner and are concerned Japan might be criticised for filling the trade vacuum left by departing US firms.

The Foreign Ministry last month called on the federation to act cautiously in trading with South Africa. Japanese-South African bilateral trade amounted to $4,27 billion in 1987, up 19 percent in dollar terms and two percent in yen terms over the previous year. — Reuter.

Commonwealth study sees more pressure on South Africa

Star 10/2/88

SYDNEY — South Africa faces serious problems rebuilding its relationships with the international financial community in the absence of fundamental political reform, according to the preliminary findings of a special Commonwealth study.

The study remains confidential, but some details have surfaced in the past week. When finished, it promises to make a major contribution to the controversial and generally inconclusive international debate on the efficacy of economic sanctions against South Africa.

Its principal finding so far is that South Africa's suspension of capital repayments to creditors in 1985 and its subsequent vexed rescheduling negotiations have already caused potentially irreparable damage.

It argues that popular pressure on foreign banks, companies and local and national governments to cut ties with South Africa is building at such a rate that the country cannot secure the capital or the economic development it needs to prevent mass unemployment and dislocation.

The study implies that, for many key countries, financial sanctions are effectively in existence already through the private sector. In the US this is supported through legislation, and in Australia, Canada and Japan by official guidance.

The UK, by contrast, has neither. With further effort, the study suggests, such sanctions will spread to countries like France, where the attitude is more relaxed, and West Germany, where the banks have yet to take a firm position.

The stand of certain newly-industrialed states is still to be studied. The study's clear conclusion is that South Africa's ruptured ties with foreign banks will be far more difficult to repair than in comparable periods after the Sharpeville shootings in 1960 and the Soweto uprising in 1976.

More pointedly, Pretoria is likely to find its situation worsening as it is deprived of access to enough resources on suitable terms and foreign bankers, under pressure at home, insist that its problems be resolved at their roots.

The study was ordered by Commonwealth leaders when they met in Vancouver last year. Financial Times.

South

11-17/2/88



Protesting workers at the Mono Pumps factory near Kempton Park are set to secure significant rights.

'We want a fair deal'

THIS month workers at Mono Pumps at Sebenza, near Kempton Park in the Transvaal, will hear whether they have won their fight for new rights when the company they work for disinvests from South Africa

In the Eastern Cape hundreds of workers who were fired from the former General Motors over a year ago are expecting to hear soon whether the Industrial Court will allow them to return to their jobs at the new local company, the Delta Motor Corporation

Multi-national companies are disinvesting from South Africa supposedly because of their concern for the oppressed workers. Yet, when they leave workers often lose the few rights they had. Now unions are going all out to ensure that workers' rights are transferred and even extended when a new management takes over.

Cosatu

According to Frank Meintjies, information officer for the Congress of South African Trade Unions (Cosatu), there is now greater pressure for the workers of companies disinvesting to be given a fair deal

"These companies are pulling out because of so-called concern for the plight of the oppressed and exploited," he said "But last year Cosatu and other solidarity groups started exposing the fraudulent ways in which they were disinvesting

"Often, there were no safeguards for the workers The multi-national would just hand over to a local company that would merely pay the workers for the work they did. There would be no attempt to honour the agreements between the union and the previous management

"The mother company would often then retain an interest in the new company with the hope obviously of trying to rebuy the company at a later date."

Central to the drawn-out negotiations at Mono Pumps has been the claim by the company's executive that the sale is a "commercial decision" and not a disinvestment. They claim the Kempton Park branch is one of five or six being sold off around the world.

But the National Union of Metalworkers of South Africa (Numsa) has disagreed and has pressed for a deal that would not only preserve existing rights but extend them

If the company is bought by the local management team - which appears almost certain at this stage - the union will have succeeded in its aim. It will also have created a precedent, maintains Ms Adrienne Bird, the Numsa organiser involved with the Mono Pumps issue

"It's very difficult in a situation like a takeover to extend the rights of the workers, so we'll have every reason to be proud when the sale goes through this month," she said.

Workers

Under the agreement reached between Numsa and Mr Michael Kettle, the UK executive handling the sale, a clause will be inserted into the terms of sale protecting all the present terms and conditions of all workers in the company

A trust will also be established for the benefit of the workers, which will be controlled by a board of trustees consisting of two worker representatives elected by a secret ballot, one representative from Numsa, and two independent representatives, one of whom will be an accountant and the other an attorney.

In the past the company refused workers the right to negotiate at plant level. This right has now been assured and Numsa has agreed to negotiate a formal recognition of the union by the company

A "very generous" retrenchment package was also secured with the local management team undertaking to give "ample" notice if anyone should be retrenched, said Bird.

Sacked

Workers at General Motors are not so fortunate. Thousands of workers were summarily sacked when they downed tools after their demands for severance pay, pension refunds and the right to appoint two directors to the board of the new company were turned down

A series of meetings between management and workers reached a stalemate. The matter has now taken over a year to reach the Industrial Court. In the meantime many of the waiting workers have become involved in township mechanics, bricklaying, dance and drama workshops.

As Meintjies of Cosatu points out, the real danger of takeovers and mergers is that the agreements the workers have won through bitter struggle will be overturned

"The hard-won gains made by organised workers should never be reversed," he said. "Workers should fight to ensure that they are not thrown out to starve after having worked to create the wealth of the company

"The rights of workers haven't been won easily. It's been an agonising process That's why we're determined that all affairs of a company should involve consultation with its union - especially takeovers."

USA fudging on sanctions, says official report

A report requested by two Senators suggests that US officials are less than enthusiastic about enforcing sanctions on SA

AN official American report has come close to admitting that the United States is implementing sanctions against South Africa half-heartedly.

The report was compiled by the US General Accounting Office (GAO) at the request of Senators Edward Kennedy and Lowell Weicker. It reviewed the implementation of the 1986 Comprehensive Anti-Apartheid Act — the most comprehensive sanctions package on South Africa — in August and September last year.

The GAO found US Customs conducted only 17 investigations of import fraud — of which four have been terminated and three have involved the seizure of merchandise — and 14 of illegal exports.

On the import side most investigations involved false documents concerning the country of origin and transhipments through third countries. One justice official is quoted as saying that the "primary effect of the act has been to change the mismarking of merchandise".

Uranium is specifically examined. To get around the ban on uranium ore and oxide, foreign utilities — "most commonly Taiwanese, Japanese, Spanish and German" — buy these products from South Africa, convert them to uranium hexafluoride gas and ship this to America; imports of this gas are not banned.

The report quotes on estimate that during 1987 uranium hexafluoride originating from South Africa or Namibia will account for some 28 percent of uranium enriched in the US for foreign utilities. So the US uranium conversion industry was hurt without reducing the amount of South African uranium entering the US.

A required presidential report to Congress affirmed a "significant reliance" on South African minerals. South African imports account for 56 percent of US chromite consumption, 26 percent of manganese consumption, 41 percent of platinum group metals consumption and 52 percent of cobalt consumption.

A paper is being prepared which will provide a case by case study of 11 minerals and will include an analysis of the options available to reduce US dependence on SA such as substitution, conservation and alternate suppliers.

With exports, custom officials believe the only significant new export prohibition in terms of the new Act is on oil and petroleum products from America to South Africa.



Edward Kennedy

"Both customs and justice officials said the Act has had little effect on the enforcement of illegal exports." It continues: "Customs has not independently sought information on violations of the Act by developing informant networks, but instead follows up on tips."

Of the 14 investigations, 13 involve potential violations of the Arms Export Control Act or Export Administration Act and would have been investigated regardless of the Anti-Apartheid Act. In any event, of the 14, two have been closed with no indictment, seven are still active, one has been passed on, three are pending US attorneys' decisions. The one prosecution involves an attempt to export technical manuals for the C-130 aircraft to South Africa through Argentina.

South Africa is clearly low down on the GAO's list of priorities and comes behind concerns such as narcotics, fraud, controls on high tech goods to the Soviet Union bloc, financial incidents and pornography.

The report also draws attention to the fact that the US Trade Representative has only one person monitoring all trade in Africa. "Possible foreign commercial advantages derived from the US embargo are monitored only on a part-time basis."

Given all this it is somewhat ironic that GAO notes "some nations' sanctions have less effect than they seem because they end commercial relationships that are not important, cover narrowly defined products, and are voluntary."

Examples include:

- Scandinavian countries' trade sanctions — two have comprehensive trade bans and one is considering this — despite low trade volumes with South Africa
- Japanese investment in South Africa is commerically less important than exports yet new investments are banned.
- The EEC has narrowly defined iron and steel for its boycott.
- Although suggested, Canada has not specifically banned imports of Krugerrands, new bank loans to the South African government, and the export of oil.
- Similarly, Australia has suggested no South African government investment in Australia and no banks loans to the South African government, but has not specifically banned them.

The most common sanctions are bans on Krugerrands, new investments, imports of South African iron and steel, and arms exports to South Africa.

W|Mail 5-11/2/88

Cart Trib 12/2/88

Sanctions have failed — De Kock

THE West's economic sanctions against South Africa have failed, the governor of the Reserve Bank, Dr Gerhard de Kock, said yesterday.

The South African economy, far from collapsing under the strain of sanctions and withdrawals by foreign companies, was buoyant, he said.

A cheerful Dr De Kock, who said his golf handicap had gone down as the economy had picked up, gave a bullish assessment of the South African economy in a briefing to foreign reporters.

He said sanctions had not brought the country to its knees or forced the government to end apartheid.

"Sanctions have not turned out to be the quick fix that people thought they would be," he said.

Dr De Kock said he respected the sincerity of people who wanted to end apartheid, but their methods had been counter-productive.

If anything, sanctions had helped slow down the cautious apartheid reforms implemented by the government of President P W Botha in the early 1980s, he said.

The South African economy had been seriously buffeted by a combination of factors this decade, including a wave of black rebellion in the townships, but prosperity was returning after a deep recession, he added.

Growth rate

"We are not going to shatter any growth records. We are not going to do a Taiwan or a South Korea.

"But we have done much better than I thought we would.".

He said South Africa's real economic growth in 1988 was likely to be around 3% and this could be sustained in coming years. The economy recorded inflation-adjusted growth of 2,6% last year, up from 0,5% in 1986.

Although his overall tone was optimistic, he conceded that a three per cent growth rate was not enough to keep pace with rising unemployment, which is far higher — at least 30% — among the country's black majority than among whites.

He said inflation would decline to about 14% this year from its current level of 14,7%. In a speech to Parliament last Friday, President Botha pinpointed inflation and government overspending as key problems.

Foreign perceptions of South Africa had improved, Dr De Kock said. Fewer people were convinced that this country was about to be engulfed in revolution.

"Confidence is improving every single day," he told reporters. — Sapa-Reuter

Saudi Arabia, Egypt and Israel.

the public." — Sapa-Reuter.

picked. — Sapa-Reuter.

SA sanctions fight only just begun, UK seminar told

The Argus Foreign Service

LONDON. — Canada's High Commissioner in Britain, Mr Roy McMurtry, says the South African sanctions battle has only just begun.

Mr McMurtry, a prominent figure in planning and co-ordinating Commonwealth initiatives against apartheid, told a Foreign Press Association seminar on Southern Africa yesterday: "I believe the sanctions battle has only just begun ... the black population in the US is growing in political strength and the priorities of the US Administration down the road will be somewhat different from what they are today."

But fellow panelist, Mr Justus de Goede, the minister from the South African embassy, warned that the cost of imposing sanctions was a loss of influence in the region.

He said: "Sanctions encourage the radical left and the reactionary right. We are not opposed to negotiation but if countries are blindly determined to apply sanctions whatever the consequences then a loss of influence is inevitable.

"This is the message sanctions send to the South African Government."

Mr McMurtry said the goal of sanctions was "not to bring South Africa to its knees, but to its senses".

"The only alternative is to encourage armed conflict. Economic measures, we hope, will prevent that ... even if the short-term effects of sanctions are unfortunate."

Mr de Goede said he believed there was reason to be optimistic about the future in South Africa but he warned that the country would need to considerably increase its "economic potential to accommodate the realistic expectations of the black population".

SABC man in clash with Canadian envoy

The Argus Foreign Service

LONDON. — The newly appointed SABC London correspondent, Freek Swart, clashed over sanctions with the Canadian High Commissioner, Mr Roy McMurtry, at a Press seminar here.

Both claimed yesterday that they were insulted by each other's views.

Earlier Mr McMurtry had a brisk exchange of words with Bophuthatswana's UK representatives after he told them the homeland was a "puppet state" of South Africa.

The representatives, Mr Ian Findlay and Miss Ruth Rees, insisted it was an independent nation.

Mr McMurtry, prominent in Commonwealth moves against apartheid, was one of three speakers at a Foreign Press Association seminar on Southern Africa.

The other two were the minister from the South African embassy, Mr Justus de Goede, and the director of the London School of Economics, Dr Indraprasad Patel.

Mr McMurtry's sour exchange on sanctions started after Mr Swart asked him to justify his support for embargoes and to say how their impact would be measured.

The High Commissioner said he had already explained the reasoning behind sanctions, adding: "If sanctions are going to prevent a holocaust in South Africa, then it's an initiative that has to be pursued."

Mr Swart then asked: "But will you measure the impact of sanctions according to the suffering they cause to blacks?"

Mr McMurtry responded: "Oh don't make a stupid statement like that — I actually find it insulting."

"So do I, with great respect," said Mr Swart.

Mr McMurtry continued: "It's regrettable (that black people are likely to suffer from sanctions) but there appears to be little alternative — and that's why sanctions are supported by most black leaders."

DID 14/2/88

End apartheid but no sanctions say America, Britain

280

GENEVA — The United States and Britain called for an end to apartheid yesterday but opposed mandatory economic sanctions to force reforms in South Africa.

The 43-member United Nations Human Rights Commission, which opened its annual six-week session in Geneva on February 1, heard calls for total economic isolation of South Africa from several African states and five Nordic countries.

But senior American and British delegates made clear in speeches yesterday that their governments supported multiracial democracy in South Africa but refused to back economic sanctions.

The US alternate delegate, Mr Alberto Piedra, said: "Americans detest apartheid. They want it dismantled in a way that does not cause additional long-term suffering to the people of South Africa."

But he added: "The United States opposes the call for comprehensive mandatory sanctions against South Africa and the corollary demand for the withdrawal of all multinational corporations."

The head of the British delegation, Mr Henry Steel, said: "Apartheid must must be totally abolished and replaced by a fully multiracial democratic society."

But he called mandatory economic sanctions a sure prescription for making the situation worse.

Delegates from Senegal, Tanzania, India and five Nordic countries — Denmark, Finland, Iceland, Norway and Sweden — have called for the UN Security Council to apply mandatory economic sanctions against South Africa, while the African National Congress (ANC), appealed for total isolation. — Sapa-RNS

SOWETAN. Friday, February 12, 1988

UNIONIST MISSING

THE Teammates Union, a Vereeniging-based general workers trade union, is appealing to the public to help trace its organiser, Mr Zacharia Pitso, who went missing after leaving for Bloemfontein on official business last week.

General secretary Mr Mike Mohatla said Mr Pitso left for the Free State last Wednesday and according to the union's Bloemfontein office returned to Vereeniging the next day.

Mr Pitso was riding a motorcycle with the registration number GDL 169T.

"The Teammates Union will hold a shop stewards training seminar at the Rabbuni Centre, Klerksdorp, on March 14.

March 14, at which issues such as disinvestment and sanctions, affiliation to the Congress of South African Trade Unions or the National Council of Trade Unions and trade unionism in the homelands will be discussed.

Non-aligned trade unions are invited.



DECOR Print workers break into song as they walk away after being dispersed by the police yesterday.

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A TIMES MEDIA PUBLICATION



SA sanctions have failed — De Kock

CAPE TOWN — Economic sanctions against SA have failed, Reserve Bank governor Gerhard de Kock said yesterday.

He told foreign journalists the economy, far from collapsing under the strain of sanctions and withdrawals by foreign companies, was buoyant.

A cheerful De Kock, who said his golf handicap had gone down as the economy had picked up, gave a bullish assessment of the economy.

He said sanctions had not brought the country to its knees, or forced Pretoria to end apartheid.

"Sanctions have not turned out to be the quick fix people thought they would be," he said.

De Kock said he respected the sincerity of people who wanted to end apartheid, but their methods had been counter-productive.

If anything, sanctions had helped slow down the cautious apartheid reforms implemented by President P W Botha's government in the early 1980s, he said.

The economy had been seriously buffeted this decade by a combination of factors, including a wave of black rebellion in the townships, but prosperity was returning after a deep recession, De Kock added.

"We are not going to shatter any growth records. We are not going to do a Taiwan or a South Korea.

"But we have done much better than I thought we would," he said.

He said SA's real economic growth in 1988 was likely to be around 3% and this could be sustained in coming years. The economy recorded inflation-adjusted growth of 2,6% last year, up from 0,5% in 1986.

Although his overall tone was optimistic, De Kock conceded a 3% growth rate was not enough to keep pace with rising unemployment, which is far higher — at least 30% — among blacks than whites.

He said inflation would decline to about 14% this year, from its current level of 14,7%.

Foreign perceptions of SA had improved, De Kock said. Fewer people were convinced the country was about to be engulfed in revolution.

"Confidence is improving every single day," he said.

☐ Foreign Minister Pik Botha yesterday attacked the Australian government, accusing it of hypocrisy in supporting anti-apartheid sanctions.

"Everybody by now knows that particularly Australia wants to use the sanctions and boycott position to push Australian products and the export of Australian coal," he said.

He said Australia wanted SA out of the market in certain commodities, because it could not compete with SA in quality.

By contrast, Botha had only praise for British Prime Minister Margaret Thatcher, a strong opponent of sanctions, whom he said had adopted a "very strong, bold, courageous stand against virtually the whole Commonwealth". Sapa-Reuter.

Anti-SA battle has only started, says High Commissioner

Star 12/2/88

280

By Michael Morris,
The Star Bureau

LONDON — Canada's High Commissioner in Britain, Mr Roy McMurtry, has warned that the South African sanctions battle has only just begun.

Mr McMurtry, a prominent figure in planning and co-ordinating Commonwealth initiatives against apartheid — he was in Lusaka for the Foreign Ministers Committee meeting earlier this month — told a Foreign Press Association seminar on southern Africa yesterday:

"I believe the sanctions battle has only just begun. The black population in the US is growing in political strength and the priorities of the US administration down the road will be somewhat different from what they are today. If I were a South African, I would be very concerned about the future."

But fellow panelist, Mr Justus de Goede, the Minister from the South African embassy, warned that the cost of imposing sanctions was a loss of influence in the region.

He said: "Sanctions encourage the radical Left and the reactionary Right. We are not opposed to negotiation, but if countries are blindly determined to apply sanctions whatever the consequences, then a loss of influence is inevitable. This is the message sanctions send to the South African Government.'

Mr McMurtry said the goal of sanctions was "not to bring South Africa to its knees, but to its senses".

"We are determined to broaden sanctions and we believe this will happen in the months and years ahead. We hope this will bring about the realisation of the need for serious negotiation. The only alternative is to encourage armed conflict."

Mr de Goede told the gathering of foreign correspondents based in London that he was optimistic about the future in South Africa.

However, he warned that the country would need to considerably increase its "economic potential to accommodate the realistic expectations of the black population".

The third panelist, director of the London School of Economics, Dr Indraprasad Patel, observed that the development of southern Africa, one of the richest developing regions of the world, was being stifled by apartheid-related conflicts.

SABC reporter in clash over impact of sanctions on blacks

Star 12/4/88

280

The Star Bureau

LONDON — The SABC's newly appointed London correspondent, Freek Swart, clashed over sanctions with the Canadian High Commissioner, Mr Roy McMurtry, at a press function yesterday.

Both claimed to have been insulted by each other's views. Earlier the high commissioner was engaged in a brisk exchange with Bophuthatswana's UK representatives after he told them the homeland was a "puppet state" of South Africa.

The representatives, Mr Ian Findlay and Ms Ruth Rees, insisted it was an independent nation.

Mr McMurtry — prominent in Commonwealth initiatives on apartheid — was a speaker at a Foreign Press Association seminar on southern Africa.

Mr McMurtry's sour exchange on sanctions occurred when Mr Swart asked him, among other things, to justify his support for sanctions and to say how their impact would be measured.

The high commissioner said he had already explained the reasoning behind sanctions, adding: "If sanctions are going to prevent a holocaust in South Africa, then it's an initiative that has to be pursued."

Mr Swart then asked: "But will you measure the impact of sanctions according to the suffering they cause to blacks?"

Mr McMurtry responded: "Don't make a stupid statement like that ... I actually find it insulting."

"So do I, with great respect," Mr Swart interjected.

Economic sanctions have been failure, says De Kock

Star 12/2/88. (280)

CAPE TOWN — The West's economic sanctions against South Africa had failed, Reserve Bank Governor Dr Gerhard de Kock said yesterday.

The economy, far from collapsing under the strain of sanctions and withdrawals by foreign companies, was buoyant, he said.

Dr De Kock, who said his golf handicap had gone down as the economy had picked up, gave a bullish assessment of the economy in a briefing to foreign reporters.

He said sanctions had not brought the country to its knees or forced Pretoria to end apartheid.

"Sanctions have not turned out to be the quick fix that people thought they would be," he said.

He said he respected the sincerity of people who wanted to end apartheid, but felt their methods had been counter-productive.

If anything, sanctions had helped slow down the cautious apartheid reforms implemented by State President PW Botha in the early 1980s, he said.

The economy had been seriously buffeted by a combination of factors this decade, including a wave of black rebellion in the townships, but prosperity was returning after a deep recession, he said.

"We are not going to shatter any growth records. We are not going to do a Taiwan or a South Korea.

"But we have done much better than I thought we would," he claimed.

He said South Africa's real economic growth in 1988 was likely to be around three percent and this could be sustained in coming years. The economy had recorded inflation-adjusted growth of 2,6 percent last year, up from 0,5 per cent in 1986.

Although his overall tone was optimistic, Dr De Kock conceded that a three percent growth rate was not enough to keep pace with rising unemployment, which was far higher — at least 30 percent — among blacks than among whites. — Sapa.



Dr De Kock

Anti-SA trio blunders over duty-free aid to Anglo alloys firm

By Alan Dunn,
The Star Bureau

WASHINGTON — A group of US politicians prominent in the campaign on Capitol Hill to sever trade ties with South Africa has recommended that a South African-controlled company be allowed to export its products to America duty-free.

Apparently thinking they were fostering better relations with Zimbabwe, and dealing South Africa a blow, three congressional leaders in the pro-sanctions debate wrote a letter urging US trade authorities to favour with special treatment two chrome products mined in Zimbabwe.

It is understood there were red faces in the offices of Senator Paul Simon, Democratic presidential candidate and chairman of the Senate sub-committee on Africa; Congressman Bill Gray, chairman of the House budget committee; and Congressman Howard Wolpe, chairman of the House sub-committee on Africa, when aides fathomed the implications of what they had done.

The trio has long pushed for the harshest possible measures against South Africa.

They wrote recently to US Trade Representative Mr Clayton Yeutter, expressing support for a petition from the Minerals Mining Corporation of Zimbabwe (MMCZ), marketers of that country's minerals. MMCZ pleaded for low-carbon ferrochromium and ferrosilicon chromium to be allowed into the US duty-free.

The producer of these ferro-alloys is Zimbabwe Alloys Ltd, of which South Africa's mining giant, the Anglo-American Corporation, has a controlling interest. This was explained to the letter-writers only after they had sent it.

"They would bite off their arms rather than help a South African company," said a source on Capitol Hill. " .. I cannot imagine they would put themselves in the humiliating position of trying to undo it."

The letter said: "As concerned members of the House of Representatives and Senate, we believe that permitting these two products from Zimbabwe to enter the United States free of duty would advance our foreign policy of aid and co-operation towards the nations of southern Africa."

The letter said official US studies showed that demands for ferrochromium products by American steelmakers were increasing. "US stainless steel manufacturers who process these materials have expressed the view that granting Zimbabwe's petition would make them more competitive with foreign producers in Europe and Japan," the politicians wrote.

The trio, also seeking ways to economically buttress the southern Africa Frontline states to reduce their dependence on South Africa, argued further that the sanctions-imposing Comprehensive Anti-Apartheid Act of 1986 mandated a programme to diminish US dependence on South African strategic minerals.

A spokesman for Mr Yeutter's office acknowledged receipt of the letter. But there has been no follow-up to mend the blunder.

Sanctions against Southern Africa'

Own Correspondent

JOHANNESBURG. — Sanctions against South Africa were sanctions against Southern Africa and no amount of compensatory aid in the foreseeable future would adequately address the natural growth and prosperity sacrificed so far, Anglo American chairman Mr Gavin Relly said yesterday.

At an address to the Swiss/SA Association in Zurich, he said that of those companies that had disinvested, none had moved to a neighbouring state.

"Their withdrawal from this region has been total, because on pure investment grounds they could find no reason for investment in another part of the subcontinent.

"This is confirmation that there is no way to artificially stimulate the rest of Southern Africa if the economy of its hub is in decline."

Sanctions and the threat of sanctions had effectively hardened government's resolve not to submit to pressure from the international community.

Rather than insisting on instant rectitude and instituting sanctions to satisfy the conscience of the punisher, SA should be allowed to make its own decisions, he said.

"The imposition of sanctions is unlikely to lead to the quick collapse of the SA economy. It is more likely that a process of gradual attrition will occur.

"The sanctions which foreign bankers imposed in 1985 have had by far the most significant impact. The capital outflow of close to $7,75 billion (about R15,5 billion) during 1985/86 was equivalent to nearly 6% of gross domestic product," he said.

Despite this the SA economy had performed remarkably well.

"Up to the end of 1987, just less than $5 billion of foreign debt has been repaid since the first debt standstill arrangement."

He said the West should become more involved with South Africans seeking to influence the direction of a non-racial and democratic future.

"The international community could do much to assist with the creation and strengthening of these institutions. Without this, effective non-racial democracy will be impossible," he said.

Sanctions a bad idea — Relly

280
Bldwy
16/2/88

MANDY JEAN WOODS

SANCTIONS against SA were sanctions against southern Africa and no amount of compensatory aid would adequately address the natural growth and prosperity sacrificed so far, Anglo American chairman Gavin Relly said yesterday.

Addressing the Swiss-SA Association in Zurich, he said no company which had disinvested had relocated to a neighbouring state.

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He said the West should become more involved with South Africans seeking to influence the direction of a non-racial and democratic future.

D/D 18/2/88

NZ minister to reaffirm govt's stance on Budd

280

LONDON — New Zealand's Foreign Minister, Mr Russell Marshall, has sought a meeting here this week with the organisers of the World Cross-Country Championships who have steadfastly defended Zola Budd's right to compete in Auckland next month.

The Wellington government has said the British runner will not be welcome in New Zealand

The British selectors and the event's organisers, the International Amateur Athletic Federation (IAAF), have refused to budge.

A federation spokesman said that its secretary, Mr John Holt, would meet Mr Marshall in London at the minister's request.

Mr Marshall is expected to emphasise the New Zealand Government's stance about Budd and seek sanctions against competitors like her who are seen as using the passports of other countries as a "flag of convenience" while still spending most of their time in South Africa

New Zealand's Sports Minister, Mr Peter Tapsell, was also in London this week.

But, he said he was taking no initiatives with the IAAF or British Amateur Athletic Association because his government's views were well known.

Mr Tapsell said he accepted that Budd, a British passport-holder, would be in New Zealand as part of the British team.

The London Guardian said Mr Holt would seek confirmation that the New Zealand Government would honour a three-year pledge to guarantee entry for all athletes chosen by their countries for the championships

Mr Tapsell said earlier this week that it was his government's intention to abide by the undertaking given to the IAAF.

This was despite a comment from the office of the Immigration Minister, Mr Stan Rodger, that entry could still be denied to Budd.

A fortnight ago an IAAF spokesman said that if the New Zealand Government broke its guarantee and an athlete was banned there was a possibility another venue would be sought for the championships.

The federation's president, Mr Primo Nebiolo, of Italy, was reported by the Guardian as saying his organisation would not consider moving the World Championships, or just the women's race, to another country

An anti-apartheid campaigner, Mr Sam Ramsamy, who is also the chairman of the South African Non-Racial Olympic Committee, said if the IAAF decided to move the races out of New Zealand just to accommodate Budd he would ask the African countries and their supporters to boycott the championships, the Guardian reported.

Meanwhile, a BAAA spokesman, Mr Tony Ward, said there was "no question of the British selectors withdrawing Budd from the team".

This was despite the threat of demonstrations in New Zealand —Sapa-AP

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The chairman of the Border Institute of Marketing Management, Mr Ian Stubbings, left, Mrs Des Cuff and Mr Raymond Ackerman at an institute meeting in East London last night.

DD 18/2/88

Businessmen urged to fight sanctions

Daily Dispatch Reporter

EAST LONDON — South African businessmen should fight sanctions and disinvestment, was the message given by the chairman of the biggest supermarket chain in South Africa, Mr Raymond Ackerman, here last night.

He said at an Institute of Marketing Management (IMM) meeting that it was "morally wrong" to terrorise a country by threatening to make it poverty-stricken.

He said he had spoken to many black leaders and they said they did not support disinvestment or sanctions.

Mr Ackerman said business should get involved in the fight against sanctions, because businesses had a lot of influence over the consumer.

He said his company tried to improve the way of life for all South Africans by providing housing and bursaries.

"People with proper houses and bursaries don't want to see riots," he said.

He said his company was trying to change South Africa "the right way".

Mr Ackerman said South African people were realistic about change in the country, unlike a few years ago.

"We have time to work on our own businesses and lives. It is essential we get our own lives in order first," he said.

Social, economic and political factors all had to be taken into careful consideration to run a successful business.

He emphasised the importance of personal contact in the running of any company, big or small.

"The most important things about marketing are the ability to get on well with people, to have enthusiasm and a little intelligence."

Last night's meeting was attended by almost a hundred people.

DISINVESTMENT

Bargain Price

Any suggestion that Ronnie Price's Eureka group is in the process of taking a lower key interest in the information technology sector has been scotched by the announcement that group company Computermatic Holdings has acquired the South African operations of US computer software corporation Reynolds and Reynolds (R+R).

There has been speculation since the sale towards the end of last year of Eureka's interest in Sequel to Bill Venter's Altron group, that other computing interests would soon follow. But instead, Price appears to have taken the initiative by taking over the local interests of yet another disinvesting US firm. R+R (US) is a major supplier of information processing systems including software solutions in the motor industry, medical, and business markets in the US. In SA R+R's emphasis has been on developing software solutions for the distribution side of the motor industry.

Of the acquisition Price says: "R+R fits very nicely into the strategic framework of Computermatic and the broader Eureka group. It has a specialist vertical market niche with some excellent in-house expertise which is transferrable to the rest of the group."

R+R will be allowed to continue with its existing operations, but Price believes the acquisition will in the near to medium term open up "some very interesting doors" such as making R+R system applications available as a bureau service.

Richard Grant, senior vice-president of R+R (US) says the process of divesting itself of its South African interests took more than a year because it wanted to ensure the best for its employees and customer base in SA. "Once we were assured that those two important groups were safe we finalised the agreement with Computermatic." ▩

Companies beating embargo

BRUSSELS — The European Community (EC) cannot prevent companies from swapping consignments of uranium to beat a US embargo on imports of the mineral from South Africa, a senior EC official said yesterday.

The director of the European Atomic Energy Community (Euratom) Supply Agency, Mr Georg von Klitzing, was commenting on a report in the West German news magazine, Der Spiegel about so-called "flagswaps" which mask the origin of the uranium.

He said Euratom authorised swaps of nuclear material but it was common practice and did not break agreements with major supplier countries governing the final use of the uranium.

"Under the (Euratom) treaty and its statutes, it would be difficult for Euratom to say no for political reasons to such a contract," he told a news conference.

The US ban on imports of South African uranium is one of Washington's sanctions against Pretoria to press for an end to apartheid. The EC does not have a similar embargo. — Sapa-RNS

D|D 19/2/88

Japanese motor vehicle trade with SA under threat

280

CAPE TOWN — The possibility of a Japanese limit on trade with South Africa went a step further yesterday with a threat by Nissan and Toyota to curb exports following government pressure.

The move would hit the import of complete knock-down kits (CDKs), which were the top export item to South Africa last year, and accounted for 40 per cent of all goods imported from Japan.

The threat follows a dispute between the Ministry of International Trade and Industry (MITI), and the Foreign Ministry over measures applied on Japanese firms to get them to restrict their South African business.

The Foreign Ministry is known to be unhappy about Japan's position as South Africa's top trading partner, and is worried by US charges that Japanese firms are filling the gap as American companies pull out of South Africa.

A spokesman for Nissan South Africa said: "It's something we are witnessing worldwide — started by the US trade ban — but we are not too concerned."

A Toyota South Africa official said the company had not been told of any limitation on imports.

Nissan Motor Corporation was also said to be considering limiting exports of CKDs, a company spokesman said.

Tokyo became South Africa's top trading partner in 1986 and trade in 1987 reached R8,5bn — up 19 per cent on 1986.

MITI said that existing sanctions were sufficient.

The ministry recently asked members of the Japan Automobile Manufacturers Association (JAMA) to limit exports.

A MITI official said there had been no change in the ministry's basic position and no specific requests to the association or its members.

However, ministry officials have informally suggested that all exporters give serious thought to the issue.

Japanese car makers exported 206 130 vehicles, nearly 20 per cent more than in 1986. Toyota and Nissan alone exported 134 700 kits last year.

ahead with the debate.

transport are also essential.

going into.

Japanese car makers consider SA export cuts

Japan's top car makers said yesterday they were considering limiting exports to South Africa due to pressure from government officials embarrassed by the country's growing trade with this country.

This follows a dispute between the powerful Ministry of International Trade and Industry (MITI) and the Foreign Ministry over how much pressure to apply to Japanese firms to restrict their business with South Africa.

The Foreign Ministry has been unhappy over Japan's position as South Africa's top trading partner and worried by United States charges that Japanese companies are filling the gap left as American firms pulled out in protest over apartheid.

"Toyota will act prudently in exporting to South Africa," a Toyota spokesman said. But he added it was impossible to say whether exports would be kept at or below last year's level.

Nissan is also considering restricting exports of knock-down vehicle sets, although no concrete decision has been made, a company spokesman said.

Last month the Foreign Ministry called on members of the influential Federation of Economic Organisations to act cautiously in view of the expanding trade volume between the two countries.

But MITI has argued that existing sanctions on trade with South Africa, including a ban on the export of some computers and an import ban on iron and steel, were sufficient.

Cars are Japan's number one export to South Africa — last year 206 130 vehicles were shipped, nearly 20 percent more than in 1986. Most were shipped in kit form for local assembly, an official said. — Sapa-Reuter.

Teachers to challenge pension Act

The Teachers' Federal Council is considering legal action to challenge the validity of amendments to the regulations under the Government Service Pension Act, the council said yesterday.

The council considered that the amendments, published on September 21 1987, were invalid.

"Specific rights and benefits of members of the fund are affected and the controlling authorities concerned acted contrary to official assurances previously given," the council's chairman, Mr Dudley Schroeder, said.

In view of legal advice obtained, the council's standing committee decided to challenge the validity of the amended regulations and to instruct its legal advisers to act accordingly.

Mr Schroeder said the problems the council was experiencing with the regulations were brought to the attention of the authorities at the end of 1987.

Mr Schroeder said that, to date, no final decision had been given on the council's representations and it "has no alternative but to act in this manner in the interest of teachers.

● Zimbabwe yesterday lifted the eight-month old wage freeze and awarded an across-the-board increase of between two and 15 percent in the private and public sectors. Prices will remain frozen. — Sapa.

Mahila gives

where applicable, urban arterial routes.

construction and operation should be put out to tender.

Move to cut Toyota exports to SA?

Motor industry executives are still in the dark — or are staying deliberately tight-lipped — over reports that Japanese car makers are under political pressure to restrict their exports to South Africa.

Sources at Nissan SA claim to have heard nothing, while playing down the potential impact of any such moves. Samcor group managing director Mr Spencer Sterling said: "It's hypothetical. We'll address the problem when we know what the problem is."

A senior Toyota SA executive said he did not expect to hear anything concrete until late next week, when Toyota Japan's general manager of the Africa department was due to visit the local company.

The feeling is that any future curbs will take the form of limiting further growth, rather than cutting back on present levels.

"Toyota will act prudently in exporting to South Africa," a spokesman for Toyota Japan said

It appears that in Japan there is a major dispute between the Ministry for International Trade and Industry (MITI), which masterminds export activity, and the foreign ministry.

The latter is reported to be embarrassed by recent figures that show Japan as South Africa's leading trading partner — with motor vehicles constituting a large chunk of that trade.

Dr Kriel was 'a friend to many'

SARA MARTIN

described as a "philoso-

He began his career as a

close friend of Dr Kriel.

D 1D 23/2/88

Nigeria to lead African boycott if Budd competes

LAGOS — Nigeria has urged African countries to boycott next month's world cross country championships in New Zealand if Britain's Zola Budd is allowed to compete.

The sports minister and current president of the Supreme Council for Sports in Africa, Air Commodore Bayo Lawal, said Britain had ignored requests to drop the South African-born runner.

Commodore Lawal's comments, reported on Lagos radio this weekend, were the strongest yet from Africa on the latest Budd controversy.

Ethiopian and Kenyan runners are expected to mount Africa's best challenge at the championships at Auckland.

Commodore Lawal said last November that African teams might boycott this year's Seoul Olympics if South African-born athletes take part.

Nigeria led a successful 32-country boycott of the 1986 Commonwealth Games over the issue. — Sapa-RNS

D/D 28/7/88.

J & J a candle in a cavern of darkness

280

A former managing director of Johnson & Johnson in East London, RON MORRIS, is now a company group chairman with the parent group in America. This is an extract of an address he gave to Colorado College on "South Africa: the corporate ethical dilemma".

In some quarters there is the thrust for a quick simplistic solution to the corporate ethical dilemma in South Africa — one that could be condensed neatly onto a bumper-sticker I wish that it could be so, but unfortunately the subject is complex, and to expect a simple solution is naive

We at Johnson & Johnson abhor and condemn apartheid and all that that oppressive and intolerable system stands for We cannot presume to prescribe detailed blueprints for the political future of that country, that is for South Africans to decide, but we can and do state what we are for as well as what we are against

We are against terrorism or bloody revolution as an alternative to a peaceful solution through sincere and honest negotiations

We are for a new South Africa where all that has been built is not destroyed but where all the social, economic and political life is open to all its people.

We are for a free democratic political process and a free enterprise economic system We will continue to dedicate all the means at our disposal to make our limited influence count as much as possible to bring about that long overdue day The best way to do this, we believe, is to stay engaged.

We find little comfort in disinvestment if it represents a final act of abandonment; in fact, we believe this can be counter-productive to the very ends that it is designed to serve.

What is at stake for Johnson & Johnson in South Africa? We incorporated our first company there in 1930 and today we have three independent companies individually servicing our three main franchises — consumer, hospital and pharmaceutical products

Collectively they employ 1 400 South Africans, over 60% of whom are black. Each of our three companies have black members on their boards of directors and we are advancing blacks as fast as we can up the supervisory and management ladder We are not doing this out of a sense of tokenism or paternalism Rather, we think it just makes good business sense to train our future leaders.

Today our sales in South Africa account for less than 0,9% of our world-wide total and profits in that country are less than 0,5% Our relatively modest profit performance is affected not only by the state of that economy, but also by our decision to spend considerable sums of money on affirmative action, training and community outreach programmes for blacks.

We believe, and have research to support the fact, that there is a direct link between companies committed to social responsibility and the long range or excellence of their enterprise We accept full responsibility for our actions and current commitment to a presence in South Africa

Our credo guides us on the subject of disinvestment, as we examine our options, none of which are perfect

Let me start with our consumers in South Africa. A primary consideration is that we are a health care company. Our interests and products range across the entire spectrum of modern medicine We are the leading supplier of a wide range of products to the South African health care delivery system, from simple gauze and bandages to complex instruments for heart and brain surgery.

Should we in all good conscience deny the availability of these products to the people of South Africa?

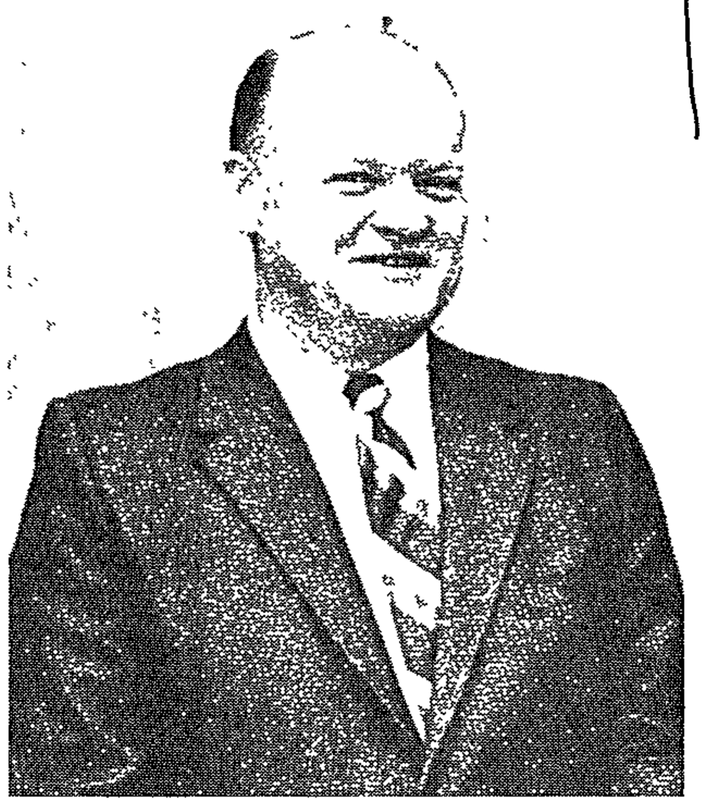
And what of our employees in South Africa, many of whom, both black and white, have long service and have helped us build a respected presence in their land? Are we to abandon them to an uncertain future?

The whites could probably find employment but black unemployment is at its highest. Our black employee population is among the best trained and highest paid in their communities They have an average length of service of seven years, with many having served for over 25 years We have polled their opinion at regular intervals and virtually unanimously they are opposed to our disinvesting.

As a corporation we support the "stewardship" approach We believe that we, together with others who have made the tough decision to stay, are a force for inter-racial decency and equality We believe it better to face the evil and work towards its eradication than to withdraw from it.

Significantly, while the Congress in its legislation to date has taken punitive action against South Africa and curtailed any new investment, it has not made any move to suggest that U.S. corporations withdraw. In fact the Administration has repeatedly urged us to stay.

We are listening carefully to the opinion of black leadership and have met with a wide spectrum We regard South African black opinion as key and, if it presented a reasoned consensus that our extraction could help their cause, or that our presence was not welcome through and after the transsition, we would be forced to re-examine our current strategy Those defining that consensus would then have to accept full responsibility for the consequent impact on all the citizens of that country



RON MORRIS ... We cannot presume to prescribe detailed blueprints for the political future of SA.

There are illusions surrounding the subject of disinvestment One illusion is that, if U S. multinationals decide to leave South Africa, there is scorched earth and the bringing of the country to its knees. The fact is ownership has usually just moved into new foreign or local hands. They do not demolish their factories, machinery and offices, they find a buyer. All managements have a fiduciary responsibility to their shareholders to protect or at worst to recover their assets to the extent possible.

There are many foreign interests waiting in the wings. More importantly there are large local S.A. institutional investors, who are not allowed to invest abroad and are eager to buy solid foreign-owned businesses at bargain prices. We have had several offers. It begs the obvious question; would these new buyers be as concerned about social responsibility?

The S A. government is also ready to step in, by expanding its industrial development company to participate in the feast, particularly where an enterprise has strategic importance.

In short, disinvestment is far from the direct, effective action that its vociferous supporters claim it is Whether, on balance, it is good for South African blacks is a very real question In fact studies of disinvestment activities to date show that most have only led to further concentration and consolidation of the white power base

As a corporation we take no umbrage when an educational institution divests itself of our stock for reasons of investment judgment. That is their right and fiduciary responsibility However, when they divest solely to send a message to the South African government, there are much more direct means for doing so.

The message they are in fact sending is first of all to the entire academic community that there is but one solution to this ethical problem. Is this not contrary to the best interests of the Institute in its efforts to maintain a community where open dialogue is critical to the pursuit of knowledge?

Secondly the message being sent to us in corporate America is that we are doing something wrong. What that message says is that we ought not to be in South Africa and if we stay we must be punished. In short, they are saying that their decision is a moral one: therefore our positions is an immoral one. We deeply resent that.

South Africa truly is a country in transition Institutionalised racism will come to an end, of that there is no doubt. The only question is how and when However, on that happy day the pitiful scenes which we have seen on our television of communities such as Soweto and Crossroads will not magically disappear Any new government faces an enormous task of managing the reconstruction and redirection

One thing is certain, and that is if the future there is to be a decent standard of living for every South African, and a stable government that can ensure equal rights for all, and take its place in the world community, well-educated blacks will be needed desperatly

Less obvious is that this education and training task is a major, if not insurmountable one for South Africa on its own within a reasonable time frame As a corporation we are doing whatever we can to support programmes in this area.

It is my firm belief that this presents an opportunity and a more constructive alternative to disinvestment and dissociation. It would seem to me that an involved academic world could, and I believe has a responsibility, to play an important role in bringing about a "Marshall" plan for education of South African blacks. What contributions could come from a synergy of effort between students, faculty and administration of this fine institution and your counterparts across this land!

The needs and opportunities are obvious There are several fine desegregated universities in South Africa where blacks and whites are getting to know each other for the first time. But they need help. They need funds for scholarships and funds to build student housing. The black school system is a shambles and those blacks who do reach universities are ill-prepared. They need programme funds for basic studies to catch up

Tremendous benefit could accrue from advanced education for South African blacks on campuses in this country, not least of which is the opportunity to see first hand the workings of a free democratic society with a free enterprise system. Also there is the opportunity for teaching sabbaticals for U.S faculty members in South Africa

By way of reciprocation, South African faculty could be funded to teach on our campuses about their country so that you as individuals can play a more knowledgeable role in the local debate about U S. policy toward their nation.

Neither divestment nor disinvestment are simple either/or positions to take up If one is against disinvestment, one is not automatically for apartheid This is difficult for many people to accept, because, quite understandably, they are anxious to do something, right now, about apartheid, and something like disinvestment seems to lie readily at hand.

As a society, we should avoid emotionally generated, possibly ineffective and counterproductive actions. Instead we should try to figure out, objectively and disapassionately, if that is possible in the face of such abject misery, what we can do to make a real difference over the long haul to bring about a just and economically viable democracy in South Africa

There are many times when one has the choice of being part of the problem or part of the solution. In taking a stand against disinvestment, as a corporation we have made the latter choice. We are but a small candle in a vast cavern of darkness, but we prefer to light that candle than scream futilely at the darkness that surrounds us.

STAR 24/2/88

Sugar markets affected by cutback

Japan feels effects of SA sanctions

280

TOKYO — Japan's attempts to extricate itself from what it sees as an embarrassing position as South Africa's top trade partner are already affecting trade elsewhere, notably in the world sugar markets.

Tokyo trade houses said yesterday that sugar supplies in Asia would be tight this year, as Japan tries to cut sugar imports from South Africa and take more aother suppliers.

They said the government had asked them to exercise restraint in trade with South Africa, although it had not yet officially requested a cutback.

"We think that total South African sugar imports will decrease in calendar 1988 because every company is trying not to increase trading volumes with them due to political sensitivities," said a trader at one major house, who declined to be identified.

As the United States, West Germany and Britain cut back business ties with South Africa in protest against apartheid, Japan last year found itself South Africa's top trade partner with a total $4,27 billion in bilateral trade against $3,58 billion in 1986.

The sugar market has thus become the first major commodity market to be seriously affected by Japan's changing policy toward South Africa trade.

It buys substantial amounts of coal, grains and gold from South Africa.

Japan is South Africa's biggest sugar customer. It took more than 400 000 tons in 1987, and 331 866 tons the year before. In 1986, South Korea bought 194 000 tons of South African sugar and Canada took 128 000.

Japan's other main suppliers are Thailand and Australia. Traders agreed that about 350 000 tons a year from South Africa would not cause too many political problems.

But, another trader said, "another 50 000 tons or so of Japanese purchases from Asian producers will accelerate the supply shortage in the Asian sugar market."

A severe shortage has already pushed Asian sugar prices to unseasonably high levels.

"The problem is that we depend on only four nations to import sugar," an official at a sugar-refining company said.

However, the fourth supplier, Cuba, has proved a most unreliable source, the traders said.

Brazil could be a big supplier but shipping costs would make its sugar expensive for Japan, they said. — Sapa-Reuter.

ard "were not Mr Botha's resignation at a for

UN backs 'struggle'

GENEVA — The United Nations Human Rights Commission adopted a resolution yesterday backing armed struggle to eliminate apartheid in South Africa and demanded mandatory sanctions.

The United States, Britain and West Germany voted against the resolution, which was passed by 33 votes to three. Seven others abstained.

It also demanded that South Africa end its occupation of Namibia and pull its troops out of Angola. — Reuter.

580 SM 24/2/88

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580 SM 24/2/88

Anti-SA groups set date for assault on trade links

The Argus Foreign Service

WASHINGTON. — South African Government foes on Capitol Hill have set March 15 as the launch date for their all-out assault against South Africa and apartheid by cutting almost all trade links and trying to isolate South Africa globally.

Claiming that the Government had now erased "all non-violent, middle-ground options" open to blacks in South Africa, 11 members of the US House of Representatives yesterday announced a series of hearings on the South African issue.

In Britain Mrs Margaret Thatcher condemned the South African crackdown — but she told Parliament that she still believed sanctions "will only make worse a very difficult situation".

Total block

US congressmen said they wanted to produce legislation by Easter imposing a near-total block on trade with South Africa and ordering American companies out of the country within six months.

While registering their horror at the move, the congressmen and anti-apartheid groups scarcely concealed their glee at its timing which, they felt, would promote their hardline campaign.

Anti-apartheid legislators and groups are trying to catch a sudden wave of publicity on South Africa and the clampdown, which was front page news yesterday and the subject of countless television news reports and interviews.

Mr Howard Wolpe, chairman of the House's panel on Africa, said his sub-committee would hold hearings on additional sanctions against South Africa, and restrictions on news media in the country

Tough measures, far harsher than those now in place, are likely to emerge from the House.

But in the Senate, which has so far shown more reserve and thought in acting against South Africa, the anger was plain. Moderate senators who have so far been prepared at least to hear the Government's arguments were yesterday infuriated at the latest restrictions.

Mr Wolpe said the SA Government had to be shaken from its fantasy He pledged to respond to Archbishop Desmond Tutu's call for tighter sanctions.

On NBC television's national "Today" show, Archbishop Tutu yesterday expressed the hope that the West would sever diplomatic relations with South Africa.

"Make this government and its supporters know clearly that they are pariahs, and that they are totally unacceptable in their conduct and in decent society," he said

In Britain Mrs Thatcher's stance is expected to earn her a tongue-lashing from Labour MPs — and other critics in the House — during a three-hour parliamentary debate on Monday on Britain's responsibilities in South Africa.

The debate will once again place the South African question in the spotlight of British public opinion, and step up the pressure for Mrs Thatcher to change her mind on sanctions.

Navratilova tries to make peace with demonstrators

MELBOURNE — Martina Navratilova has tried to make peace with anti-apartheid demonstrators whose actions during January's Australian Open she had likened to a form of terrorism.

Navratilova said she agreed wholeheartedly with the demonstrators' cause and expressed a desire to join their fight when she retired from professional tennis.

But in a letter, the contents of which were made known yesterday, the Czechoslovakian-born American said she still felt the demonstrators' protest during the Open was not the best way to garner public support

Demonstrators threw black tennis balls onto the court during Wimbledon champion Pat Cash's first round match to protest against his 1987 visit to Johannesburg to play in the South African Open.

Navratilova, in a strongly worded attack, had compared the Open organisers' decision to draw up guidelines on acceptable forms of protest to the way the United States' President, Mr Ronald Reagan, had dealt with Iran over American hostages

In her letter to the Australian Anti-Apartheid Movement, which had demanded an apology, Navratilova was decidedly more conciliatory.

"Right now we seem to be on two different sides But believe me, as a supporter of a lot of worthy causes that I have so little time for right now, I am looking forward to the end of my career so that maybe one day we can be on the same side," she said

— Sapa-RNS



Martina Navratilova angers anti-apartheid demonstrators.

Date set for bid to cut off South Africa

By Alan Dunn,
The Star Bureau

WASHINGTON — South African Government foes on Capitol Hill have set March 15 as the date for an assault against apartheid. They hope to cut almost all trade links and to isolate South Africa globally.

Charging that the Government had now erased "all non-violent, middle-ground options" open to blacks, 11 members of the House of Representatives yesterday announced a series of hearings on South Africa.

They said they wanted to produce legislation imposing a near-total block on trade with South Africa and ordering American companies out of the country within six months.

The congressmen made the announcement at a news conference called at short notice to express outrage at this week's clampdown on organisations and individuals. While expressing their horror at the move, they and anti-apartheid groups believed it's timing would promote their campaign.

PUBLICITY

Anti-apartheid lawmakers and groups are trying to utilise the sudden wave of publicity on South Africa and the clampdown, which was front-page news yesterday and the subject of numerous television reports.

Mr Howard Wolpe, chairman of the House's panel on Africa, said his sub-committee would hold hearings on additional sanctions against South Africa, and on restrictions on news media in the country.

Tough measures, harsher than those in effect, are likely to emerge from the House.

In the Senate, which has so far shown more reserve in acting against South Africa, moderate senators who have in the past been prepared at least to hear the Government's arguments were yesterday infuriated at the latest restrictions.

Mr Wolpe said President Botha's regime had to be shaken from it's fantasy. He pledged to respond to Archbishop Desmond Tutu's call for tighter sanctions, and urged the Reagan Administration to agree to the steps he and his colleagues contemplated

"PARIAHS"

On NBC television's national "Today" show, Archbishop Tutu yesterday expressed the hope that the West would sever diplomatic relations with South Africa: "Make this government and its supporters know clearly that they are pariahs, and that they are totally unacceptable in their conduct and in decent society."

Senator Paul Simon, presidential candidate and chairman of the Senate's panel on Africa, said: "Essentially, the South African Government wants these organisations to be blind, deaf and dumb, and otherwise non-existent. The South African Government has made a grave mistake. In attempting to bury dissent, these restrictions will only consolidate and strengthen dissent."

Congressman Ron Dellums of California, author of the Bill to end almost all trade ties with South Africa, said the anti-apartheid campaign in Congress this year was a "quantum leap" ahead of campaigns in previous years. His Bill was now the starting point, the base from which the House would work. It had previously been the outer limit, he said.

● See Pages 3 and 15.

SANCTIONS

No piracy

Any short-term gains reaped by flouting international copyright conventions covering technology are likely be more than outweighed by the long-term damage caused by such a unilateral action, according to leading figures in the South African computer industry.

And the government seems to agree, despite three developments which appear to suggest the opposite. These developments are:

☐ A Copyright Amendment Bill, currently being pushed through the legislative process in SA;

☐ Growing speculation that computer and technology-related exports to SA are increasingly being targeted by the South African boycott lobby in Washington; and

☐ A suggestion by a US business consultant that SA intends taking the law into its own hands by allowing South African firms to steal or counterfeit, on a selective basis, items such as computer software.

Donald de Kieffer, a consultant to the former Department of Information, who now advises US corporations on how to continue trading with countries frowned on by Washington, is reported to be telling his clients that SA no longer sees why it should play ball in terms of observing trademarks, copyrights and patents if the US unilaterally scraps "the most fundamental provisions of the General Agreement of Tariffs and Trade (Gatt)."

He says this is one of five international treaties which have been unilaterally scrapped by the US.

He claims that the South African government may well allow local firms to copy US products normally protected by copyright if they are the intellectual property of firms which go along willingly, or unwillingly, with the mounting pressure to observe a trade boycott of this country.

This means copying software for the price of a disk rather than paying fee which contribute to development costs and overheads. If this happens, says De Kieffer, a trust fund will be set up into which some of the royalties previously paid to product licencees will be deposited. He does not say what would happen to these funds.

The claim is hotly denied by a spokesman for Danie Steyn's Economic Affairs and Technology Ministry, who tells the *FM:* "De Kieffer was in contact with this ministry last year and consequently he is aware of the government's attitude on this issue, but he went back to the US and reported a different story.

"The facts are that we are not aware of any plan in the US to concentrate sanctions on the information technology sector and we have no intention of encouraging South African firms to disregard copyrights. In fact, SA endeavors to remain within the international convention. That being the case, there is no question of the establishment of a royalties trust fund."

Adrian Botha, executive director of the American Chamber of Commerce (Amcham) in Johannesburg, says he, too, is unaware of any such plans to flout copyright law.

"As far as I know, such a practice does not exist, I have absolutely no proof of it at all. In fact, I think the government has made it clear that it wouldn't go along with anything like that and I doubt that they would allow it to happen. To my mind it would be a case of finally closing the door on the world and I just can't see them (the government) doing that type of thing."

Botha admits that the situation could change if there were to be a blanket ban on computer and hi-tech exports to SA. Many people see such a ban as unlikely in that it would be difficult to enforce, particularly as other countries could be expected to try to snap up any markets released by the US.

Botha says he is aware of an effort in the US to switch the emphasis away from general to specific sanctions targeted at an industry — for example the sale or export of computers and hi-tech soft and hardware to SA.

"While I am unaware of specific legislation in the pipeline, a contact in Washington put forward several possible scenarios of further sanctions. He told me that one of the things he said he'd heard in the corridors was that, instead of going as far as the Dellums Bill which proposes closing everything down, there appears to be some support for this type of specific sanction — in other words, ban all computer sales to SA not only those to police and apartheid-supporting organisations."

D/D 26/2/88 (280)

Pressure for sanctions mounts after bannings

Daily Dispatch Correspondent

LONDON — International outrage at the government's sweeping crackdown on 17 anti-apartheid organisations continued to mount yesterday with the British Prime Minister, Mrs Margaret Thatcher, declaring the move to be a major setback for the peaceful resolution of South Africa's problems

The South African Ambassador to the UK, Mr Ray Killen, was summoned by the deputy foreign secretary, Mrs Lynda Chalker, who said she wanted him to be in no doubt that Britain believed the measures would only hinder the search for solutions to conflict.

A statement issued on behalf of the 12 European Community (EC) members condemned this "new manifestation of political suppression" in South Africa The 12 called on the government to repeal the measures without delay.

British Broadcasting Corporation TV said it was believed that Mrs Thatcher told the former South African Ambassador to the UK, Dr Dennis Worrall, in a short meeting yesterday that the South African Government's clampdown was "deplorable" and "a major setback".

British opposition politicians joined church, trade union and relief organisation leaders yesterday to urge Mrs Thatcher to stop blocking the imposition of sanctions.

At a joint news conference they launched a campaign to pressure the government into taking a tougher stand

As The Times noted in a leading article, the bannings "revived a sanctions campaign that was dying on its feet"

The British Premier has maintained that such measures would do more harm than good, hitting particularly the Republic's blacks and neighbouring states.

Mrs Chalker said that the government's action would confirm suspicions that it was not prepared to engage in wide-ranging dialogue necessary before negotiations for a peaceful settlement could get under way.

The president of the Anti-Apartheid Movement, Archbishop Trevor Huddleston, called on EC countries to immediately withdraw their ambassadors from South Africa.

Mrs Thatcher was expected to voice her concern through diplomatic channels to the State President, Mr P. W. Botha, but Archbishop Huddleston said the time had come for "no more words, just action".

"I would hate to see Britain become the Mussolini to Botha's Hitler," said Mr Jerry Dammers of the Artists against Apartheid group. — Sapa-DDC



MRS MARGARET THATCHER

Call to recall envoy rejected

D/D 27/4/88 280

Daily Dispatch Bureau

LONDON — Foreign Secretary Sir Geoffrey Howe yesterday bluntly rejected a call by the Anti-Apartheid Movement (AAM) for the recall of the British ambassador in South Africa.

Sir Geoffrey responded that the "deplorable" and "retrograde" political bans placed on 17 opposition organisations meant there was a greater need for a British ambassador than ever before.

Sir Geoffrey told the delegation led by the AAM president, Bishop Trevor Huddleston, and the secretary general of the Trade Union Council, Mr Norman Willis, that Britain could not have made its opposition to the new restrictions more plain.

He said he and Prime Minister Margaret Thatcher had issued blunt condemnations of President Botha's action.

Sir Geoffrey denied the delegations suggestions that Britain was in breach of the EEC sanctions and code of conduct on trade and other relations with South Africa

The AAM again expressed its disappointment at Britain's refusal to impose economic sanctions and accused the Thatcher Government of continuing to give succour to Pretoria.

Zambia sanctions would be 'futile'

LUSAKA — Zambia will continue to trade with South Africa and has no intention of breaking its trade ties with Pretoria, Zambia's Power, Transport and Communications Minister General Kingleus Chinkuli has said.

27/8/88

SATURDAY STAR AFRICA NEWS SERVICE

His statement, made in parliament, has caught analysts by surprise as President Kenneth Kaunda of Zambia has been one of the most vociferous supporters of sanctions against South Africa.

General Chinkuli said Zambia would continue to trade with South Africa as long as regional and international organisation lacked the will and determination to impose mandatory economic sanctions against Pretoria.

It was futile for Zambia alone to impose sanctions when others continued to trade with South Africa, he added.

Zambia would therefore "only consider breaking ties with South African once she became part to such an agreement with other states in the southern African region".

Several southern African countries have already stated that they cannot impose sanctions against South Africa.

Junior Power, Transport and Communications Minister Brigadier General Enos Haimbe denied that South Africa had withdrawn 10 locomotive engines rented to Zambian Railways.

There was no truth in reports that South Africa had withdrawn the locomotives in protest against Zambia's vocal support for sanctions, he said.

General Haimbe said there was an agreement under which South Africa would lend Zambia Railways 18 locomotives but traffic on Zambia's railway system did not warrant such a number.

Waldheim pulls out of ceremony

VIENNA — Austrian President Kurt Waldheim has announced that he will not address the state ceremonies, due to be held here next month, to mark the 50th anniversary of the annexation of Austria by Nazi Germany.

In a televised interview, Dr Waldheim said that he did "not have to renounce" his right to address the Anschluss ceremonies, but because of the controversy surrounding his war record, he

MICHAEL O'SULLIVAN

had "the task or obligation to bring about reconciliation".

He again denied any involvement in war crimes, and said the British inquiry into the accusation that he was involved in the interrogation of British commandos in Greece would "certainly not bring up any new facts".

Dr Waldheim rejected calls for his resignation, which have intensified since the report by a commission of six historians found him to have been "in close proximity" to Nazi attrocities.

Asked if he had given thought to resigning, Dr Waldheim replied that naturally he had.

In an interview in yesterday's *Kronenzeitung*, Dr Waldheim rejected a recent opinion poll which shows a decline in his popularity in Austria from 73 percent to 42 percent — *The Independent*.

SA buys postal tuition school

28/2/88
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280
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By Ruth Golembo

AN American-owned correspondence school has been sold to SA management and staff.

The branch of International Correspondence Schools (ICS) was bought from the parent firm for an undisclosed amount

ICS has an annual turnover of more than R10-million and will be run as a wholly owned SA company.

The management and staff hold 75% of the company and First National Corporate and Investment Bank, which structured the deal, holds the rest

In terms of the buy-out, ICS SA must change its name by the end of 1989. The new name will be INTEC Correspondence Schools.

Wall Street

Frank Maunder, managing director of ICS SA, says the disinvestment came after two years of pressure from US educational groups on the parent company, National Education Corporation, which is listed in Wall Street.

"The parent company's shares were under a lot of pressure. The California Teachers Pension Fund dumped its holding and others followed.

"Clients of the American company also refused to deal with it because of its South African connection. About eight months ago negotiations for a buy-out started."

Mr Maunder says ICS SA formed part of an international correspondence school network with about 10-million students.

It has operated in SA since 1906. Its current enrolment is 40 000 students

Mr Maunder says. "We have assured our students and the professional institutes for which we provide tuition that the buy-out will not change our operation

"We will keep the same course structures, fees and tuition services. In terms of the sale agreement, our operation will continue to have the same access to all ICS correspondence tuition offered worldwide."

Assurance

The school offers a hundred different technical, high school, computer study, business and vocational courses.

They include diploma and certificate courses for institutes like marketing, management, chartered secretaries, administrators, bankers, certified bookkeepers and accountants.

INTEC operates from headquarters in Woodstock, Cape Town, and has offices in Johannesburg, Durban, Pretoria and Port Elizabeth.

It prints 93% of its tuition texts and imports 7% from the US.

Mr Maunder says there is great demand for education in SA.

"We expect the growth of the school group to soar. Now that we are a South African company we can expand faster and introduce more industrial programmes suited to SA's needs."

JAPAN IN 'TROUBLE' OVER SA

Sowetan 29/2/88

280

WASHINGTON — Black congressmen are trying to turn the heat on Japan's prime minister, Mr Noboru Takeshita, to end his country's trade with South Africa.

SOWETAN Foreign Service

". . . Economic isolation can only hasten the demise of apartheid," congressman Mervyn Dymally, chairman of the Congressional Black Caucus representing America's 23 black congressmen, wrote to Mr Takeshita.

The letter was delivered to the Japanese Embassy in response to reports recently in US newspapers that Japan had last year become South Africa's leading trading partner. The reports said the Tokyo government was "very much worried and embarrassed" by that position.

Japanese foreign minister Sosuke Uno was scheduled to meet business leaders in Tokyo to request greater restraint of the corporations in their trade with South Africa.

Mr Dymally pointedly noted the interest of Black America in the apartheid issue. US blacks, he said, represented a consumer entity with purchasing power "greater than the gross national product of the ninth largest nation in the world".

Blight

The caucus stopped short, however, of actually threatening Mr Takeshita with a black American consumer boycott of Japanese products if he did not comply.

Mr Dymally said the caucus felt all nations doing business with the South African Government were themselves prolonging oppression of South Africa's black millions.

"Your leadership and that of other heads of state is crucial to erasing the blight of apartheid from the face of the earth," the letter told Mr Takeshita.

The US law imposing economic sanctions against South Africa, the comprehensive anti-apartheid Act of 1986, had established "what we view as a floor below which nations of conscience must not fall, despite the clear and present pressures of private enterprise," he said.

Claims 'false'

THE South African Defence Force has dismissed the Angolan claims of three shot down Mirages as "wild claims and blatant propaganda" and called the report "untrue."

In a statement the

plan. The healthy way to lose and control

Black rights campaigner makes fortune from record deal with SA

DD 29/2/88

280

LONDON — The outspoken black rights campaigner and reggae star Eddy Grant, whose current anti-apartheid hit is riding high on the British Top Ten, has secretly netted a fortune in a record deal with South Africa.

The mass-circulation newspaper, the News of the World, yesterday revealed how Rastafarian Grant has been busting the cultural boycott by selling thousands of records in the Republic — while publicly condemning the "enemy regime" for five years,

Guyanan-born Grant, 40, claimed the deal was signed at a time when "I was not aware of the cultural boycott", but he continued taking royalty cheques until the arrangement expired two months ago.

Now he claims he refused to sign a new contract.

However, the South African record company handling his discs claims it did not renew the licence because he had not made any new releases in a long time.

According to the newspaper, the original deal with Johannesburg-based RMP records was fixed by the British company Grant controls, Ice Records.

Grant, whose "anti-apartheid anthem" Give Me Hope Jo'anna, is number seven in the charts, said: "Although I knew of the success of my records in South Africa, I was also aware they were being sold to both blacks and whites".

"They in no way aided apartheid."

He added that he had refused to renew the contract which, according to his manager Mike Doland, was signed under a previous manager.

A spokesman claimed Grant had "even turned down £1 million to appear there".

However the RMP head, Mr Iriving Schlosburg said at the weekend: "Eddy Grant's records always sold very well in the South African pop market — mainly to white fans".

"We didn't renew the contract because Eddie had not recorded any music in a long time. With the sucess of his new record, we would be glad to sign him up again." — DDC

SA's coal exports under new threat

Sowetan Foreign News Service

LONDON — South Africa's coal exports to Europe are coming under a renewed threat of sanctions in the wake of Pretoria's clampdown on extra-parliamentary activity.

This has emerged after Anti-Apartheid Movement president Archbishop Trevor Huddleston and general secretary of Britain's Trades Unions Congress, Norman Willis, called on the foreign secretary Sir Geoffrey Howe.

Unionists, activists and opposition politicians are pressing the Thatcher government to take a tougher line with Pretoria. They say the action taken against the UDF, Cosatu and other groups is proof that "appeasement" is failing to persuade President P W Botha to change.

Tougher

They believe the time has come for a tougher approach in the form of sanctions.

In particular, Archbishop Huddleston and Mr Willis sought clarification from Sir Geoffrey of Britain's position and an EEC coal ban . . . one of the outstanding European proposals for sanctions.

The foreign office said he made clear Britain's belief that sanctions would be ineffective, but acknowledged that Britain would not go against a coal ban within the EEC if there was consensus, on imposing one.

In the past, West Germany and Portugal have opposed a coal ban The EEC makes policy on the basis of consensus, rather than a majority vote.

It is not clear if Portugal and Germany are now prepared to abandon their opposition to a coal ban

TO ADVERTISE ON THIS

DID 29/2/88

BMU makes Clegg bitter

by SIMON LLOYD

EAST LONDON — Johnny Clegg is a bitter and angry man after the British Musicians' Union (BMU) attempted to boycott his band Savuka's recent European tour.

Speaking before his concerts at the Orient Theatre here on Saturday night, Clegg said the BMU were ill-informed and had no right to accuse him of contravening the cultural boycott against South Africa.

"I'm very angry. It's clear that they have taken up opposition without consulting the broad spectrum of changes in South Africa

"They are not willing to see the emerging progressive cultural movement," he said

The BMU tried to ban Clegg — who had previously joined the union to enable him to play in the United Kingdom — from giving concerts in Britain.

Clegg said the problem stemmed from too broad an intepretation of the cultural boycott, and that there were two different boycotts.

"In 1968 a boycott was initiated by the Anti Apartheid Movement (AAM) and the ANC while the United Nations boycott began in 1980.

"The ANC's boycott has been redefined and they have agreed to support South African artists who left their country and were a progressive, non-racial group that disassociated itself from the apartheid system," he explained.

British-born Clegg said the UN boycott still stood, and if it was not amended he might be expelled from the BMU.

He said Savuka encountered problems in Holland, Britain and Norway, but the rest of the tour had been "enormously succesful".

"Our latest LP went platinum (sales of over 300 000 copies) in France, which is a record for a South African band."

Despite political problems, the band will soon be signing a contract with an American company, which could lead to Savuka touring the United States in a "major capacity".

Clegg said executive members of the company would be attending their concert at the Market Theatre in Johannesburg this week, to make a final decision.

Savuka heads for Europe again in March, and will probably not appear in South Africa again until next year.

● Both shows on Saturday night were well attended, with about a thousand people at the 9 pm show.



Johnny Clegg and percussionist Steve Mavuso go through their famous routine at the Savuka show in East London on Saturday night.

SANCTIONS — 1988

MARCH — APRIL

Call for tougher sanctions

280
D/D
1/3/88

KUALA LUMPUR —The Commonwealth's Secretary-General yesterday called for tougher sanctions against South Africa in protest against South Africa's latest crackdown on political opposition.

Mr Shridath Ramphal rejected suggestions that a decision to ban the activities of 17 leading anti-apartheid organisations was taken to deter South African voters from backing rightwing extremist parties in white parliamentary by-elections this week.

"Apartheid in South Africa first of all rejects democracy .. (extremists) are held in check, not by curtailing democracy, but by the democratic process itself," he told a dinner organised by Malaysia's Institute of Strategic and International Studies, a government-funded body

Mr Ramphal said the crackdown, which also barred a black trade union group from politics, showed South Africa's white government was not prepared to negotiate peaceful change with blacks.

Concerted international action was needed to "avert what could be the worst bloodbath since the Second World War."

He called on the United Nations Security Council to secure tighter economic and other sanctions against South Africa and urged nations opposed to sanctions to reconsider their position.

He said African countries should refuse transit and over-flying rights to airlines flying to South Africa and called on Western countries to boycott South African goods and reduce trade and investment in South Africa.

He also repeated calls by the 48-nation Commonwealth for the release of jailed black activists, such as Mr Nelson Mandela, and the opening of negotiations between the South African Government and black leaders

Under emergency regulations published last Wednesday, South Africa's government virtually outlawed black opposition.

Western governments and church leaders have condemned the move and black guerilla movements have pledged to intensify .their struggle against apartheid.

Political commentators have linked the ban with parliamentary by-elections, in which government of the president, Mr P. W. Botha, faces a strong challenge from the extreme rightwing Conservative Party, which accuses him of being soft on blacks.

Mr Ramphal said the crackdown made peaceful protest a crime

The South African Government had "added another round to the spiral of violence, for it now threatens . . . to respond with violence to even non-violent action by the opponents of apartheid," he said. — Sapa-RNS

More sanctions possible

World gets tough on SA over clamps

Star 2/3/88

280

By Alan Dunn,
The Star Bureau

WASHINGTON — Canada's Secretary for External Affairs, Mr Joe Clark, was due to make an important announcement today on relations with South Africa which may include more economic sanctions.

Mr Clark was scheduled to address the House of Commons in Ottawa on his government's reaction to the clampdown and arrest of peaceful demonstrators near Parliament in Cape Town on Monday.

The Canadian Broadcasting Corporation's prime television news reported nationally last night that Canada's ambassador to South Africa, Mr Ronald MacLean, was in Ottawa and would not return to Pretoria "for an indeterminate length of time". This suggests a recall, a serious diplomatic signal of one country's strong displeasure with another.

Canada's response comes amid a torrent of protest from local churches, labour groups, anti-apartheid organisations, and intense pressure from politicians. Mr Clark seems unlikely to break diplomatic relations with South Africa completely But speculation is that he may reduce the size of the embassy in Pretoria.

● A special correspondent reports from New York that the South African Government's crackdown is expected to be the subject of a new round of United Nations Security Council meetings

Mr Peter Zuze, the Zambian delegate and a member of the Council, is understood to be lining up support for a formal move. That should not be difficult, given the bitter reaction in the UN toward the latest developments in South Africa

● In Dublin, an Irish member of the European Parliament is to table an emergency motion next week calling for the closure of the South African diplomatic mission to the EEC in Brussels and the imposition of mandatory sanctions by the community.

The MEP, Mr Chris O'Malley, who represents a Dublin constituency and has just returned from a private fact-finding visit to South Africa, told a press conference yesterday that the argument against sanctions — that progress could be made through dialogue — has been exposed by the recent banning of the 17 opposition organisations by the South African Government.

He accused the South African delegation in Brussels of actively lobbying MEPs, "disseminating propaganda" and paying for MEPs to visit South Africa.

● In Washington, the Rev Jesse Jackson is pressing his nine opponents for the US presidency publicly to support almost total economic sanctions against South Africa and the hurried withdrawal of American business.

YELLOW RIBBONS

Using a meeting yesterday with South African ambassador Dr Piet Koornhof to attract wide publicity on his campaign trail for the White House, Mr Jackson said the Democratic candidates had on Monday night worn yellow ribbons "to express our solidarity with the victims of apartheid".

Mr Jackson was clearly seeking to force the South African issue onto the electoral agenda before all-important "Super Tuesday" on March 8.

Mr Jackson met Dr Koornhof for about 35 minutes. "I made an urgent appeal for South Africa to abandon her blind march down the road to hatred, violence and bloodshed," Mr Jackson said in a statement.

Envoy's wife among those water-cannoned

The Star Bureau

WASHINGTON — The *Toronto Star* reported yesterday that Mrs Beverly MacLean, the wife of the Canadian ambassador to South Africa, was among those water-cannoned near Parliament on Monday.

She was apparently hosed down while kneeling with clergymen as they prepared to start their march to Parliament to present a petition.

"I went as far as I could go to present my personal feelings," she told the newspaper. "As a result I got wet," she said.

Mrs MacLean said she was hit by a triple water jet while kneeling arm-in-arm between two priests. "Nothing happened to me. I am perfectly safe. I wanted to show support for the people who were there," she told the *Toronto Star*. "But there were innocent bystanders who got wet."

She said they were told at the brief prayer service to be prepared for a demonstration. They were advised to kneel and link arms "so you don't get blown off your feet".

Canada will apparently not be lodging any complaint because it does not consider the drenching a diplomatic incident

R50 000 for 'Rocky'

Star 2/3/88

Pretoria Bureau

The reward for the most wanted man in connection with last month's abortive coup in Bophuthatswana, Mr Peter "Rocky" Malebane-Metsing, has increased to R50 000

The announcement was made by the homeland's Minister of Foreign Affairs, Mr Solly Rathebe yesterday afternoon and was later confirmed by President Lucas Mangope

The initial reward offered by the government for information leading to the arrest of the alleged co-leader of the February 10 coup was R5 000.

Pretoria's rating in America is ominously low

Star 23/8/87 280

The Government crackdown on South African extra-parliamentary organisations has incensed even some conservative members of Congress, writes Alan Dunn of The Star's Washington Bureau

That South Africa is in for a political rough ride in Washington this year is as sure as the coming of the cherry blossoms which grace the American capital each spring.

Both should happen at about the same time, and further economic sanctions seem inevitable in the present dark mood on Capitol Hill towards the South African Government.

Last week's crackdown on dissent has spurred pro-sanctions and disinvestment interests. The House of Representatives opens the bidding and debate on March 15 with HR 1580, the so-called Dellums Bill aimed at ending almost all trade with South Africa and ordering American companies out within six months

MORE IMPORTANT

But pungent rhetoric and a tough line were to be expected in the House which voted for total sanctions in 1986 Perhaps more important now are the temperatures of feelings towards South Africa elsewhere — in the Senate and the Reagan administration

Both are ominously low. Early signs are that the senators will at least approve a tightening of restrictions already in place against South Africa, maybe milder than those passed by the House.

What will the State Department and White House do? So far they have been doggedly against sanctions and disinvestment and have taken political wounds for that stance as Congress snatched the reins of South African policy from them



Crocker and Koornhof . . . stormy meeting.

They too were incensed at the new prohibitions Public statements were tough but apparently pale against the words which passed when the US Assistant Secretary of State for African Affairs, Dr Chester Crocker, summoned the South African ambassador, Dr Piet Koornhof, to let Pretoria know at first hand last Wednesday how the Reagan administration felt It is understood diplomatic cordite fumes filled Dr Crocker's State Department office.

It is impossible at this stage to spell out what Washington's outrage will produce by way of additional sanctions in coming months Whatever emerges will be shaped by a lot of eager hands guided by a variety of attitudes and reactions, ranging from deep dismay and exasperation to outright loathing of the South African Government.

More disturbing, perhaps, than the certainty of more economic pressure have been the responses of some conservative/moderate politicians in the last week They accused the South African Government of shutting avenues of peaceful black dissidence.

Said Senator Mitch McConnell, a Republican of Kentucky "We must ask ourselves what options are now left for those who oppose apartheid?

"What opportunities will reasonable South African men and women have to peacefully express their opposition to apartheid and pursue a course of change? The answer is none."

'RUTHLESS ACTION'

That view, from a politician who has up to now been prepared to hear out the South African Government, is where the danger lurks for the Government So far, 13 senators have joined him in saying that last week's outlawing of political activities "ruthlessly eliminates peaceful, legal means to oppose the policy and practices of apartheid".

Members of Congress do not easily condone violence, but this — from people who are anything but Capitol Hill's fiery anti-apartheid rhetoricians — indicates that some may in future at least understand it in South Africa's case.

Responses have made it clear that attitudes in Washington are hardening along with the South African Government's measures. Even the State Department, which has always recoiled from the sanctions pack on Capitol Hill, said the Government had "dealt a major blow" to efforts for peace in South Africa.

Some say the Government clampdown has killed non-violent options open to blacks; others say it is narrowing them. How far down the road, then, is the point where Washington's understanding of violence boils over into sympathy for it?

Protesters at SA embassy demand more US sanctions

280

Star 3/10/86

The Star Bureau

WASHINGTON — Hundreds of placard-bearing protesters gathered outside the South African embassy yesterday to demand tougher US sanctions and the release of all SA political prisoners.

Dozens of people submitted to arrest, including several members of the US Congress, when they defied the law and took their protest too close to the embassy grounds. They were taken away by police, charged and released on their own recognisances.

Among the speakers was Republican Senator Lowell Weicker of Connecticut, who said the time had come to hit South Africa with harder sanctions than those imposed by the Congress in 1986.

He was referring to a move to get the US Senate to approve the Dellums Bill, a wide-ranging punitive measure already approved by the US House of Representatives. Congressional hearings on the Dellums Bill are to be held on Capitol Hill later this month.

Yesterday's protest, which was reminiscent of the daily demonstrations outside the embassy in 1984 and 1985, was in response to the SA Government's crackdown on 17 black organisations and the arrest of church leaders in Cape Town this week.

● The Canadian government has announced stepped-up aid to South African blacks and is trying to coordinate further economic sanctions with other Western governments.

● In Brussels, the West's largest trade union grouping called yesterday for biting European Community sanctions against South Africa to exert pressure against apartheid.

The International Confederation of Free Trade Unions (ICFTU) said it was sending a special delegation to Bonn today.

How America's top ten feel

Star 3/4/88

280

As the pace of the presidential nomination campaign quickens, Neil Lurssen of The Star's Washington Bureau records the candidates' views on sanctions and the future of Angola and Mozambique.



Dole . . . "maintain pressure".



Dukakis . . . "unban

Of the 10 American presidential candidates still in the 1988 race, four (all Republicans) oppose economic sanctions against South Africa and the remaining six (all Democrats) favour sanctions in various degrees of toughness.

Two of the Republicans, Senator Robert Dole and Congressman Jack Kemp, voted unsuccessfully against economic measures against South Africa in 1986 and can be expected to maintain that position if, as expected, the issue goes before Congress again this session.

Of the other two Republicans, Vice-President George Bush did not play a prominent role in the sanctions debate two years ago, though he supported President Reagan throughout the heated squabble, and evangelist Mr Marion ("Pat") Robertson opposed the sanctions in speeches and sermons, looking at the situation largely in terms of the global conflict between the West and communism.

Four of the Democrats, Senator Paul Simon, Senator Albert Gore, former Senator Gary Hart and Congressman Richard Gephardt, all voted in favour of the 1986 legislation and have called for tougher action against the South African Government.

Shift of focus

The remaining two Democrats, the Rev Jesse Jackson and Governor Michael Dukakis, publicly supported the sanctions drive.

Two events have combined to resurrect South Africa's race laws and its regional policies as issues in the 1988 presidential election — the shift of focus to the American South where some 8 million black voters will be an important factor in the 20 states that hold primary polls on March 8, and the crackdown by Pretoria on opposition black groups, which has dismayed even South Africa's few remaining friends in the US.

This is how the 10 candidates stand on Southern Africa issues:

● **Vice-President George Bush (Republican)** rejects sanctions and disinvestment as counter-productive, harmful to blacks and responsible for reducing US influence in South Africa. He wants US policy to aim at black-white power-sharing negotiations with minority rights as a precondition.

On Angola and Mozambique, he favours reconciliation negotiations between the governments and rebel forces.

● **Senator Bob Dole (Republican)** says the US must maintain pressure on the SA Government but that additional sanctions and disinvestment will reduce US influence, harm black interests and possibly generate greater polarisation and violence.

On Angola, he strongly supports continued aid to Unita rebels, but opposes aid to either Frelimo or Renamo in Mozambique, arguing instead that US policy must confine itself to encouraging a negotiated settlement.

● **Congressman Jack Kemp (Republican)** is a firm opponent of both sanctions and disinvestment. He is a supporter of the Sullivan Principles which imposed an affirmative action programme on US companies operating in SA. He believes that the next US Administration should promote black-white negotiations along the lines of the Camp David talks between Israel and Egypt during the Carter Administration.

He believes the US should provide aid to rebels in Angola and Mozambique until these countries rid themselves of communism

● **The Rev Pat Robertson (Republican)** thinks sanctions and disinvestment will work in favour of those who want South Africa to be a one-party Marxist state. The African National Congress should not be part of SA decision-making until it rids itself of the communists in their ranks.

He favours military aid to anti-communist rebels in Angola and Mozambique.

● **Governor Mike Dukakis (Democrat)** says that as President he will toughen sanctions and seek a comprehensive international trade embargo. He will call for the unbanning of the ANC and for its inclusion in talks.

He says he will end US aid to Unita, recognise the MPLA Government in Angola and try to create conditions that would lead to the withdrawal of Cuban troops.

● **Congressman Richard Gephardt (Democrat)** says he supports a wide-

ranging disinvestment si
as President, will follow
forcing real change. Du
several months ago, he s
some circumstances, he
sider supplying arms to

● **Senator Albert Gore** believes the next step
should to pull the sanc
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work, then the sanctions
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US companies to get out
opposed a move in the
propriate $50 million aid
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ment. He is likely to
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already approved by the
Representatives, if and wi
bated in the Senate.

● **The Rev Jesse Jack**
crat) has, more than any
dential candidate, kept
alive on the campaign
"We must develop a com
full and complete economi
against the apartheid

Sanctions 'have lost appeal in the US'

Star 3/3/88 (280)

By Sven Lünsche

Disinvestment and sanctions have lost a great deal of political appeal in the United States, says Michael Cook, chief executive of the world-wide operation of the accounting firm Deloitte, Haskins & Sells (D H & S), and member of the US Corporate Council on South Africa.

He adds that the realities of the situation in this country will also make it difficult for a possible future US Democratic Party president to impose stricter anti-South African legislation, although they might campaign on this premise now.

Mr Cook notes, however, that recent events — referring to the clampdown on major extra-parliamentary opposition groups — will once again focus attention on possible disinvestments.

"But I think nearly everyone knows that the long-term benefits of remaining in this country are better than divesting. US-based anti-apartheid groups have greatly simplified the situation and the solutions for South Africa," Mr Cook says.

He stresses that the company has signed the Sullivan code of principles and is opposing apartheid legislation whenever possible. "No pressure from anti-apartheid groups will force us to weaken our links to D H & S (SA)."

This opinion is understandable considering the important contribu tion the local group makes towards overall revenue. D H & S has subsidiaries and companies in 70 countries around the world and the South African operation remains one of the six most important in terms of the size of the organisation, thereby ensuring it a permanent seat on the executive committee of D H & S.

D H & S has been among the top three accounting firms in SA over the last few years.



Michael Cook: long-term benefits are better than disinvesting

Crackdown on dissent spurs hostile groups



CHESTER Crocker



PIET Koornhof

SA GOVT IS IN FOR POLITICAL ROUGH RIDE

WASHINGTON — That South Africa is in for a political rough ride here this year is as sure as the oncoming of the cherry blossoms which grace this city each spring

Both should happen at about the same time, and further economic sanctions against the Republic seem inevitable in the present dark mood on Capitol Hill towards the South African Government

Last week's crackdown on dissent has spurred pro-sanctions and disinvestment interests here.

The House of Representatives opens the bidding and debate on March 15 with the so-called Dellums Bill ending almost all trade with South Africa and ordering American companies out within six months

But pungent rhetoric and a tough line were to be expected in the House which voted for total sanctions in 1986 Perhaps more important now are the temperatures towards South Africa elsewhere — in the senate and the Reagan Administration.

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What will the State Department and White House do? So far they have been doggedly against sanctions and disinvestment, and have taken political wounds for that stance as congress snatched the reins of South Africa policy from them

They, too, were incensed at the new prohibitions Public statements were tough but apparently pale against the words which passed when the US Assistant Secretary of State for African Affairs, Dr Chester Crocker, summonsed the South African Ambassador, Dr Piet Koornhof, to let Pretoria know at first hand last Wednesday how the Reagan Administration felt.

Outrage

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SOWETAN FOREIGN SERVICE

FOCUS

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They accused the South African Government of shutting avenue of peaceful black dissidence — said Senator Mitch McConnell, a Republican of Kentucky· "We must ask ourselves, what options are now left for those who oppose apartheid?

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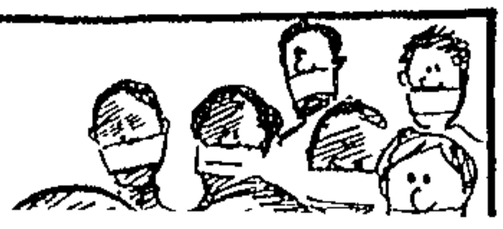
Responses have made it clear that attitudes in Washington are hardening along with the South African Government's measure. Even the State Department, which has up to now recoiled from the sanctions pack on Capitol Hill, said the Government had "dealt a major blow" to efforts for peace in South Africa

Some say the Government clampdown has killed non-violent options open to blacks, others say it is narrowing them How far down the road, then, is the point where Washington's understanding of violence boils over into sympathy for it?





'Hard for West to maintain SA ties'

Star 7/3/86

By Michael Morris, The Star Bureau (280)

LONDON — Britain and France, among other Western countries, find it hard to maintain positive ties with South Africa while Pretoria shows such contempt for international opinion.

This is one of the chief impressions left with Cape Town's mayor, Mr Peter Muller, after extensive talks with senior French and British diplomats in London and Paris.

Mr Muller is on a three-week tour of Europe, Britain and Israel aimed partly at strengthening ties with Cape Town's twin cities, Nice, Funchal and Haifa.

He has so far visited Lisbon, Funchal and Nice — where he officially represented Cape Town at the Riviera city's famous festival — and Paris.

Ranking among the political highlights of the first part of his tour were talks in Paris with President Francois Mitterand's Africa advisers and with senior officials at the Foreign Office in London.

UNPREDICTABLE ACTIONS

One of the most important elements of the discussions he had in both capitals was the assertion that the outside world wanted to strengthen ties and even pursue more amicable relations with South Africa, but found it difficult to do so while Pretoria's actions were so unpredictable and widely unpopular.

Similar talks with church officials at Lambeth Palace in London left Mr Muller in no doubt that the Anglican Church in Britain believed sanctions were necessary and was backing them vigorously.

Mr Muller said: "This a good opportunity to learn about attitudes in the world and to make contact with a wide range of people. This has become increasingly difficult at a national level, so being able to do it as a mayor has been useful."

In the next two weeks, Mr Muller will visit Germany, Switzerland and Israel, where he will be attending a five-day world conference on twinning cities before completing his trip with a visit to one of Cape Town's twins, Haifa, the coastal city.

ay, March 4, 1988

CPA Times 4/3/88

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Pressure against SA increases

WASHINGTON. — More than 60 anti-apartheid demonstrators were arrested after about 900 people, including legislators, marched near the South African embassy to protest against Pretoria's clampdown on black opposition and urge global sanctions against the government.

And in New York, Sierra Leone and Zambia have requested an urgent meeting of the Security Council on South Africa.

The Washington arrests followed a rally protesting at the SA government's decision to outlaw public dissent, which led to the arrest on Monday of Nobel Peace Prize winner Archbishop Desmond Tutu in Cape Town.

Mr Randall Robinson, a leader of the Free South Africa Movement which has organized similar protests at the South African Embassy since 1984, told a crowd of about 300 people that the demonstration marked "the beginning of a new phase of the battle against apartheid".

He said America needed to move "the UN Security Council toward global sanctions and a president who will take the lead with our allies ... to totally isolate South Africa".

Meanwhile Canada condemned South Africa's latest crackdown against opponents of apartheid, but said it would be the wrong time to sever diplomatic and economic ties with that country.

MIKE ROBERTSON reports from London that new attempts to tighten European Community (EC) sanctions against SA will be made this weekend at a meeting of EC foreign ministers.

While the advocacy of tougher measures by the EC is not new, Britain and West Germany, the staunchest sanctions opponents, have had the ground cut from beneath them by the moves to block funds from abroad going to organizations with broadly-defined political purposes.

According to EC officials, this new measure will make it impossible for the EC's 25m ECU (R65m) programme of aid to victims of apartheid to operate in the way it does at present — Sapa-Reuter-AP and Own Correspondent

4/3/88 FM 280

WHAT IMPACT?

Soon after the US Comprehensive Anti-Apartheid Act (CAAA) was passed, Foreign Minister Pik Botha irately denounced US politicians or officials who want to visit SA to determine the effect of sanctions.

Christine Babcock, apparently a Congressional official, had her visa application turned down when she wanted to visit in November 1986, under the requirements of the CAAA, to inspect health conditions in the homelands.

On February 20 this year, two officials working for the general accounting office of the US Congress arrived in SA to study trade and investment patterns since the imposition of the CAAA. The normal function of that office is to investigate how money passed or appropriated by Congress is spent.

According to US embassy spokesperson Elizabeth Prior, the visit of the two officials, Lorelei Hill and Laverne Tharpes, is known to Pretoria — they were issued with visas. Hill and Tharpes travelled all over the country and visited major industries in Johannesburg, Cape Town and Durban (where they looked at the sugar industry this week). They leave on Sunday.

Prior says it is a routine visit, to see how SA is doing in the light of sanctions. She says the Hill and Tharpes visit is of a different nature to the one proposed by Babcock.

However, from Pretoria, an official at Foreign Affairs who wants to remain anonymous admitted to the *FM* that "the bottom line of the visit is the same." An official spokesman at Foreign Affairs tells the *FM* that his department "has no comment at this stage."

Did Foreign Affairs not know about the visit by these two?

SANCTIONS

Computers as a target

US controls on technology exports are already so rigorous and the structures so well established that cutting off supplies to SA would be relatively easy, given the political determination to do it.

This emerges from an export licensing seminar held by the US & Foreign Commercial Service of the US Embassy held the day after the government banned 17 more organisations. The timing of the seminar clearly had nothing to do with the bannings, but was significant for the pall it cast over the proceedings.

"I came out of the seminar feeling very depressed. I think most of the others were depressed, too," said a delegate who asked not to be identified. "You have to have a licence for everything now."

This situation is not exactly new. According to US consultant Harold P Luks, a former senior policy adviser to the Under Secretary of Commerce in the US Department of Commerce (DoC), in terms of US Export Administration Regulations (EAR), all exports have to be licensed, though in many cases no written approval is needed. However, most hi-tech goods require to be validated, that is to have received prior written approval from the DoC.

Delegates were supplied with documentation spelling out the regulations and licence requirements. It contains long lists of items for which validated licences are required. In the past getting a licence has often been a formality, but signs are that the US is getting tougher.

Distributors worried

The situation clearly worries local distributors of information systems technology — at least 34 of the 49 delegates were from local companies involved in this field. One of them, Punch Line GM Errol Finkelstein, tells the *FM*: "There wasn't any good news to come out of the seminar, that's for sure. The fact is that the speakers were from US state departments whose objective is to maximise legitimate trade with SA and they were trying to be as constructive as possible. However, they pointed out that the latest actions by our government have added fresh vigour to the anti-apartheid movement's cause."

The other disturbing message that seems to be coming through loud and clear, he says, is that if the sanctions screws are tightened the computer industry is likely to become a prime target. "That could mean a blanket ban on computer exports to SA."

Another delegate, who also asked not to be named, summed up his feelings after the seminar in just one word: "Grim!"

"How can the government expect things to continue along a smooth trade road after events such as last week's bannings?" he asks. "It was pointed out to us that prior to the bannings the anti-apartheid movement was running out of steam; it had been quiet for some time and the US was continuing with its constructive engagement policy. Now there is no doubt that the pressure is going to be turned on again. The bannings were received very badly in the US, as elsewhere, and there is going to be a lot of pressure applied to force an intensification of the sanctions effort.

"The licensing agreement structure means it will be easy to turn the screws and it will only take a few turns to make things very uncomfortable in SA for the computer industry."

The real sanctions pressure, he says, comes not from the US government but from city, university and state governing bodies. "They have their own legislation banning trade links with companies that have even minor ties with SA. Companies with 'impinging trade' find it difficult to carry on with their South African links in circumstances like this and it doesn't take long for the pressure to work, as we have seen with such organisations as Kodak and McGraw-Hill."

The delegate discounts the possibility of local firms turning to suppliers of non-US made computer equipment. "The fact is that all big Japanese equipment runs on IBM operating systems such as MVS so licences would be needed for that," he says.

"Secondly there must be no doubt that the US will apply pressure on the Japanese not to step in as it pulls out and it wouldn't be in the interests of the Japanese to defy the US."

While a blanket ban on computers would indeed be serious, the seminar documentation includes an EAR commodity control list of nearly 600 items ranging from absorbers (electromagnetic wave) to zirconium metal/alloys and including lasers, robots and even strait-jackets. ■

Curbs fuel calls for sanctions

4/3/88

Business Day Reporters

GOVERNMENT'S intended crackdown on foreign funding has added new impetus to calls for economic sanctions on SA.

European Community Foreign Ministers will meet this weekend to discuss what implications the Promotion of Orderly Internal Politics Bill has for the EC's R65m package.

The drive for European sanctions — coal is being widely spoken about — is being led by Denmark and the Netherlands.

While those countries' advocacy of tougher measures is not new, Britain and West Germany, the staunchest sanctions opponents, have had the ground cut from beneath them by the moves to block funds.

EC political affairs spokesman Hermann Dar Fonseca Wollheim said: "It is certainly true that some member states agreed to limited restrictive measures only because there was a range of positive measures included in the pacakge. "If the EC is no longer able to make funds available to anti-apartheid groups it might be difficult for some member states to maintain the present position and justify it to their own public opinion."

Evidence

The sanctions call would be bolstered by Commonwealth Foreign Ministers who were gathering evidence which could result in a wider, tighter and more intense application of sanctions, Canadian Foreign Minister Joe Clark said in the House of Commons in Ottowa this week.

Clark said Canada had contacted other Western governments with strong economic ties to SA to co-ordinate sanctions action. Although Canada's trade with SA was less than 1% of its trading total, his government was investigating whether it could take more effective action alone.

Clark called the SA action "perverse and brutal".

He said the need for assistance for the opponents of apartheid had suddenly become more urgent "and we intend to provide it".

Sapa-AP reports the US State Department has denounced an SA government proposal to block foreign financing of political groups and individuals.

"Coming on the heels of last week's effective outlawing of most anti-apartheid organisations, this is further evidence that the SA government, not content with being isolated by others from the rest of the world, is determined to isolate itself from Western democracies and the world abroad."

Japanese set to pull plug on SA

Star 5/4/88

(280)

TOKYO — Several major Japanese electronics manufacturers, including Pioneer, NEC and Fujitsu, will end sales to South Africa following a Japanese government request that companies limit their economic activities in the country, officials said yesterday.

Japanese Foreign Minister Sosuke Uno last week asked members of the Federation of Economic Organisations, an influential business group, to practice "self-restraint" in trade with South Africa to avoid resentment from countries opposed to apartheid.

Pioneer has decided to stop selling its products to South Africa after current contracts are fulfilled, said Mr Kinro Shimizu, a company spokesman. He said Pioneer's sales of car stereos and small-sized stereo systems to South Africa had already declined from about R110 million in 1980 to about R14 million last year.

NEC will end its sales of televisions, videotape recorders and facsimile machines to South Africa, a company official said. NEC would continue to sell only spare parts for equipment sold in the past, he said.

Fujitsu had asked its European subsidiary to stop selling computer printers to South Africa, thereby ending its sales to the country, a company official said.

● To Page 2

Japanese pulling out

(280)

● From Page 1

Star 5/3/88

However, Hitachi said it would continue to supply computer central processing units and disk drives to a West German company that produces computers sold in South Africa and elsewhere.

"But we believe that sales of the computers to South Africa will be substantially less this year than last year," said a Hitachi official.

He said Hitachi had an agreement with the West German company prohibiting sales to South Africa from violating a Japanese government ban on sales of computers that might be used to enforce apartheid.

Tokyo also prohibits all direct investment by Japanese companies in South Africa, bans imports of South African iron and steel, and limits cultural, sports and tourism exchanges.

In 1987, Japan's trade with South Africa rose by 19 percent to $4,27 billion (about R9 billion), making it South Africa's largest trading partner.

Japanese officials say much of the increase was due to the rise in the yen. — Sapa-AP.

Runcie calls for further sanctions

CANBERRA — Archbishop of Canterbury, the Most Rev Robert Runcie, on a visit to Australia, called yesterday for increased economic sanctions against South Africa.

Archbishop Runcie said he took seriously Archbishop Desmond Tutu's view that nearly every non-violent option for protest against apartheid was being blocked by the Government.

"I am cautious about withdrawing diplomatic relations because I believe very much in talking with people," he said.

However, he added: "I believe there could be more agreement among the major economic powers on some sanctions.

"Although I recognise that would cause suffering, I have to listen when Archbishop Tutu says there is suffering already."

Archbishop Tutu was among scores of churchmen detained briefly in Cape Town on Monday when they tried to present a petition to Parliament Sapa-Reuter.

Police deny holding Azapo boss

Police have denied holding the president of the Azanian People's Organisation (Azapo), Mr Nkosi Molala, and the assistant co-ordinator of the newly-formed Azanian Co-ordinating Committee (Azacco), Mr Thabo Sehume. Star 7/3/88

Mr Jackie Hlapolosa, the publicity secretary of Azacco, which was formed last week, said the men were taken from their homes in Pretoria's Atteridgeville township.

A police spokesman said that according to their records "neither Mr Molala nor Mr Sehume are being held under security legislation".

The spokesman did not say whether or not the men were being held in terms of the state of emergency.

UK firm's new boss vows to end sanction-busting

Star 7/3/88 (280)

LONDON — The new British chief executive of Inspectorate SA, one of the companies allegedly involved in sanctions busting for South Africa, has vowed to put an end to the practice.

Mr Francis Holmes, who heads the multinational, said: "Our South African involvement is very low-profile. They only account for a tiny fraction of our international turnover of around R100 million a year."

But, he added: "If they have been issuing bogus documentation, that is something I will not condone. I will have to stop it immediately."

His company was among a number of organisations named by the *Mail on Sunday* after they mounted an elaborate "sting".

One of the companies which fell for the sting was Unit Inspection Commodity, whose managing director, former Springbok athlete Neil MacDonald, reports directly to Mr Holmes since Swiss-based Inspectorate bought Inspection after it was hived off by British Steel.

SA firm in 'sanctions busting'

Own Correspondent

LONDON. — A leading British industrialist has ordered a full investigation into how one of his company's South African subsidiaries became involved in illegal sanctions busting.

The role of Johannesburg-based Unit Inspection Commodities — a subsidiary of the multinational company Inspectorate SA — was revealed after an investigation by the Mail on Sunday newspaper.

Journalists, posing as executives of a fictitious company, contacted firms in South Africa seeking help to export a consignment of four million cans of asparagus. They were told that to dodge the UN trade embargo against the Republic, fake labels would have to be printed and documents for customs forged.

One of the companies which fell for the seemingly lucrative deal was Unit Inspection Commodities, whose managing director, former Springbok athlete Mr Neil McDonald, reports directly to Mr Francis Holmes, chief executive of Inspectorate SA.

Mr Holmes promised a full investigation into the matter.

UK industrialist shocked by SA sanctions-busting

LONDON — A leading British industrialist was "shocked and surprised" to learn that one of his South African companies was involved in illegal sanctions-busting, the Mail on Sunday reported.

The newspaper said the chief executive of the multi-national company Inspectorate South Africa, Mr Francis Holmes, was commenting on an exposé in the newspaper last weekend.

The newspaper said its investigation revealed that South Africa dodged trade embargoes by disguising its exports.

One of the South African companies involved in the investigation was Unit Inspection Commodity Ltd, which is owned by Inspectorate, a Swiss-financed travel and trading conglomerate.

The Mail on Sunday said Mr Holmes, who divides his time between Inspectorate's international headquarters in Geneva and its British headquarters in Norfolk, promised a full investigation.

It quoted him as saying: "I only took over my new job in January and I have responsibility for over 300 companies in 70 countries.

"Our South African involvement is very low-profile. They only account for a tiny fraction of our international turnover of around $500 million a year.

"If they have been involved in issuing bogus documentation, that is something I will not condone — and I will have to put a stop to it immediately.

"Our guys over there tell me they are approached all the time to get involved in these sort of deals."

The newspaper said sources close to the company had informed it that Unit Inspection had been involved in clandestine shipments — particularly of South African coal, steel and cement — in the past — Sapa

DID 8/3/88

Exports to US plunge

JOHANNESBURG — United States sanctions legislation caused South Africa's exports to the US to plunge by 44,4 per cent in dollar terms in the first nine months of last year.

US commerce department figures released here show that South Africa's exports to the US nosedived to $1,012bn from $1,821bn in the nine months to September 1987 compared with the same period in 1986. However, imports from the US edged up to $910m from $863m in the same period.

Exports to the US of a range of South African goods and commodities banned by the Comprehensive Anti-Apartheid Act plummeted to nil in the nine-month period. These include uranium products, which once accounted for nearly 6 per cent of total exports to the US Uranium oxide exports fell to nil from the $117m recorded in the January to September period in 1986.

Coal exports also dried up (from $36m), as did iron or steel ingots (from $13m); gold or silver bullion—ore (from $79m); coal (from $36m); shellfish (from $24m) and motor fuel (from $25m).

Imports from the US to South Africa rose by just over 5 per cent. Imports from the US of general merchandise almost doubled from $12,8m to $24m, reflecting heightened domestic demand as the economic recovery got underway.

Although these figures are not adjusted for currency fluctuations, economists say the picture does not alter significantly if the rand—dollar exchange rate is brought into account.

While South Africa's exports to the US were sharply down in the period from January to September last year, its total exports, in rand terms, increased marginally. — DDC

Shell comes under fire

Sowetan 8/7/88 280

THE HAGUE — Anti-apartheid activists damaged petrol station pumps in at least 20 Dutch towns before dawn on Monday in a protest against Royal Dutch/Shell's refusal to pull out of South Africa.

A central police spokesman said some 20 towns had reported damage to at least 26 petrol stations and said more reports could come in later in the day.

The vandals cut petrol hoses, wrecked self-service pay machines and painted signs reading "Shell Blood" and "Shell Supports Apartheid" at the petrol stations.

Pressure

An anonymous letter sent to Reuters in Amsterdam said the action was aimed at putting economic pressure on the Anglo-Dutch oil company to withdraw its investments from South Africa, hinting that similar protests could occur in the future.

"These actions are a protest against Shell's prominent role in keeping the South African apartheid regime in the saddle," the letter said.

Feeling

"As multinationals (such) as Shell do not know a feeling of responsibility, and look at moral and political issues only from a financial point of view, we tried to cause a considerable drop in fuel sales of Shell in the Netherlands at least for one day," it said.

The letter said the overnight action was dedicated to 30 striking miners beaten and shot last August by officials at South Africa's Rietspruit coalmine, which it said was half-owned by Shell.

"There are plenty reasons to take action against Shell now and in the future, until the company decides to stop its support of the apartheid regime," the letter said. — Sapa-Reuter.

Sowetan 8/3/88

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Call for more sanctions

CANBERRA — Archbishop of Canterbury Robert Runcie called at the weekend for increased economic sanctions against South Africa.

Runcie, spiritual leader of 70 million Anglicans, told reporters he took very seriously the view of Archbishop Desmond Tutu of Cape Town, that nearly every non-violent option for protest against apartheid is being blocked by the South African Government.

"I am cautious about withdrawing diplomatic relations because I believe very much in talking with people," said Runcie during a visit to Australia.

However, he added: "I believe there could be more agreement among the major economic powers on some sanctions. Although I recognise that would cause suffering, I have to listen to what Archbishop Tutu says that there is suffering already."

Tutu was among scores of churchmen briefly detained by police in Cape Town on Tuesday when they tried to present a petition to Parliament protesting against last week's banning of 17 anti-apartheid groups and a trade union federation. — Sapa-Reuter.

West thought unlikely to veto UN plan

SA ready for new wave of sanctions

By David Braun, Political Correspondent

Cape Town

South Africa is standing ready for a new wave of international sanctions as the United Nations' Security Council meets today to consider a new package of mandatory punitive measures.

The indications were that the Western powers were unlikely to veto the new measures, which were in line with sanctions already imposed by the European Community — a ban on new investment, a ban on Krugerrands, a prohibition on South African iron and steel, and a petroleum boycott, among others.

If the proposed sanctions are vetoed, Government sources believe it is only a matter of time before they will be raised again and again, until they get through.

The sponsors of the new package appear to have been selected to represent the different regions of the world.

If the measures are not vetoed by Britain, France or the US, they will become mandatory worldwide, just like the arms boycott imposed by the United Nations in 1977.

South Africa has already invited the United Nations to "do your damnedest", in an aggressive speech to the Security Council last week by the Ambassador to the UN, Mr Les Manley.

Calculated

South African sources said today the speech was calculated to anger UN members to provoke a harsh sanctions resolution, which would most probably be vetoed by one of the Western powers.

On the other hand, it is increasingly held at the highest levels that the sooner the UN imposes its worst punishment on South Africa, the sooner South Africa will know what it has to deal with.

The round of sanctions being considered by the UN today has apparently been expected by the South African Government for some time, ever since the US and the European Community imposed their sanctions measures.

"We have known this was coming and we have prepared for it. We stand ready for it. They must do their worst," one source said today.

According to this source, South Africa refuses to be blackmailed into making concessions to the UN and there is no way the country can comply with the world body's demands.

The Government apparently believes the sooner it can demonstrate to the world that not even the worst sanctions can bring it down, the sooner it will be able to deal with the world on a realistic basis.

Trade with US slumps by 40 pc

By Sven Lünsche

The extent of damage already done by American sanctions legislation became evident yesterday when the US Commerce Department released figures showing that South African exports to America had slumped by more than 40 percent during the first nine months of 1987.

Overall trade fell to $1,92 billion (R4,13 billion) compared with $2,68 billion (R5,76 billion) in the first nine months of 1986. South Africa's exports to the US dropped to $1,01 billion (R2,17 billion) from $1,82 billion (R3,91 billion) but imports from the US edged up by $47 million (R101 million) to $910 million (R1,96 billion).

South African uranium, which once accounted for nearly six percent of total exports to the US, dwindled to zero between January and September 1987.

These figures will put further pressure on Japan to tighten its disinvestment legislation. During 1987, Japan supplanted the US as South Africa's biggest trading partner.

On a request by the Japanese government, Pioneer and NEC said on Friday that they would withdraw from South Africa, but Fujitsu, Japan's largest domestic computer manufacturer, denied yesterday that it would stop imports to this country.

The Star Bureau in Washington reports that American anti-apartheid activists have targeted at least 100 US corporations with South African links in a barrage of disinvestment resolutions to be decided at upcoming annual general meetings.

Shareholders are scheduled to debate and vote on about 116 resolutions proposing action ranging from reduced links with South Africa to total severance of dealings with it.

BUSINESS

D10 8/3/88

SA exports to America cut 30pc

JOHANNESBURG — South African exports to the United States plummeted by almost 30 per cent in the first nine months of last year after Washington enacted anti-apartheid sanctions legislation in October 1986.

US Commerce Department figures released here showed that the two-way trade between South Africa and the US shrank to $1,922 billion from $2,684 billion in the same period of 1986.

The figures highlighted the fast deteriorating trade between South Africa and the US, which was supplanted by Japan as Pretoria's biggest trading partner in 1986.

South Africa's exports to the US fell to $1,012 billion from $1,821 billion, while imports from the US edged up to $910 million from $863 million.

South African uranium, which once accounted for nearly six per cent of total exports to the US, dwindled to zero between January and September last year.

So did exports of gold and silver bullion, coal, iron and steel, and a range of agricultural products banned by the US Comprehensive Anti-Apartheid Act of 1986. The law also barred new investment and bank loans to South Africa.

The evidence of declining US trade with South Africa will heighten Japan's embarrassment over its position as Pretoria's number one trading partner, according to Western diplomats.

Last year Japan's two-way trade with South Africa rose nearly 20 per cent to $4,27 billion, prompting accusations that it is filling the vacuum left by about 140 US firms that have pulled out of the country over the past three years under anti-apartheid pressure.

Uneasy about the expanding trade, Tokyo's Foreign Ministry called on the influential Federation of Economic Organisations in January to act cautiously in doing business with South Africa.

The call prompted car makers Toyota and Nissan to announce that they would cut shipments of motor components, which account for about 40 per cent of Japan's total exports to South Africa.

Last week, several major Japanese electronics firms, including Fujitsu, Pioneer and NEC, announced they would end sales to South Africa.

Local businessmen noted, however, that Japan's powerful Ministry of Trade and Industries appears less enthusiastic than the Foreign Ministry about curbing business links with this country and has done little to restrict South African exports to Japan.

Last year, Japan bought about $500 million worth of coal from South Africa, roughly 20 per cent of the country's total coal exports.

Meanwhile, Iscor announced yesterday that it would establish a multi-million rand electrolytic galvanising plant at its Vanderbijlpark works and would go out on "open inquiry" soon to establish where the plant may be obtained abroad.

The plant would cost an estimated R60-million, Iscor's public relations manager, Mr Piet du Plessis, said.

He denied a report published on Monday that Iscor had had secret negotiations with the Japanese Ministry of Trade and Industry to obtain the plant from a Japanese supplier.

He said Iscor would go out on open inquiry, probably at the end of this month. Companies in several countries offered this technology and Iscor had not yet decided where the plant would be bought, he emphasised.

The plant would produce 25 000 tons a year of high-quality galvanised steel required by the motor industry, among others.

The plant is expected to come on stream in 1990. — Sapa.Rns

Flag symbolises role played by Britain in apartheid laws

South Africa is now the pariah of the world and the trendy thing for foreign people, groups and organisations is to publicly declare their breaking, or desire to break bonds with SA.

In an effort to distance themselves from apartheid, British politicians are demanding that the British flag be removed from the South African flag

On the surface there is no reason why it should remain. After all South Africa is now independent and no longer answerable to Britain. The bond is, however, very deep.

In the first half of the nineteenth

Write to Box 61682 Marshalltown 2107

century, the black people were successful entrepreneurs and farmers, proving themselves more productive in agriculture than most whites. During this same period, the Afrikaners undertook the Great Trek, to yet again try and get away from the restrictive force of British rule.

During the years 1869 to 1909, while South Africa was ruled by the British, a series of laws was passed which slowly excluded the black man from the economy and agriculture.

The purpose of these laws was to prevent him from competing with the whites as well as creating a workforce to supply labour for the mines. Laws weren't the only way to restrict the black people.

Capital development was excluded from the black areas, making access to the markets difficult and expensive.

In 1910, the Union of South Africa was formed and in 1913, the Native Land Act, which allocated only 8 percent of South Africa to the black people, was passed.

The ANC made representations to Britain, but no intervention was forthcoming Why should there be when Britain had demonstrated its own support for such restriction so clearly?

In trying to break ties with South Africa, the British politicians are trying to deny the role that Britain played in today's South Africa

Cecil Rhodes helped introduce one of the most telling laws which restricted black ownership of land to 10 acres.

It was Lord Milner who stated that blacks could never hope to achieve the same level of civilisation as the whites. When the Nationalist Party came to power in 1948, they were handed a solid foundation of apartheid.

The fact that apartheid has not been removed by the Nationalists does not alter the fact that it is a British legacy, a British institution.

Until it has been removed from the statute books the British flag must remain on the South African flag.

Mr P W Botha's subsequent statement that the removal should be considered seriously is a denial of our roots. The bond is still too strong.

Jack Lovell
Johannesburg

Litterbugs and jaywalkers beware

Johannesburg has become a dirty city since the rubbish bins were taken away

When plastic rubbish bags were used, we had on the market two hoops held together with a straight length of metal to hold the bags in position.

Would it not be feasible to have similar hoops welded to poles to hold plastic rubbish bags?

We need have no littering if the councils brought in certain by-laws. For one month there should be concentrated advertising that anyone caught littering will pay a spot fine of R1

If this sum is not paid a ticket will be issued and the fine will then be R100 A team of anti-littering officers will have an ink pad and the culprit will be asked to leave their thumb print on the copy of the ticket, making future identification positive.

These officers will wear a distinctive overall to make them visible and identifiable.

Jaywalkers will be treated in the same way, R1 or R100.

Ashamed old Johannesburger
Primrose

Sanctions pressure will not bend Govt, says Steyn

280
STAR 7/3/88

By Esmaré van der Merwe

Sanctions would not bring further change in South Africa because the Government could not afford to appear to be making concessions to overseas pressure in the wake of the "immediate and dangerous internal threat" from the Conservative Party, Mr Jan Steyn, executive chairman of the Urban Foundation, said yesterday.

Mr Steyn told the French Institute of International Relations in Paris: "People who are working for rapid, but peaceful, change have many opponents, including revolutionaries and smug white reactionaries. They do not need the additional handicaps imposed by mistaken perceptions and strategies of despair."

Mr Steyn pleaded for international support for "well-grounded internal initiatives for change" through "either funding assistance or helping to make these efforts better known and understood overseas".

"South Africa needs positive assistance in its struggle for equality and justice, not avoidance or neglect," he said.



Mr Jan Steyn . . . "positive assistance needed."

TOO SLOW

The Government was attempting socio-political and economic reforms. These initiatives were too slow but developments were taking place.

The Government's recent restriction of 17 political organisations revealed "its reluctance to come to terms with black leadership outside its framework of power-sharing on a group basis".

Constructive alliances between private sector organisations and black groupings were needed to act as intermediaries between the Government and disenfranchised South Africans to create conditions more favourable for balanced negotiations, Mr Steyn said.

SA puts West to test on sanctions

Capt Times 9/3/88 (280) 3rd

WHILE the West was expected to block the drive for mandatory sanctions against South Africa in the United Nations Security Council last night, government reaction amounted to a blunt "let the world do what it likes".

Senior political sources in Britain and France indicated that a Western veto would reflect the majority opinion in the European Community that mandatory sanctions at this stage would not contribute to settlement in South Africa.

Reports that Foreign Minister Mr Pik Botha was challenging the West to do its worst to increase pressure on Pretoria drew no official comment in London.

The six-point sanctions package proposed by Algeria, the Argentine, Nepal, Senegal, Yugoslavia and Zambia seems destined to be vetoed by both the United States and Britain.

In South Africa, however, the government seemed to have accepted that mandatory sanctions against the country were inevitable at some stage, the Cape Times Political Staff report.

The government holds the view that under current circumstances foreign governments, activists and terrorists within the country are encouraged to believe that it would eventually bow to the threat of sanctions and other punitive action.

"This perception must be terminated as soon as possible. We now wish to get away from this bluff and put these threats to the test," a top government source said.

In the wake of the calculated challenge from South Africa's Ambassador to the UN, Mr Les Manley, to the world body to "do your damnedest", the government appeared unrepentant and, in fact, determined to challenge the world to do its worst.

Mr Manley's speech to the UN had not, as had been admitted by the Minister of Foreign Affairs, been "snatched from thin air".

He told TV news: "I wrote the words."

"Either we're strong enough to withstand and resist the onslaught against us or we're not," Mr Botha said. "It's up to them to put us to the test if they want."

The package proposed by the six nations, taken in the wake of the most recent action against 18 organizations and a number of individuals, calls for:

- A cessation of further investment in, and financial loans to, SA.
- A ban on the importation of iron and steel.
- An end to all promotion and support for trade with SA.
- Prohibition on the sale of Krugerrands and all other coins minted in SA.
- Cessation of all military, police or intelligence co-operation with SA authorities.
- Cessation of export and sale of oil to SA. — Political Staff, Sapa-Reuter, UPI and London Correspondent

France, UK threaten to veto sanctions call

280 IAN HOBBS Bi day 9/3/88

LONDON — Both Britain and France were preparing to block the latest African bid for mandatory sanctions in the United Nations Security Council last night.

Senior political sources said Britain and France warned they would use their veto against the Africans.

Britain, France and America were expected to express sympathy with African anger and issue sterner warnings to SA instead.

● See Page 3

COMMENT

Telephone: (011) 673-4160

Sowetan 9/3/88

Sanctions

THE real tragedy is not the economic sanctions against South Africa, but rather this country's response to them.

Figures just published show that South Africa's exports to the United States dropped by almost 50 percent.

And indications are that things are not going to improve. More countries will be imposing sanctions as the world demonstrates that it has had its fill of apartheid.

What is South Africa's response to these threats and actions?

First there is a well-orchestrated campaign here to make us believe that sanctions are not and will not be effective and that sanctions will hurt blacks, the people they are supposed to help, most.

Then South African diplomats beat their breasts in defiance and tell the world to do its "damnedest".

The truth is that, at this point, there is largely a threat of sanctions against this country. If a concerted campaign against this country was launched, our economy would suffer.

Already in the nine months that exports to the US dropped by nearly 50 percent, imports from that country increased by five percent. One does not have to be an economist to see what this means for our economy.

A rational man faced with such threats would try to understand the motives of the people who were threatening him.

Many of the people who are talking sanctions against South Africa are people who are concerned about its welfare.

These are the people who are using the threat of sanctions to bring us to our senses.

We should not be trying to call their bluff; we should be getting rid of apartheid. We should not be feeling trapped; we should not be snapping our teeth at them in rather pathetic gestures.

New group to oppose Government

Sowetan 9/3/88

280

ANTI-apartheid campaigners from churches, education and sport launched a new front on Monday to fight the South African Government's crackdown on black dissent.

Church leaders Archbishop Desmond Tutu and Allan Boesak, academic Jakes Gerwel and sports administrator Frank van der Horst were among about a dozen people of all races who formed the group to protest against last month's virtual banning of 17 anti-apartheid organisations.

"This is to say to the Government: You've thrown down the gauntlet, we're actually picking it up," Dr Boesak, the president of the World Alliance of Reformed Churches, told a news conference.

The new group will be known as the "Committee for the Defence of Democracy." One of its first actions was to call a mass rally in protest at the new restrictions at the University of the Western Cape, near Cape Town, on Sunday.



DR ALLAN BOESAK

The South African Council of Churches meanwhile called on all Christians to observe a day of prayer on Sunday to protest "against repression" and remember people detained without trial under a 21-month-old state of emergency.

Professor Gerwel, rector of the University of the Western Cape, said the new committee was "a citizen's response to a situation where democracy is threatened."

Archbishop Tutu said: "We consider the defence and upholding of human rights to be our sacred duty."

• A resolution calling for selective mandatory sanctions against South Africa was submitted to the Security Council of the United Nations on Monday. This was a sequel to Pretoria's latest crackdown on anti-apartheid organisations.

The resolution, citing the UN Charter's rarely-invoked Chapter VII enforcement provisions, would impose mandatory sanctions ranging from a cessation of further investment in South Africa to a ban on the import of its iron and steel

It would also end all promotion of, and support for, trade with South Africa, prohibit the sale of Krugerrands and other coins minted in that country, halt all forms of military, police or intelligence co-operation with Pretoria, particularly the sale of computer equipment, and halt the export and sale of oil to South Africa. — Sapa-Reuter.

Argus 9/3/88 (280)

Veto saves SA, but no thanks for Britain, US

By BRUCE CAMERON
Political Staff

SOUTH Africa has escaped mandatory United Nation sanctions in an incredible round of international brinkmanship.

The Government, after daring the international community to do its damnedest, deliberately or in astounding misjudgment, yesterday warned the country to expect the sanctions to go through.

Keeping up the punchy attitude of the past few weeks Foreign Minister Mr Pik Botha had not a word of gratitude for the United States or Britain for vetoing the sanctions packet.

Instead he repeated earlier statements telling the United Nations to stop interfering in the country and to rather deal with other problems such as the millions who were starving in the rest of the world.

Diplomatic sources in Cape Town were astonished today that South Africa could have expected the sanctions packet to go through.

Neither the British nor the Americans, they said, had given any indication of a change of policy.

Senior Government sources indicated yesterday that there had been unofficial discussions between the two vetoing countries and South Africa seeking concessions for a veto.

They claimed no assurance of a veto had been given.

Explaining the Government's aggressive brinkmanship, sources said South Africa had to find the turning point where the West would not accept further mandatory sanctions.

A senior Government member said: "We cannot live under the threat of blackmail. They must do their worst now."

PFP spokesman on foreign affairs, Mr Ray Swart said: "We are fortunate indeed that neither Britain nor America followed the advice of our representative at the UN, Mr Les Manley, to do their damnedest".

"Instead, they opted to continue to exercise their veto and saved the country from a critical sanctions vote.

"It is to be hoped that our Government will now apply its mind to taking steps to produce internal reform to bring stability within South Africa and wider acceptance in the international community."

In a statement today Mr Botha said that as far as the South African Government was concerned there was never any reason whatsoever for the Security Council to involve itself with events in South Africa.

It was ridiculous to allege that what occurred in South Africa amounted to a threat to peace.

The only threat to the security of the region emanated from terrorists harboured by certain neighbouring states.

Hitachi to limit exports to SA

TOKYO — Japanese computer maker Hitachi has agreed with the West German firm Comparex to limit exports of computer parts to South Africa, a Hitachi spokesman said today.

Hitachi took the step to show US critics it does not intend to take advantage of American computer makers' withdrawal from South Africa by boosting its own sales.

With its action, Hitachi has joined a small but growing list of Japanese companies which have said they will limit exports to South Africa.

Hitachi supplies computer components to Comparex, a joint venture of West Germany's Siemens and BASF who then assembles the parts and sells the computers under its own name in South Africa. — Sapa-Reuter.

DID 9/3/88

Secrecy bid to protect Budd from demonstrators

280



ZOLA BUDD

LONDON — Fears of anti-apartheid demonstrations against Zola Budd have led British athletics chiefs to order top secrecy for travel and accommodation arrangements for the UK team competing in the World Cross-Country Championships in Auckland on March 26.

The British Amateur Athletic Board (BAAB) spokesman, Mr Tony Ward, said this was in the interests of all members of the team.

Anti-apartheid groups in New Zealand have threatened protests against Budd.

This is in spite of the written assurance she gave to the BAAB last week stating she had cut all ties with South Africa, apart from family ones.

The Supreme Council for Sport in Africa has signalled that it might call for a boycott of the Championships if Budd competes.

The London Evening Standard reported that the International Amateur Athletic Federation (IAAF), which runs the Championships, would rely on New Zealand security forces to protect Budd from anti-apartheid demonstrators.

The London Guardian reported that the Supreme Council for Sport in Africa was considering legal action against the IAAF over the Budd issue.

The Guardian said the New Zealand Amateur Athletic Association had announced that it would go ahead and propose a change in IAAF rules which would disqualify athletes who compete using "passports of convenience".

Meanwhile, Budd is getting on with her preparations for Auckland, where she will be striving for a third world cross-country title, having won it in 1985 and 1986.

She will be a member of a strong British team in an international cross-country race in Belgium, this Saturday.

D/D 9/3/88

Britain and US veto sanctions

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NEW YORK — The United States and Britain yesterday vetoed a UN security council resolution calling for new, mandatory economic sanctions against South Africa after its recent crackdown on anti-apartheid groups.

France, West Germany and Japan abstained from voting. Voting for the resolution were the Soviet Union, China, Brazil and Italy, together with the resolution's six non-aligned sponsors: Algeria, Argentina, Nepal, Senegal, Yugoslavia and Zambia.

The vote came at the end of a debate which began last Thursday at the request of African states seeking condemnation of the action taken against the 17 organisations.

Security council sources said a resolution condemning the curbs and calling for them to be rescinded had initially been drafted.

But many members were angered by an unusually defiant speech on the debate's opening day by the South African representative, Mr. Les Manley, and the resolution was toughened to include a range of economic sanctions.

Mr Manley, using some of the bluntest language heard in the council in recent years, said: "We will not bow to your threats or demands and we will reject your accusations with contempt and invite you to do your damnedest."

The tone and content of his speech drew a public rebuke from the council's president, who called the remarks "an affront to the international community and absolutely unacceptable".

The South African Minister of Foreign Affairs, Mr Pik Botha, said in a television interview last night he himself had drafted the text of Mr Manley's comments.

The UN resolution would have banned further investment and loans to South Africa, any imports of iron and steel from South Africa, the promotion of trade, and the sale of Krugerrands and all other coins minted locally.

In addition, all forms of intelligence co-operation, particularly the sale of computer equipment, and the export and sale of oil to South Africa would have been halted.

The sanctions would have remained in force for an initial period of a year, after which the council was to decide whether to retain them or make them tougher if Pretoria failed to carry out a number of reforms abolishing apartheid and releasing all political prisoners.

A Daily Dispatch political correspondent reported from Cape Town earlier yesterday that the government's reaction to the sanctions proposal was a blunt "let them do what they like."

The argument was that sooner or later the stage would be set for world sanctions and that they would be imposed step by step in what amounted to little less than "blackmail" in an attempt to get South Africa to agree to one-man-one-vote.

A government source indicated yesterday that the sooner sanctions were imposed the better — "let there be a test".

The source said the message to both those who wished to bring the country to its knees by means of sanctions and those who wished to employ the actions of terrorism was "do your worst".

He said the whole situation had been viewed quite clinically and it was realised that whatever the government did the world would not be satisfied.

Sanctions vote: Pik lashes Genscher

CAPE TIMES 10/3/88 280

Political Staff

THE Foreign Minister, Mr Pik Botha, yesterday hit out at his German counterpart, Mr Hans Dietrich Genscher, for his role behind the scenes in the Security Council vote on sanctions against South Africa.

The two men, probably the longest-serving foreign ministers in the Western world, are known to have had an uneasy relationship at best in their dealings with each other over many years.

Launching a heavy attack on the Security Council for even considering mandatory sanctions against South Africa, Mr Botha came to the defence of pro-South African Bavarian Prime Minister Dr Frans Josef Strauss after only two countries, Britain and the United States, vetoed the sanctions move.

"I have reason to believe that the West German government initially instructed its ambassador in New York to vote against the resolution," said Mr Botha, who is presently in Chile, in a statement released in Cape Town yesterday. "Subsequently, Foreign Minister Genscher persuaded Chancellor Helmut Kohl that West Germany should abstain in the vote.

"I do not think it is far-fetched to conclude that Mr Genscher wished to take revenge on Dr Strauss for visiting South Africa and declaring 'only idiots would vote for sanctions'.

"It is a matter of regret that a responsible and powerful nation like the Federal Republic of Germany should be swayed in its decisions by personal animosities within its own ranks."

Mr Botha's remarks appear to be a reference to clashes between Mr Genscher and Dr Strauss, who wanted the foreign minister's portfolio on the basis that his Christian Socialist Union was a more important member of the German coalition than Mr Genscher's waning Free Democrats.

His attack on Mr Genscher and defence of Dr Strauss is likely to further strain relations.

ACTIVISTS TARGET 100 FIRMS WITH A SA CONNECTION

Sowetan 10/3/88 280 R2800

WASHINGTON — American anti-apartheid activists have targeted at least 100 US corporations with South African links in a barrage of disinvestment resolutions to be decided at upcoming annual general meetings.

Shareholders are scheduled to debate and vote on about 116 resolutions proposing action ranging from reduced links with the Republic to total severance of dealings with it.

Pressure for pull out by corporations mounting

"Virtually every major company still holding investments in South Africa received a shareholder resolution calling for its withdrawal," said a prominent anti-apartheid figure, the Rev Timothy Smith of the Interfaith Centre on Corporate Responsibility (ICCR) in New York.

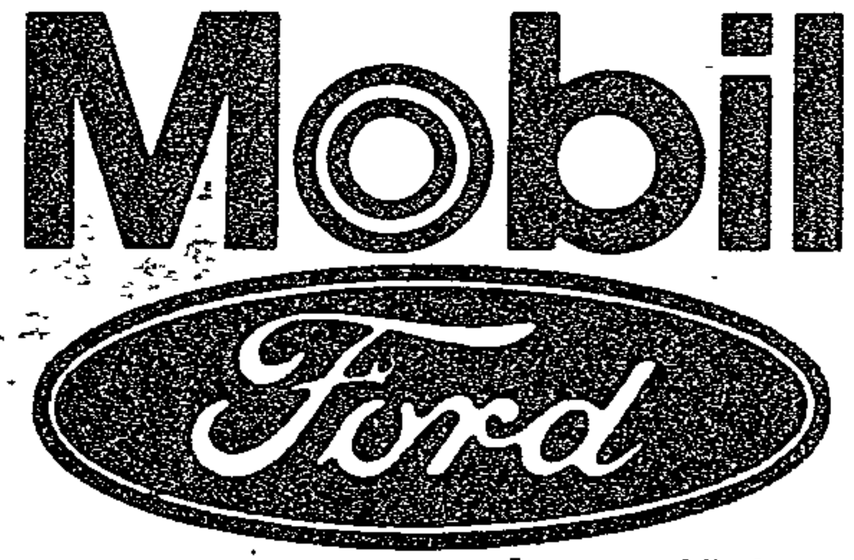
Churches and six of America's largest pension funds are trying to force US corporations out of South Africa.

"Corporations with trade, licensing, franchise and correspondent banking agreements are also major targets of 1988 shareholder resolutions, he said.

Companies singled-out for such pressure include IBM, Citicorp, Ford, General Motors, Exxon, Westinghouse and Xerox.

Their decisions — to leave South Africa but continue trade with the country — at first blindsided anti-apartheid activists, causing some confusion until groups such as the ICCR realised that non-equity licensing agreements were replacing their physical presence.

". . . The hassle factor for top corporate



"No longer simply a question of morality, corporate image and profits are negatively affected by the South African connection. It's now a financial bottom-line issue," he said.

It was rapidly becoming bad business for US executives is growing," said Mr Smith, executive director of the ICCR, a national coalition of religious groups controlling investments worth more than R40-billion and a US clearing-house for corporate anti-apartheid activities.

corporations to continue business in South Africa. They were facing more pressure than ever to end those links, Mr Smith said.

Most of the resolutions will be discussed in coming weeks at shareholder assemblies, during the traditional spring wave of annual general meetings.

Pension fund giants such as New York State Common Retirement Fund and Teachers Retirement System are pushing companies to leave South Africa and withdraw by selling to promote black ownership and management.

Mobil, Chevron, Texaco, Ford, Control Data, Newmont Mining and 3-M are the most prominent targets in this case.

The US's largest fund, the Teachers Insurance Annuity Association-College Retirement Equity Fund, has urged 18 companies to get out of South Africa, including Caterpillar, Control Data, Goodyear Tyre, Unisys, and USX.

Church groups are aiming at a total end to trade. Recipients of this resolution include Mobil, Texaco, Union Carbide, American Cyanamid, Ingersoll-Rand, Johnson and Johnson, and 3-M.

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SLICED BY SANCTIONS

Latest US Commerce Department statistics show exports to the US fell from US$2,5bn in 1986 to $1,4bn last year. Imports rose to $1,3bn from $1,2bn.

The slump can be attributed to sanctions — formal and informal. The Comprehensive Anti-Apartheid Act, passed in October 1986, put a total ban on gold coins, agricultural products and iron and steel produced or extracted in SA.

However, according to export consultant John Bell, official sanctions were not the only constraint on exports.

"Unofficial sanctions, which are open-ended and subjective, contributed significantly to the deteriorating trade balance. They affected mainly goods on which, by law, country of origin must be indicated. Retailers are reluctant to display these as they are afraid of provoking boycotts or demonstrations. Items affected include packaged food."

Another category of goods affected is those used by organised labour, whose purchase could result in industrial action.

SA's black-taxi chief makes powerful 'help us' plea to US congressmen

The Star Bureau

WASHINGTON — An organisation representing 45 000 black South African businessmen has told the United States Congress that money and a strong economy are more powerful weapons against apartheid than sanctions and political rhetoric.

The Southern Africa Black Taxi Association (Sabta) sent a delegation to committee hearings here yesterday on legislation to impose tougher sanctions on South Africa — and told the committee's Democratic Party majority things it did not want to hear.

xa prepared statement, Sabta's president, Mr Thupane Ncgoya described how the organisation had grown in nine years from "almost nothing but enthusiasm".

It was an example, he said, that could be followed by many other black businessmen — but more important, it showed how black people could gain political influence through having economic strength.

"No one can ignore the fact that we are the largest consumer of tyres and gasoline outside the Government.

"We buy and service tens of thousands of vehicles. More than one million people depend on us to get them to work each day," he said.

The association was not a political body, but recent actions by the South African Government had made it necessary for Sabta to have a more active political stance.

"We therefore call today for the immediate lifting of these bans (on 17 black political organisations) and the restoration of political freedom of actions and expression."

Mr Ncgoya said his statement would not be popular with the South African Government and he could be detained on his return to Johannesburg and Sabta could be banned.

His association understood American anger at the injustices in South Africa and appreciated the wish to do something about it. However, sanctions had not led to any political reforms and had, in fact, had unfortunate effects. In the next two years there would be an election — with no black votes.

"If the Conservative Party comes to power, and sanctions will certainly help them to do so, then black people will have even less hope than now," Mr Ncgoya said.

Sabta did not agree with those who believed the road to reform was through the destruction of the economy.

"We believe it lies through the creation of jobs and wealth.

"From that strength will come political influence no one, no government can resist."

The best way to increase black political influence, Mr Ncgoya said, was for the US to help black business to grow.

"We have come too far to turn back. Do not take from our hands the tools of liberation we have forged at such a price," he told the congressmen.

Sanctions 'will hamper blacks in attempts to end apartheid'

By Martin Challenor

Sanctions could hamper the ability of black people to use their economic power to tackle apartheid, Mr John Kane-Berman, executive director of the SA Institute of Race Relations, told two US Congress sub-committees yesterday.

He was invited to address the sub-committees on Africa and on international economic policy and trade of the Committee on Foreign Affairs of the House of Representatives in Washington.

A copy of his testimony was released in Johannesburg.

Mr Kane-Berman argued that a growing economy generated forces which black people could harness to dismantle apartheid.

These forces were:

- Rising wages enabling people to move out of overcrowded townships into white suburbs.
- Increasing levels of education and skills which have forced the State to change its policy on black unions.
- The availability of more jobs and better incomes in urban as compared with rural areas
- Action and organisation.

Pretoria was resilient enough to withstand additional sanctions, Mr Kane-Berman said.

The pro-sanctions argument "fails to take account of the damage that sanctions might do to the process of black empowerment, which is crucially dependent on growing black participation in the economy as both workers and consumers.

"The risk inherent in sanctions is that they will slow down the pace at which the balance of economic power is shifting in favour of black people. This is the single most important strategic objection to economic sanctions."

Sanctions also undermined the most important non-violent weapon black people had, namely their labour power.

This arose from the fact that they constituted 65 percent of the economically active population and an increasing proportion of the workforce's skilled component.

Sanctions would cause thousands of South Africans to lose their jobs

Being unemployed in South Africa was worse than in many other countries because of the limited system of unemployment insurance

There would also be an increase in the incidence of malnutrition and black infantile mortality, already 11 times that of whites.

Mr Kane-Berman said the institute's research showed that apartheid was vulnerable to pressure arising from the process of empowerment.

Business could assist the process and hence the erosion of apartheid, he said.

Black empowerment depended crucially on better black education, which in turn depended on greater black access to superior resources in white schools. Business could facilitate such access

Business could also involve itself in housing developments built on condition that they were exempted from the Group Areas Act. Also, business could help black farmers with funds so they could mount pressure to buy vacant white farms.

"Our research indicates there is a declining will on the part of the authorities to resist the erosion of apartheid. Faced with the unworkability of its discriminatory policies, the Government is retreating gradually and reluctantly, but nevertheless steadily, from ideology into pragmatism."

To most of the 35 million South Africans the question was what kind of pressure was most likely to speed the demise of apartheid. The institute's research showed that population growth, economic growth, skilled labour shortages and urbanisation created conditions necessary for and conducive to policy changes.

Legislation on black trade unions, pass laws and access to land, he argued, was changed to catch up with what was happening at ground level. Contraventions of the Group Areas Act had led to a pending change in the law.

"The strategic messsage is obvious. If you wish to get rid of apartheid in the law, work first towards eliminating it on the ground and the law will have to be changed accordingly.

"The most striking development in South Africa is indeed how ordinary black people are taking matters into their own hands and the very Parliament from which they are excluded is having to a catch up behind them."

11/3/85 FM 289

JAPANESE CONCEDE DEFEAT

The decision by the Japanese electronic firms, Pioneer, NEC and Fujitsu, to end sales to SA will only exacerbate a current trend. Asia's newly industrialised countries (NICs) — principally Taiwan, Korea and Hong Kong — are taking over from Japan in the consumer electronics fields.

Many firms say products such as colour televisions, video tape recorders and cars produced in the NICs are as good as their Japanese equivalents.

"It is only a matter of time before the NICs catch up with Japan in many of the domestic and overseas markets," says a spokesman for Sharp Electronics.

A spokesman for Goldstar, a leading Korean electronics company, tells the *FM*: "We have made significant inroads into the South African market because we have much lower labour costs than the Japanese and can offer more competitive prices. We are doing to the Japanese what they did to the Europeans — undercutting them on cost and equalling them on quality."

About 40% of Japanese firms polled in a recent survey admitted they had either withdrawn products or lost market share overseas as a result of NIC rivalry.

In the domestic market, 14% of companies surveyed said they had lost market share to NIC competitors and 34% expressed concern about losing ground in the future.

Businessmen believe the key to survival for Japanese firms against their NIC counterparts is to constantly introduce new products and keep ahead on technology. One example is a self-deodorising refrigerator, first marketed in Japan last year, which the NICs won't have the technology to copy — at least for the moment.

Harare pulls out of NZ

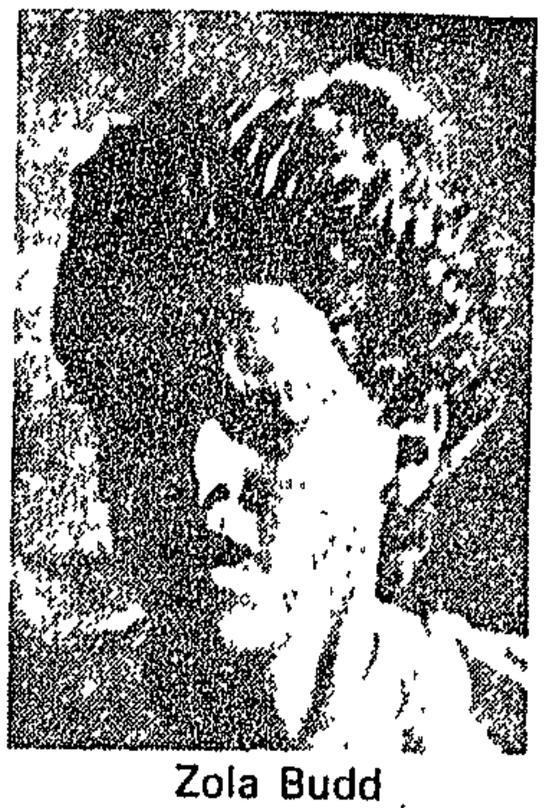
races over Zola

Own Correspondent

BULAWAYO. — Zimbabwe has officially withdrawn from this month's world cross-country championships in New Zealand, in protest at the inclusion of Zola Budd in the British team.

A statement released here by the president of the Amateur Athletics Association for Zimbabwe (AAAZ), Mr Tony Warner, confirmed that a telex had been sent to the secretary-general of the International Amateur Athletics Federation in London, Mr John Holt, informing him of Zimbabwe's decision.

The government-sponsored National Sports and Recreation Council was



Zola Budd

thought to be about to ban Zimbabwean participation.

The Supreme Council for Sport in Africa had called on all states to boycott the New Zealand championships if the South African-born runner participated under British colours. Zambia had already announced its compliance.

Zimbabwe's Stanley Mandebele, one of the most promising runners in Southern Africa, would have had a chance to show his mettle in the 15km event.

The Zimbabwean withdrawal bodes ill for this year's planned Seoul Olympics, which would encounter last-minute political problems if Miss Budd competes.

Zimbabwe, which is a close friend of North Korea, narrowly turned down a plea to join a boycott by Ethiopia and Cuba in sympathy with the Pyongyang government.

280 STI 13/3/88

Secrets kept in sanctions busting case

By Ruth Golembo

SECRECY surrounded much of a Cape Supreme Court action this week about lucrative scrap metal exports.

Iscor subsidiary Cape Town Iron & Steelworks (Cisco) applied for an interdict restraining SA Metal & Machinery from exporting 10 000 metric tons of scrap metal to the Philippines.

The urgent application was brought while the metal was being loaded on a ship. It was dismissed by Mr Justice E L King with costs.

The papers before the court were secret so as not to disclose the identity of offshore companies and market routes set up by sanctions busters.

Cisco claimed SA Metal was bound to sell all its scrap to it and five Western Cape foundries.

High price

Kenneth Kynoch, managing director of Cisco, claimed SA Metal had been stockpiling metal and exporting it. Graham Barnett, a director of SA Metal, denied that his company was bound to supply the scrap to Cisco.

According to Mr Kynoch, the world price of scrap metal is exceptionally high and it is in great demand in the Western Cape.

Cisco converts the scrap into billets exclusively for export. It has contracts for the delivery of 30 000 metric tons of billets to a Hong Kong company, Shui Wing.

Delivery of 15 000 metric tons is due this month and the rest in June.

Because of sanctions against South Africa, the contracts are of great importance.

Competition

"We are only able to conclude these contracts because of the high quality of the material delivered by Cisco despite competition from elsewhere.

Cisco could be liable for payment of damages and the failure to produce the goods could harm its reputation.

Richard Cooper, acting for Leo Raphaely & Sons which chartered the ship, said his client had sold the scrap to a buyer in the Philippines. It had to deliver the metal by early April.

Mr Cooper said the company was "trading in climate which can be said to be hostile to South African products and companies".

His client was reluctant to disclose the identity of the buyer and other information about its trading methods.

To circumvent sanctions, Leo Raphaely was obliged to trade through offshore companies.

Not all UK chains refuse SA goods

LONDON — Attempts are to be made by the Anti-Apartheid Movement to persuade Britain's leading supermarket chains not to stock South African products, the Guardian reported yesterday.

The newspaper said the effort was focused on this week's opening of a store by Sainsbury in an area of London with a high black population.

The Guardian quoted a Sainsbury spokesman as saying. "We have told our buyers to avoid South African products when reliable supplies of the same quality and price are available from other sources."

The newspaper said the Asda chain also discriminated against South African products.

A Tesco spokesman was quoted as saying: "We are sympathetic to the anti-apartheid cause and none of our own-label products are sourced from South Africa."

Tesco still accepted fresh South African produce when no alternatives were available, but at stores in black areas of London and Bristol no South African food could be found.

"We have not banned it but our customers have made their preferences clear."

The Guardian said the Co-operative Wholesale Society and Retail Co-ops both refused to purchase any South African goods.

The newspaper said the Marks and Spencer chain, however, made no concessions to anti-apartheid pressure.

"We buy from the most appropriate source to get the best quality, supplies and price — and that includes South Africa," an M and S spokesman said. — Sapa

sure cost-effectiveness.

B/day 15/3/88

Bid to ban SA goods

380

LONDON — Attempts are to be made by the Anti-Apartheid Movement to persuade Britain's leading supermarket chains not to stock SA products, the London Guardian reported yesterday.

The newspaper said the effort was focused on this week's opening of a store by Sainsbury in an area of London with a high black population.

The Guardian said in theory Sainsbury rejected anti-apartheid pressure.

It quoted a spokesman for the chain as saying: "We feel it is wrong to adopt any political standpoint or take any moral position on behalf of our customers."

But the newspaper said in practice Sainsbury had responded to growing consumer resistance to SA products.

It added the spokesman said: "We have told our buyers to avoid SA products when reliable supplies of the same quality and price are available from other sources."

Tesco, however, had gone two steps further.

A Tesco spokesman was quoted as saying: "We are sympathetic to the anti-apartheid cause and none of our own-label products are sourced from SA."

Tesco still accepted fresh SA produce and a few branded goods when no alternatives were available.

The Guardian said the Co-operative Wholesale Society and retail co-ops both refused to purchase any SA goods.

The newspaper said the Marks & Spencer chain, however, made no concessions to anti-apartheid pressure.

"We buy from the most appropriate source to get the best quality, supplies and price — and that includes SA," an M & S spokesman said. — Sapa.

DID 15/3/88

Bonn to reassess its anti-sanctions stance

280

HARARE — Bonn is reappraising its policy of firm opposition to economic sanctions against South Africa, after the latest crackdown on internal opposition, the West German President, Mr Richard von Weizsäecker, said yesterday.

"The position in South Africa is deteriorating," he told a news conference in Harare as he wound up a six-day state visit.

"It is the government in South Africa itself that makes it more and more difficult for other countries to go on asking for peaceful dialogue," he said.

The banning of opposition groups by South Africa was leading to a reappraisal in Bonn and other northern hemisphere capitals of measures that might be taken to bring apartheid to an end.

He cited West Germany's abstention in a March 8 vote in the UN security council on sanctions against South Africa as a departure from Bonn's previous standpoint on the issue of sanctions.

Plans by the South African Government to bar anti-apartheid groups from receiving financial help from abroad would be another blow to peaceful reform.

The West German leader said the leader of the World Alliance of Reformed Churches, the Reverend Allan Boesak, and anti-apartheid activist, Mr Beyers Naude, were among churchmen expected in Harare.

Due to the of high level of tension between the South African Government and these leaders the latter had decided against the visit.

This decision he regretted deeply, he said.

The recent banning by the South African Government of internal opposition groups seeking peaceful change in South Africa signalled rapidly worsening conditions there.

The Bonn Government's policy toward South Africa was influenced by these and other developments.

Mr Von Weizsäecker, an active member of the German protestant church before becoming president, said apartheid "tramples underfoot my personal concept of Christianity in its responsibility for the world, for society and for fellow human beings".

Bonn would step up efforts to persuade France and the United States to revive joint Western diplomatic efforts for the independence of Namibia.

Five Western nations in the so-called Contact Group negotiated with South Africa in the early 1980s.

However, the group had collapsed in 1984 when the French Government pulled out over differences associated withthe insistence by the administration of President Reagan for a linking of Namibian independence to a Cuban pullout from Angola.

● A spokesman for the Minister of Foreign Affairs, Mr Pik Botha, said the government could not comment on press reports that Bonn was re-assessing its anti-sanctions policy following the crackdown against opposition groups in South Africa.

The spokesman said that Mr Botha, who was in Geneva, would not comment on statements made by the West German President until the precise text had been received. — DDC-Sapa-RNS



MR VON WEIZSÄCKER

Position deteriorating, says Von Weizsaecker

Warning of change in Bonn attitude to SA

HARARE — Bonn is reappraising its policy of firm opposition to economic sanctions against SA after Pretoria's latest crackdown on internal opposition, West German President Richard von Weizsaecker said here yesterday.

"The position in SA is deteriorating," he told a news conference as he wound up a six-day state visit.

"It is the government in SA that makes it more difficult for other countries to go on asking for peaceful dialogue."

He cited West Germany's abstention in a March 8 vote in the UN Security Council on sanctions against SA as a departure from Bonn's previous line.

"This position . . . has to be and will be understood by the SA government as a clear signal," he said.

Von Weizsaecker, in Zimbabwe on the third leg of a four-nation African tour, said plans by SA to bar anti-apartheid groups from receiving financial help from abroad would be another blow against peaceful reform.

Political correspondent ANTHONY JOHNSON reports that a spokesman for Minister of Foreign Affairs Pik Botha said government could not comment on Press reports that Bonn was re-assessing its anti-sanctions policy because of the crackdown on opposition groups in SA.

The spokesman said Botha, who was in Geneva, would not comment on statements made by Von Weizsaeker until the precise text had been received.

Von Weizsaecker went on to say he had hoped to meet World Alliance of Reformed Churches leader Allan Boesak and anti-apartheid activists Beyers Naude while in Harare.

But their trip coincided with new curbs against the churches by the SA government.

Responsibility

"In view of the high level of tension between the SA government and the churches, these leaders took the decision not to come to Harare," he said. "I am very sorry about this."

He said that, as an active member of the German protestant church before becoming President, apartheid "tramples underfoot my personal concept of Christianity in its responsibility for the world, for society and for fellow human beings".

He added Bonn would also step up efforts to persuade France and the United States to revive joint Western diplomatic efforts for the independence of Namibia.

The West German leader said his formal talks with Zimbabwe President Robert Mugabe focused on developments in SA.

Zimbabwe had called on West Germany to sever economic and trade ties with SA as part of the international sanctions campaign to end Pretoria's policy of racial separation.

Von Weizsaecker said SA's recent banning of internal opposition groups seeking peaceful change signalled rapidly worsening conditions and represented a severe blow to hopes for peaceful reform.

The Bonn government's policy towards SA was influenced by these and other developments.

"Our posture cannot be described as deep frozen, not taking account of developments," he said. — Sapa-Reuter.

CAPE TIMES 15/3/80

Foreign trade losses could reach R7,5bn

Finance Staff

IF West Germany decides to impose sanctions on South Africa with traditional German thoroughness, this country could face a drastic decline in foreign trade of about R7,5bn.

In money terms West Germany would suffer more in that South Africa's imports from that country are greater than the exports to it. But trade with South Africa is relatively unimportant to West Germany, whereas for this country Germany is a major trading partner.

Sanctions by Germany would have a far greater impact than those applied by the US.

SA's exports to Germany have already been falling back. Sanctions could hit the sale of Krugerrands, copper, ferro alloys and primary products which are worth around R2,5bn a year.

Imports from Germany are hi-tech machinery, electronic equipment, motor cars and chemicals worth around R4,5bn a year.

Bonn rethinks SA sanctions

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HARARE. — West Germany is reappraising its policy of firm opposition to economic sanctions against South Africa after Pretoria's latest crackdown on internal opposition, West German President Mr Richard von Weizsaecker said yesterday.

"The position in South Africa is deteriorating," he told a news conference here as he wound up a six-day state visit.

"It is the government in South Africa itself that makes it more and more difficult for other countries in the world to go on asking for peaceful dialogue to end the country's racial conflict," the West German head of state declared.

He said the banning of opposition groups by South Africa was leading to a reappraisal in Bonn and other northern hemisphere capitals of the measures that might be taken to bring apartheid to an end.

He cited West Germany's abstention in a March 8 vote in the United Nations Security Council on sanctions against South Africa as a departure from Bonn's previous line.

"This position has to be, and will be, understood by the South African government as a clear signal."

Mr Von Weizsaecker said plans by the SA government to bar anti-apartheid groups from receiving financial help from abroad would be another blow against peaceful reform.

He said he had hoped to meet two leading church critics of apartheid — Dr Allan Boesak and Dr Beyers Naude — during his Harare visit. Both had been forced to cancel the trip to give priority to protests inside South Africa.

Mr Von Weizsaecker, an active member of the German protestant church before becoming president, said apartheid "tramples underfoot my personal concept of Christianity in its responsibility for the world, for society and for fellow human beings".

He said Bonn would step up efforts to persuade France and the United States to revive joint Western diplomatic efforts for the independence of Namibia — the former German colony ruled by Pretoria in defiance of the United Nations.

Zimbabwe has called on West Germany to sever economic and trade ties with South Africa as part of the international sanctions campaign to end Pretoria's apartheid policy.

A spokesman for the Minister of Foreign Affairs, Mr Pik Botha, said the government could not comment on press reports that Bonn was reassessing its anti-sanctions policy following the crackdown against opposition groups in SA.

The spokesman said that Mr Botha, who was in Geneva, would not comment on statements made by Mr Von Weizsaecker till the precise text had been received.

— Sapa-Reuter and Political Correspondent

Sanctions 'not way to reform'

By Esnaré van der Merwe

Sanctions were an "astoundingly wrong-headed" way of bringing about reform, South Africa Foundation director-general Mr Kurt von Schirnding said yesterday.

Sanctions were not only negative and destructive, but attacked the "main engine" of progress in southern Africa which was modernisation through economic growth.

Mr von Schirnding, former SA Ambassador to the United Nations, yesterday presented his first annual report to the foundation since he had taken office in April last year. The foundation held its 28th annual meeting in a Sandton hotel yesterday.

"Our economy should be a beacon of hope in Africa. In this troubled continent South Africa is not only part of the problem, we are also part of the solution.



Von Schirnding

"The solution lies in finding a better overall balance between political and economic liberation, because one without the other is meaningless," he said.

Reform should not only be measured by the dismantling of discriminatory legislation. The economic energy in South Africa should also be "unshackled" by fully applying the practices of a free-enterprise economy.

Mr von Schirnding warned that anti-apartheid lobbies worldwide were reassessing their strategies and would "turn on the heat again".

The SA Foundation, an organisation promoting the South African private sector abroad, would have an increasingly important role if South Africa became "even more isolated".

However, its influence would be determined by "developments at home".

Road back to acceptance is via black Africa

An interview by Hellouise Truswell

Just as the sanctions campaign was beginning to falter, it has been given a boost by the Government's crackdown on 18 organisations, says Mr Desmond Colborne, Paris-based director of the South Africa Foundation's Paris-bases.

"These moves were seen as provocative and providing openings for South Africa-bashers and sanctioneers. Those who are trying to deflect pressure from destructive sanctioneering channels into constructive Marshall Aid-type channels have been seriously discouraged by the activities of the last few weeks."

Mr Colborne, in South Africa for the SAF's annual meeting today, says: "If there were overriding security reasons behind the clampdown, these were not adequately communicated. Commentators can't be blamed for linking the restrictions to the two recent by-elections. Rightly or wrongly, the Government was seen as going for the short-term view. This was particularly frustrating for those of us abroad who were urging a longer term view of South Africa."

With political analysts in Europe, he believes South Africa's route back to respectability in Europe and the world at large is via black Africa. He argues the case for a massive dose of reciprocal realism on a continental scale as the cure for the ills of Africa.

"If people are disillusioned with South Africa, they are often more disillusioned with black Africa. Theoretically there could be a window of opportunity ahead for South Africa as the African economies go further down the hill. Anti-apartheid concerns are moving on to the back burner as economic survival becomes more and more essential for African countries. They realise one of the ingredients of economic survival is better relationships with South Africa."

Mr Colborne quotes the case of President Julius Nyerere of Tanzania who years ago said that if his people needed shoes he would not turn to South Africa as a supplier. But if his people's physical survival were at stake he would have to consider supping with the devil

White South Africans have to find a way of making themselves less devilish to black Africa, "but without the 'cultural cringe' adopted by too many apologetic Westerners in the past".

Mr Colborne's SAF responsibilities, which include acting as a clearing house for political, economic, media, academic and cultural contacts between France and South Africa, extend beyond France to incorporate Italy and Portugal. "I cover the garlic belt," he jokes.

In Southern Europe, he believes, the South Africa sanctions campaign is not the growth industry it is in Britain and the US. "Sanctions are, to many Europeans, an exercise in naivety, stemming from the moralism as well as the 'quick fix' approach more appropriate to plumbing than to political problems."

There are other countervailing pressures too. "Europe and South Africa are more important to one another than are the US and South Africa. The economic and strategic stakes are higher, and therefore taken more seriously. But beyond vested interests, there is also a great deal of scepticism about sanctions as a method of changing South Africa."

What Mr Colborne suggests is that South Africa looks further afield to develop economic ties. "South Africans have been too inclined to limit attention to the superpowers and to traditional trading partners." There are, he notes, all sorts of unexplored or not sufficiently explored possibilities when it comes to developing new trade relationships.

"We must make more effort to diversify our trade. Turkey, Italy, Portugal, the Far East, South East Asia These are the middleweight and even the so-called lightweight powers whom we should cultivate.

"There would be more symmetry in such trade relationships. If we deal with Portugal or Italy, for example, we are not out of our depth to the extent that we are with Japan. Trade with us represents something like 1 percent of Japan's export bill. We are easily expendable given the international pressure on our biggest trading partners to implement sanctions. We are not nearly as important to them as they are to us. There is leverage and less of a hassle factor when one develops a trading relationship with smaller markets"

Mr Colborne is worried about isolationist trends "There is no way that South Africa can modernise its economy and go it alone in the long term."

What is potentially of great interest to South Africa is the French presidential election. France currently is in the grip of election fever. Voting in the first round takes place on April 24. The final play-off is on May 8.

In France, South Africa has become a really hot issue on only a few occasions, Mr Colborne notes. At this stage none of the three main contenders for the French presidency — Mitterrand, Chirac and Barre — is hawkish about South Africa. There are, of course, ideological and other pressures on socialist leaders like Mr Mitterrand to take a harder line. The recent clampdown, says Colborne, could increase these pressures.

"But fortunately not one of the candidates shows any personal inclination to fan the fires. All seem aware of South Africa's role in Africa, and even of its potential for salvaging the ruined African economies."

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Blow to privatisation hopes

Sanction-hit Iscor reports fall in profits

B/day 16/3/88

MICK COLLINS and CHRIS CAIRNCROSS

ISCOR'S iron ore exports from Sishen through Saldanha declined dramatically last year and amounted to only 7,7-million tons — a 14,4% decrease compared with the 9-million tons exported the previous year.

Economic sanctions applied by traditional trading partners would now necessitate the development of alternative markets, said Iscor chairman Marius de Waal in the corporation's annual report tabled in Parliament yesterday.

The export decline also hit after-tax profits, which fell more than 23% from R93m to R71m for the year to end-June 1987. Market sources said the results dealt a blow to privatisation hopes for the steel giant which declared its profit level inadequate to provide for the payment of a dividend.

This was in line with the parastatal's policy on dividend cover.

It said the profit drop was mainly the result of unfavourable conditions in both the domestic and foreign steel markets, and sharply rising costs.

Market reaction to the news was negative. Confidence in government's declared intention of privatising the steel conglomerate dropped.

"There is no way they can list (privatise) Iscor without a good track record. On a declining income, investors just would not be interested," said a source.

Another said the original market perception of Iscor had been one of growing confidence, which was now obviously affected by the poor results.

"Iscor will have to swing to the route taken by Eskom — cut its capex and get into good financial shape."

Capex for the year — limited to projects designed to enhance efficiency and make cost savings — totalled R650m, R475m going to capital projects and R175m to the net redemption of loans.

Group turnover increased marginally from R3,9bn in 1986 to R4,1bn in 1987, enabling trading profit to be maintained at R560m (1986 — R563m), calculated on a historical cost basis. On an asset replacement basis, trading profit for the year was calculated at R193m, compared with R310m the previous year

Shareholders' equity in Iscor increased further during the year from R3,1bn to R3,6bn. At the same time, Iscor's period loans declined from R998m to R791m.

During the review year, Iscor supplied 5,42-million tons of steel products and 0,41-million tons of pool and pig iron to the domestic and export markets, compared with 5,67-million tons and 0,51-million tons respectively in the previous year.

According to Iscor's operational review this was due to the prevailing slackness in domestic economic conditions which caused a concomitant further decline in steel consumption in most of the major steel-consuming sectors.

Sanctions put pressure on Iscor's profits

Finance Staff and Sapa

Iscor's net profit for the 1986/87 financial year declined by 23 percent to R71 million, chairman Marius de Waal said in his chairman's review in the 1987 annual report, tabled in Parliament yesterday.

While higher raw material costs certainly played a role in the decline, analysts ascribe the drop in profits largely to sanctions, which hit iron ore export dramatically.

Exports of iron ore dropped by 14,4 percent from nine million tons exported last year to only 7,7 million tons during 1987.

The Iscor Group made a consolidated profit of R101 million before tax and extraordinary items, compared with R172 million the year before.

Net profit after tax was R93 million (R163 million)

The profit was adequate for payment of the dividend to the Government for 1986/87.

Extraordinary items amounted to R150 million.

Group turnover increased from R3,902 billion in 1986 to R4,136 billion for the year under review.

Trading profit, calculated in accordance with the Group's accounting policy to ensure assets were maintained at replacement value, was R193 million, (1986 — R310 million).

On the conventional historical basis, trading profit was R560 million (R563 million)

Iscor's sales in the domestic market were deterimentally affected by one percent.

Conditions in the foreign steel markets were also less favourable, as regards product mix and prices, while a stronger rand against foreign monetary units had a further adverse effect on export earnings.

Operational problems resulted in liquid steel production being 2,1 percent lower than the previous year.

Sales of 5,42 million tons of steel products were 268 000 tons less than in 1985/86.

Capital expenditure was limited to projects that would enhance efficiency and quality and bring about costs savings, but would keep pace with improved technology.

The R650 million required to finance the investment of R475 million in capital projects and R175 million for the net redemption of loans was obtained entirely from cash and other internal sources.

The shareholders equity in the Iscor Group showed an increase from R3,126 billion on June 30 1986 to R3,606 billion on June 30, 1987.

LOANS DOWN

At the same time, the Group's period loans declined from R998 million to R791 million.

An expected revival in the local economy did not materialise in 1986/87.

Local demand for steel dropped by about one per cent on the previous financial year.

New move aims to bar SABC from US

From NEIL LURSSEN, Argus Foreign Service in Washington

LEGISLATION which may bar the South African Broadcasting Corporation from operating in the United States is being considered for introduction in the Congress. The SABC currently has a full-time representative, Mr Marius Kleynhans, based in Washington DC.

The new legislation was outlined in draft form at a congressional hearing yesterday by its author, Democratic Congressman Mike Lowry of Washington state. It would impose five penalties on South Africa unless the Government lifted emergency press restrictions:

- Closing all South African consulate offices and tourist bureaus in the US.
- Reducing the number of personnel in the South African embassy in Washington.
- Prohibiting South African press attaches from operating in the US.
- Prohibiting the SABC from operating in the US.
- Restricting South African lobbying efforts in the US.

The Bill will be drafted in its final form after consideration of the testimony at the hearings which were called to examine restrictions on the media in South Africa.

Little opposition

It is likely to be attached as an amendment to the Dellums Bill which aims at imposing almost total US economic sanctions on South Africa. Public hearings on that legislation begin on Capitol Hill next week and expectations are that it will be approved by the US House of Representatives with little effective opposition.

The question is whether it will also be passed by the US Senate where it must compete for time and attention against other pressing legislation such as ratification of the US-USSR treaty to ban intermediate-range nuclear missiles, and a renewed effort to aid Contra rebels in Nicaragua.

Congressman Lowry told the committee that despite efforts to portray itself otherwise, the SABC was a tool of the South African Government which controlled its activities by appointing its board of governors.

"This cosy relationship between the SABC and the South African Government has created an extremely influential and effective propaganda machine. Television is the media from which most South Africans, of all races, learn of events in their nation. Any objective study of the SABC's newscasts will show that its coverage is strongly tilted toward the South African Government's point of view.'

Mr Lowry said he included South African press attaches in the legislation because one of their central functions in the US was to monitor the reports of US news bureaus and reporters working in South Africa.

Stopping facts

"This monitoring is not benign," he charged. "It results in the harrassment of the US press corps and greatly effects reporting. Prohibiting attaches from operating and reducing the number of personnel in the South African embassy would help to limit this insidious practice."

Mr Lowry said the purpose of the press restriction in South Africa was to hide the horror of the country's policies from South Africans and others.

The strategy was to influence public opinion by stopping the free flow of factual information and substituting the South African Government's own biased, self-serving views.

"Unfortunately, the restrictions have been extremely successful," he said. "Both the volume and quality of news reporting in South Africa has greatly diminished — within South Africa, in the US, and in other nations of the world community."

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D/D 18/3/88

Sanctions hinder Transkei contacts

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Daily Dispatch Reporter

UMTATA — The advocation of economic sanctions against South Africa was still posing a problem in making overseas contacts for Transkei, the Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, said here yesterday.

Mr Mgudlwa, who had just returned from a two week visit to West Germany and Great Britain, said he had, however, made some contacts.

He said in an interview that he had been invited by tourist organisations in Germany to attend a tourist trade fair before he flew to London.

Mr Mgudlwa said most overseas tourists in Transkei came from West Germany "and it is incumbent upon us to make all possible attempts to exploit this market to its fullest by personally visiting that area to make further contacts".

He said he had learned in Britain that, although Transkei was not recognised in that country, it had unofficial contacts there since accommodation had been provided for it at last year's Trade Fair.

Mr Mgudlwa said his country would still be invited to attend the Trade Fair in Britain in the future.

Asked why he thought economic sanctions against South Africa affected Transkei, Mr Mgudlwa said overseas countries still regarded their investments in Transkei as extensions of their investments in South Africa.

On the question of the proposed opening of an office in London, Mr Mgudlwa said it was logical that such an office be opened because London was in the international spotlight.

UK wedding costs rise

LONDON — The cost of a traditional wedding and setting up home in Britain is about £8 000, says the annual publication You and Your Wedding.

D/D 18/3

Sharpeville: 3 British black MPs in demo

LONDON — Three Members of Parliament, among them two of the first four black British MPs, are to join the picketing of the South African Embassy during the Sharpeville Massacre Commemoration Day in Trafalgar Square, London next Monday.

The unprecedented move is aimed at mobilising and exposing to Londoners and the international community South Africa's alleged destabilisation of the Frontline States in southern Africa.

MPs Mr Diane Abbot, Mr Bernie Grant and Mr Tony Banks and several prominent personalities among them lawyers and pressure groups will join the popular non-stop picket for two-and-half hours to support the growing pressure against South Africa's alleged destabilisation policy against Mozambique, Zimbabwe, Angola, Zambia, Tanzania and Botswana.

The MPs have listed three actions which governments and companies can implement in combating "South African aggression." These are:

- Breaking all links with South Africa and imposing comprehensive mandatory sanctions;
- Supporting the liberation movements fighting against apartheid and against South Africa's occupation of Namibia; and
- Developing new links of friendship, trade and investment with independent African states instead of South Africa.

The pamphlet also states that:

- Angola has one of the world's biggest number of disabled people, largely due to landmine attacks;
- It is estimated that South Africans have caused more than £20 000-million damage to the Frontline States; and
- The Frontline States have been forced to spend more than 27,5 billion US dollars on defending themselves since 1980.

The Non-Stop Picket was launched early last year and has been picketing the South African Embassy in London for almost a year. The focus is always on South Africa and the central demand being the release of African National Congress leader Nelson Mandela and Zaphania Mothopeng, the president of the Pan-Africanist Congress.

Boost for Germans at expense of SA?

Cape Times 19/3/88 280

BONN. — President Richard von Weizsaecker has helped boost West Germany's image in Africa by suggesting that his country is rethinking its opposition to sanctions against South Africa, diplomats and politicians said.

Mr Von Weizsaecker, who returned from a 16-day four-nation African tour on Thursday, attacked apartheid and the recent clampdown with more vigour than he would have done only a few months ago, the diplomats said.

"Sanctions are not the key but they are a possible measure," Mr Von Weizsaecker told the Cologne Express daily from Somalia, the last leg of a trip which also took in Nigeria, Mali and Zimbabwe.

"We will not give South Africa carte blanche so that it can think itself safe from sanctions for ever," he added. "We must stay in a position to react."

Mr Von Weizsaecker, who as head of state has mainly ceremonial duties but whose views often mould policy, made his fiercest denunciations of South Africa while in Zimbabwe.

"It is the government of South Africa itself that makes it more and more difficult for other countries in the world to go on asking for peaceful dialogue," he said after meeting the Zimbabwean President, Mr Robert Mugabe, in Harare.

"Weizsaecker could well be laying the ground for change," an African diplomat said. "He's an honest statesman, not a double-talker. You can't underestimate his role."

"Weizsaecker's visit is sure to lead to a thorough examination of West German policy," one Western diplomat added, noting that West Germany abstained in a recent United Nations vote on sanctions

Government sources said the change, ordered by the Chancellor of West Germany, Mr Helmut Kohl, and the Foreign Minister, Mr Hans-Dietrich Genscher, showed West Germany was starting to adopt a more flexible approach

Mr Kohl's centre-right coalition has been trying for the past few years to nurture closer ties with major African nations with the aim, diplomats say, of boosting trade and increasing political influence

Mr Genscher, the leading liberal voice in the coalition, began a diplomatic offensive when he went to Senegal and Angola last October. A month later Mr Kohl himself visited Kenya, Mozambique and Cameroon.

Both trips seemed designed to please prominent black leaders. They were somewhat less than happy, though, when Mr Kohl sent West Germany's foremost arch-conservative, Bavarian Prime Minister Mr Franz Josef Strauss, to South Africa.

Mr Strauss, head of coalition partner the Christian Social Union (CSU), lavished praise on South Africa's white leaders and reiterated his opposition to sanctions.

"Kohl made a terrible mistake in sending Strauss as his representative," a well-placed West German official said. "All his advisers told him not to."

Mr Mugabe told reporters Mr Strauss's visit had set things back. But he added: "The president's trip has decidedly helped to repair the damage caused by Mr Strauss."

CSU MP Mr Ortwin Lowack said Mr Von Weizsaecker's remarks were politically explosive "It contradicts an obligation which the president himself made at the start of his African trip to refrain from political statements abroad," he said. — Sapa-Reuter

ARGUS 21/3/88 280

Congress piles on pressure for tough new US sanctions

The Argus Foreign Service

WASHINGTON. — Congressional pressure on South Africa to end apartheid resumes here tomorrow with the start of two days of public hearings on tougher sanctions.

Several measures will be considered, including laws to stop US oil companies operating in South Africa, close down Satour offices and bar the SABC from operating in the US, but these are likely to be welded to the Dellums Bill, which virtually cuts all trade between the two countries.

It is expected that the US House of Representatives will again approve the Dellums Bill — it did so in a surprise voice vote in 1986 though this approval has since expired — and the real fight will take place in the US Senate later this year.

The Bill is named after its author, Congressman Ron Dellums of California, a black ultra-liberal Democrat.

The stay of execution for the Sharpeville Six appears to have taken some of the steam out of the South African issue, especially with the nightly television news now focusing on strife in the Middle East, new tensions in Central America and violence in Northern Ireland.

But anti-apartheid activists intend keeping the issue in the public eye, kicking off today with a Sharpeville commemoration march through Washington, led by the Mayor, Mr Marion Barry. They will take a list of disinvestment demands to the Shell Oil company offices.

Large US corporations are taking a deep interest in the hearings because the Dellums Bill, more than any other measure to come before the Congress, will have a major impact on their South African operations, making it virtually impossible for most to do business there.

VETOED

Proposed legislation goes beyond trade ties between the two countries. The oil Bill, introduced by Congressman Ted Weiss of New York, not only threatens American oil companies with severe financial penalties if they continue to operate in South Africa but also excludes foreign corporations from lucrative US Government contracts if they continue their operations.

Once the Dellums Bill passes through the House it will come before the Senate where its prime sponsor is Senator Alan Cranston of California. If it succeeds there it is likely to be vetoed by President Reagan, resulting in a repeat performance of the 1986 political fight when the President's veto was overturned by the Congress.

Marginal companies will be hit

MTC could 'encourage pull-outs'

Business Day Reporters

MINIMUM Tax on Companies (MTC) could encourage disinvestment if it is indiscriminately applied.

This warning comes from tax experts who say that unless appropriate exemptions from MTC are developed and applied, foreign companies could be further tempted to withdraw funds from SA.

MTC, which will tax companies who are not paying full tax but still pay dividends, was introduced in last week's Budget.

It has drawn sharp criticism for being "unworkable and impractical".

Now a debate over the impact of the tax on foreign investors has surfaced, with some accountants and tax experts expressing fears that it will prompt further disinvestment.

Others argue this will happen only in marginal cases where MTC makes the difference between a company staying or leaving.

Coopers & Lybrand partner Eric Louw, while welcoming the attempt to achieve greater fairness in the spread of the tax burden between companies and individuals, says MTC is not in the national interest.

"There are risks that the application of this tax could prejudice particular companies which have not been reducing their tax liabilities artifically.

"Take, for example, a foreign company which has tax losses and which currently has a high rate of dividend in order to avoid prejudice should the Reserve Bank freeze profits.

"The application of MTC could make it rethink its attitude to ongoing investment," says Louw.

Kessel Feinstein partner Ernest Mazansky says: "In a marginal case it may make the difference between staying or disinvesting, but I don't believe that as a general rule this in itself will make a difference."

Fisher Hoffman Stride partner Anthony Chait agrees, saying it would only affect foreign companies which had not been paying normal tax in SA.

Shareholders of these companies could find their flow of dividends reduced.

Government has proposed that MTC be applied at a rate of 25% on the excess of dividends declared by a company over the sum of normal tax payable and the amount of dividends received during the year.

The tax is payable in respect of the latest year of assessment ended on or before February 29, 1988.

This could bruise US companies not paying full tax and which — in light of the US legislation on double taxation — repatriated funds in the form of dividends before the end of 1987, says Deloitte Haskins & Sells partner Anne Pappenheim.

The US tax authorities ceased giving credit to companies for tax paid in SA from January 1, 1988.

Bonn used third parties in SA submarine deal — journal

LONDON — The specialist journal, Africa Confidential, yesterday claimed that, in spite of repeated denials, the West German Government had used "third parties" to continue a contract allowing South Africa to build four German submarines and fit-out the strike command vessel, Drakensberg, in defiance of the UN arms embargo and German law.

The Africa Confidential report reflects evidence submitted largely by the opposition Greens Party to on-going hearings of a special parliamentary committee in Bonn following confirmation in late 1986 that blueprints alone for the HDW 209 U-boats had been sold to South Africa for a sum in excess of R50 million.

Greens MPs Mrs Ursula Eid and Mrs Angelica Beer, who claim the total deal was worth some DM 423 million, are outraged that the committee has not held the government responsible

They say they have provided conclusive evidence of Bonn's involvement since the project was, it is claimed, first mooted in June 1982

Amid claims of large scale corruption and Israeli and Turkish sanctions-busting links, the "U-boat scandal" has been embarrassing to the coalition government of Chancellor Helmut Kohl

There was no response in Bonn yesterday to the renewed publicity. — DDC

Real fight expected in Senate later this year

More congressional measures against South Africa planned

By Neil Lurssen, The Star Bureau

WASHINGTON — Congressional pressure on South Africa to end apartheid resumes in Washington today with the start of two days of public hearings on tougher sanctions.

Several measures will be considered, including laws to stop US oil companies from operating in South Africa, to close down South African Tourism Board offices and to bar the SABC from operating in the US.

They are likely to be welded to the so-called Dellums Bill, which virtually cuts off all trade between the two countries.

It is expected that the House of Representatives will again approve the Dellums Bill — it did so in a surprise voice-vote in 1986, though this approval has since expired — and the real fight will take place in the US Senate later this year.

The Bill is named after its author, Congressman Ron Dellums of California, a black ultra-liberal Democrat

The stay of execution for the Sharpeville Six appears to have taken some of the steam out of the South African issue.

Mass execution

Fears that the mass execution of the six would rekindle the kind of inflamed feelings about South Africa that existed in the US 18 months ago might have been behind the extraordinary effort by the Reagan administration to persuade the South African Government to call off the hangings.

This included a public appeal by President Ronald Reagan and a personal telephone call to Foreign Minister Mr Pik Botha by Secretary of State Mr George Shultz.

But anti-apartheid activists intend keeping the issue in the public eye, kicking off yesterday with a Sharpeville commemoration march through downtown Washington.

All the congressmen who have introduced sanctions measures in the current session of Congress will testify at today's hearings, as will opponents of the measures.

The Reagan administration's spokesman is most likely to be Mr Charles Freeman, deputy to Assistant Secretary of State for African Affairs Dr Chester Crocker who is expected to be engaged in talks with Soviet officials about the latest developments in the Angolan conflict.

Veto likely

Once the Dellums Bill passes through the House it will come before the Senate. If it succeeds there, it is likely to be vetoed by President Reagan — resulting in a repeat performance of the 1986 political fight in which the president's veto was overturned by Congress.

What might count against the Bill is the fact that this is an election year when members of Congress will be preoccupied not only with the presidential race but also with their own re-election priorities.

Some analysts believe that if the South African Government is able to keep South Africa's domestic problems at a low profile this year, there is a chance that it could survive the 1988 American sanctions onslaught.

SA-US relations at an all time low?

D10 22/3/88

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JOHANNESBURG — South Africa cannot take for granted the protection it currently receives from major Western powers, Mr Harry Oppenheimer said at the South African Institute of International Affairs' national executive council meeting yesterday.

A new wave of sanctions threatened South Africa, he said.

This was strengthened by the recent restrictions on several organisations, draft Bill proposals to cut off external funds to extra-parliamentary bodies and to curb political activities of trade unions, and defiant statements in the UN Security Council.

Proposals to adopt harsh punitive measures were being discussed in the US Congress, and the Japanese Government was becoming increasingly sensitive about Japan's position as South Africa's leading trading partner.

Moves for further economic measures could be made in the European community.

"In the Security Council there is still strong Western opposition to mandatory economic santions.

"The US and Britain continue to use their vetoes to prevent such sanctions.

"The question arises: how long will the US maintain this internationally unpopular position after a change of president, or if there are further security actions by our government?

"If the US policy changes, the pressure on Mrs Maragret Thatcher's government will 'be much greater," Mr Oppenheimer said.



MR OPPENHEIMER

He described South African/United States relations as being at an all time low.

The Western approach strongly emphasised the need for a negotiated settlement.

But santions did not lead to a more democratic society.

"The way to a new South Africa must be found by South Africans themselves "

A significant feature of the past two years was the internal reforms and changing international posture of the Soviet Union under Mr Mikhail Gorbachev

For real development and growth in South Africa and neighbouring states, policies based on unproductive ideological considerations had to be given up, and conflicts which divided and ravaged some countries ended.

"No opportunity to reach political settlements of these conflicts should be missed Any idea that military solutions can be applied to essentially political problems will surely prove to be a dangerours illusion."

The need to find a political resolution to the conflict in Angola, acceptable to all the parties involved, "becomes more urgent by the day, as the cost in lives and resources rises on both sides".

Mr Oppenheimer noted the government had embarked on welcome reform of the economic system, but said the social and political changes which should be accompanying this reform, for it to win wide acceptance and support, were missing.—Sapa

Bid to cut trade ties with SA hotly debated on Capitol Hill

The Star Bureau

WASHINGTON — Pro-sanctions lawmakers and the Reagan administration have joined battle over further punitive economic measures against South Africa, hotly debating proposed legislation severing almost all trade ties between the countries.

Sharp differences on how to goad the South African Government into eliminating apartheid emerged at a sanctions hearing on Capitol Hill yesterday, echoing views in what have now become annual clashes between Reagan officials and Congress on policy towards the Republic.

The Reagan administration lost badly in 1986 and again last year, with Congress imposing a string of tough sanctions against South Africa.

At issue at a packed public hearing of the House Foreign Affairs panel on Africa yesterday were five Bills, including one halting US-SA trade and hauling American corporations in South Africa out within six months.

The Bill was proposed by Congressman Ron Dellums, a liberal Democrat of California. It is co-sponsored by 95 of his colleagues.

The Dellums Bill, viewed this year by pro-sanctions legislators as the foundation for intensified sanctions, also prohibits co-operation between the countries' military and intelligence agencies.

A second Bill, presented by Congressman Bob Wise of West Virginia, severely penalises US oil companies which do not leave South Africa within 12 months. It also strikes at oil multinationals, penalising subsidiaries in the US if the parent companies elsewhere do not stop dealing with South Africa (such as Shell Oil, British Petroleum and Total).

DEPENDENT

"Oil is the only strategic raw material which South Africa does not have in commercially exploitable quantities, making the country very dependent on the outside world for its liquid fuel needs," said Mr Wise.

The third Bill under discussion prohibits the import and sale of South African and SWA/Namibian diamonds. It also targets indirect gem sales through third countries.

Presenting his Bill, Congressman Mervyn Dymally of California said it was increasingly clear South Africa intended to deplete the natural resources of SWA/Namibia before leaving the territory.

A fourth Bill, titled The Apartheid Profits Disincentive Act, bans South African mining companies not adhering to a code of labour practices from investing in the US.

Congressman Mickey Leland of Texas cited the Anglo-American Corporation which had control of Newmont mining in the US. "Currently, these mining companies are free to invest their tainted profits in US capital markets with relative ease and thus reap the profits of apartheid."

A fifth Bill also prohibits US intelligence and military co-operation with South Africa. A sixth Bill proposing a closure of SABC operations in the US, unveiled on Capitol Hill last week, was not discussed at yesterday's hearing.

The hearing continues today. The chairman of the House of Representatives' sub-committee on Africa, Mr Howard Wolpe, who favours "comprehensive, multilateral and well-monitored" measures, said yesterday he hoped to produce a new Bill of sanctions in a mark-up sitting on April 13.

 ARGUS 23/3/88

Sanctions talk boils as US-SA relations freeze

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — A deep chill has settled over relations between the United States and South African governments, according to a senior Reagan Administration official.

Addressing a House of Representatives hearing on further economic sanctions yesterday, US Deputy Assistant Secretary of State for African Affairs, Mr Chas Freeman, said the South African Government's contempt for black political aspirations and its expressed disdain for Western democratic norms had become more vehement in recent months.

"To a disturbing degree, it appears to have written off the support of moderates at home and has simply turned its back on the West of which it has historically claimed to be a part."

Mr Freeman's strident tone reflected a markedly increased outspokenness from State Department officials about the South African Government.

However, he argued for continued US involvement in South Africa, strongly opposing sanctions and disinvestment Bills.

"The fact is that neither sanctions nor the far more potent effects of the collapse of business confidence in South Africa have imposed severe penalties on the Government or caused it to re-evaluate the cost of maintaining apartheid."

Disinvestment had also retarded the growth of black power, Mr Freeman said.

"The South African Government has to decide whether it will step back from the brink of wholesale authoritarianism and international isolation."

Sharp differences

Sharp differences between pro-sanctions lawmakers and the Reagan Administration on how to goad South African into eliminating apartheid emerged again at the hearing.

At issue were five Bills, including one halting US-South African trade and pulling American corporations out of South Africa within six months.

The Dellums Bill, viewed this year by pro-sanctions legislators as the foundation for intensified sanctions, also prohibits co-operation between the countries' security agencies.

A second Bill severely penalises US oil companies which do not leave South Africa within 12 months.

It also strikes at oil multinationals, penalising subsidiaries in the US if parent companies elsewhere don't stop dealing with South Africa — such as Shell, BP and Total.

The third Bill under discussion prohibits the import and sale of South African and SWA/Namibian diamonds

A fourth Bill bans South African mining companies not adhering to a code of labour practices from investing in the US.

'Boycott must not hit Frontline states'

HARARE — Southern Africa Frontline states must be exempted from international plans for sanctions against SA, former Australian Prime Minister Malcolm Fraser said last night.

Speaking at the end of a three-day meeting of the Inter Action Council, he said: "I believe this should have been done at the outset. The SA government has sought to make their economies dependent on SA. It enables people who are opposed to sanctions to say: 'Zimbabwe

B/Days 2/3/88

MIKE HARTNACK 280

talks about sanctions but it is not prepared to do it itself'."

Fraser said SA delegates who came to the meeting agreed Pretoria was not even in the early stages of negotiations.

SA Foreign Minister Pik Botha and CP leader Andries Treurnicht averted a protocol crisis by declining invitations. Commonwealth secretary-general Sir Shridath Ramthal was among those who said they would not have been prepared to sit down with Botha.

Fraser and General Olusegun Obasango of Nigeria said failure by SA's major trading partners to take concerted sanctions action sent a clear signal to the African population that violence was the only way to end apartheid.

"Once that decision is taken; then bloodshed will be inevitably greater," said Fraser.

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US govt opposes new sanction bills

WASHINGTON — The Reagan Administration has strongly opposed new moves in Congress to impose additional US sanctions against SA, saying a US ban would cost more than $1bn.

James Kelley , Deputy Assistant Secretary of Commerce for Africa, Near East and South Asian Affairs, said SA could easily import goods from Britain, West Germany and Japan.

A total ban on US exports to Pretoria would also cause Washington estimated losses of "more than $1bn and nothing would have been done to end apartheid".

And State Department official Chas Freeman told a joint hearing of the House of Representatives foreign affairs subcommittees· "Plunging ahead with new punitive measures will not advance peaceful change."

Freeman said the US was considering alternative anti-apartheid steps.

Reagan has consistently opposed sanctions, arguing that diplomatic pressure was more effective.

Congress is considering five sanctions bills, including complete US disinvestment, a total ban on trade, and an end to co-operation between US and SA military and intelligence agencies

Pentagon official James Woods told the House Foreign Affairs subcommittees on Africa and International Economic Policy and Trade that full sanctions against SA would do more harm than good

Woods said: "The administration strongly opposes the bills in question. We have general concern about the impact of this legislation on the economic well-being of the SA region." — Sapa-Reuter

● See Page 6

REAGAN'S NO TO SANCTIONS

Sowetan 24/3/88

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WASHINGTON — The Reagan Administration on Tuesday strongly opposed new moves in congress to impose additional US sanctions against South Africa to help end Pretoria's apartheid policy of racial segregation.

"Plunging ahead with new punitive measures directed at the South African economy will not advance our objective of peaceful change," State Department official Chas Freeman told a joint hearing of two US House of Representatives foreign affairs sub-committees.

The Reagan Administration has consistently opposed sanctions, arguing diplomatic pressure was a more effective way to encourage apartheid reforms by the Pretoria government.

In 1986, however, congress approved a set of economic sanctions against Pretoria over Reagan's veto of the Bill.

The Congress is considering five sanctions Bills, including complete US disinvestment from South Africa, a total ban on trade between Washington and Pretoria and an end to co-operation between US and South African military and intelligence agencies.



PRESIDENT Reagan ... Bills opposed.

Pentagon official James Woods told the house foreign affairs sub-committees on Africa and international economic policy and trade, that full sanctions against South Africa could do more harm than good.

Critics of full economic sanctions say trade restrictions increase unemployment among South Africa's blacks and that US disinvestment concentrates wealth among its white minority.

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☐ HELEN SUZMAN

Sanctions, withdrawal will weaken the forces for change



☐ COLIN EGLIN

Sanctions will prolong apartheid — the way to end apartheid is through economic growth. PFP leader COLIN EGLIN and the party's national chairman HELEN SUZMAN told the US Congressional Sub-Committee on Africa yesterday that sanctions were an act of despair. This is an extract from their submission

WE ARE totally against the apartheid system. We understand and share the moral outrage engendered by the apartheid system — we have spent many years both in and out of Parliament opposing it. Destruction of that system is therefore common cause — it is the strategy to be employed to destroy it that is at issue.

We are informed that the Sub-Committee is presently examining a number of Bills which, if approved, will considerably extend the ambit of the Comprehensive Anti-Apartheid Act passed by the US Congress in October 1986.

It is our firm belief that punitive actions of this kind will not effect the desired objective in bringing about fundamental change away from apartheid in our country. Indeed, we believe they will be counter-productive and are more likely to prolong the life of apartheid.

On the one hand, such sanctions and mandatory disinvestment will increase white intransigence and strengthen white resistance to internal changes which are forced on them through external pressures.

The pseudo-patriotic surge engendered at the election on May 6 last year by "outside interference" was one of the factors responsible for the National Party's massive victory and, for the Conservative Party's emergence as the Official Opposition in the House of Assembly, thus replacing the Progressive Federal Party in this role.

Anyone living in SA will sense that a significant white reaction to coercive sanctions is defiance and not reform. Indeed, this is the main reason why government's limited reform programme has been put on the backburner.

On the other hand, by slowing down the economic development of SA, such punitive measures will both reduce black economic muscle and will retard the process of inward urban migration and upward mobility of blacks.

These two factors — black economic muscle and black urbanisation — with the levers, the pressures and the new bases for mobilisation which they provide, are the most potent weapons which black South Africans have available to them in their non-violent struggle for their own liberation from apartheid.

An objective analysis of such changes away from apartheid as have taken place shows that the pressures generated inside SA, through the processes which go with economic development, have been the most important and decisive factors in producing changes, such as the repeal of the pass laws and influx control, the granting of full trade union rights to black workers, the scrapping of racially-based work reservation, the recognition of the permanence of blacks in the urban areas and, with that, the right to home ownership, etc.

At the present time also, for example, it is the urban migration of blacks, combined with their upward mobility within an urban environment, that is eroding the racially-based Group Areas Act and forcing government to rethink on this matter.

While the pace of change away from apartheid is painfully slow — and, indeed, while it may even appear to go in reverse from time to time — we cannot believe that such a change will be accelerated by externally-induced impoverishment of millions of black South Africans.

Ironically, both because of the political leverage that whites have with government and because some 38% of gainfully employed whites are in State employ, they will be cushioned against the worst economic consequences of sanctions — whereas blacks will not be.

Quantitative estimates of unemployment as a result of mandatory sanctions and disinvestments are difficult to make. There is no doubt, however, that in labour-intensive industries, such as coal and agriculture (especially the deciduous fruit industry), which export a large percentage of their products, many thousands of black workers will lose their jobs — a dire prospect in a country with no social security safety-net.

Such loss of jobs will be felt not only in SA but also in the so-called "independent" black homelands, and in the neighbouring states which send thousands of migrant workers to SA and whose pay-packets are an important part of the revenue of those countries.

While disinvestment may simply result in a change of employers, the take-over by South African buyers of foreign enterprises at fire-sale prices can, and often does, mean that such firms will cut down on the social responsibility programmes which they implemented in their attempts to conform with the Sullivan principles and to reduce the hassle factor at home.

In some cases, scholarships available to children of employees will be reduced or curtailed, as will housing loans to employees.

Management training programmes for blacks will also, in some cases, be discontinued. Moreover, once gone, whatever influence foreign corporations may have exerted on the South African government to change its policies regarding apartheid goes with them.

Thus all the affirmative action and Code of Conduct included in the Comprehensive Anti-Apartheid Act of 1986 (Paras 203, 207 and 208) will be negated should the Dellums and Wise Bills, et al, be accepted.

Indeed, should they become law, they will make it even more difficult to eliminate the inequities and injustices of apartheid.

Since southern Africa is one economic unit, all and any adverse effects on the South African economy caused by disinvestment and sanctions will rebound on the neighbouring black states, which are not only heavily dependent on job opportunities in SA but also on markets, transport and electric power.

It is our belief that the Frontline states support sanctions because of the irresistible urge to inflict punishment on the racist regime in SA, because they harbour the delusion that such punitive action will hasten the end of apartheid, and, thirdly, because they hope or believe that the Western nations will make good any losses they bear as a result of sanctions or disinvestment.

Black South Africans who support sanctions or disinvestment, we believe, also do so for the first two reasons, and maybe for a third reason as far as some are concerned — the worse the better. Or, in other words: "Roll on the revolution."

Whatever political message sanctions are intended to convey, they do not make sense as a stragegy for fundamental change away from apartheid towards a non-racial and democratic alternative.

Are there people who really believe that labour power is more effective when people are unemployed? Or that consumer power is more potent when people have no money to spend?

Is there anyone who imagines that, as the conflict intensifies, as social conditions in the black townships and rural areas deteriorate and as a vigorous economy is turned into an economic wasteland, that it will be easier to find a solution to the problem of political power-sharing, or easier to remove the legacy of socio-economic deprivation which apartheid has imprinted in SA?

Coercive economic withdrawal is not a strategy for change — it is an act of despair.

By slowing down the economy, sanctions will weaken the forces for change inside SA — whereas it should be the object of strategy to strengthen these internal forces so that they can become a more potent factor in the future.

This requires involvement, not withdrawal

Unpalatable though it may be to many people ouside SA, change away from apartheid requires an expanding, not a contracting, economy.

One day apartheid will go. Racial domination will be no more.

These things will happen, not because of coercive pressures from outside but because of the interaction of South Africans with each other.

We do not suggest that fundamental change away from apartheid in the political field is going to be achieved easily. But we do contend that the combination of the many internal pressures — social, economic, demographic, educational and cultural, even moral — that are generated by economic development and interdependence are more likely to change SA in the direction of a non-racial democracy than economically-destructive external pressures that will reduce the country to a wasteland.

D/D 24/3/88

Intensified sanctions: US Congress warned

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CAPE TOWN — The United States Congress has been warned that any increase in punitive sanctions against South Africa, or any steps taken to introduce mandatory disinvestment from the country will only serve to increase white resistance to internal change.

The leader of the Progressive Federal Party, Mr Colin Eglin, and the party's national chairman, Mrs Helen Suzman, were asked to make a written submission to the Congressional Sub-Committee on Africa which is presently investigating the question of increased sanctions.

The sub-committee began hearings yesterday on a number of new bills which, if approved, will considerably expand the scope of the Comprehensive Anti-Apartheid Act.

In their submission, the two say that: "While the pace of change away from apartheid is painfully slow, and while it may appear to go in reverse from time to time, we cannot believe that such a change will be accelerated by externally induced impoverishment of millions of black South Africans.

"Ironically, because of the leverage that whites have with the government, and because 38 per cent of them are in state employ, they will be cushioned against the economic consequences of sanctions, whereas blacks will not."

They told the subcommittee that since southern Africa is one economic unit, sanctions aimed at South Africa will also affect the neighbouring states.

"It is our belief that the frontline states support sanctions because of the irresistable urge to inflict punishment on the racist regime, because they harbour the delusion that such punitive action will hasten the end of apartheid.

"They also hope or believe that the western nations will make good any losses they bear as a result of sanctions or disinvestment." — DDC

No to R600m deal

D/D 24/3/84

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JOHANNESBURG — Giant Japanese industrial corporation, Mitsubishi, has declined to bid for a R600-million high-tech contract for the revamp of a major South African steel works.

A Japanese source confirmed that a formal letter declining to tender had been sent to parastatal steel giant, Iscor, and Iscor's public relations manager, Mr Piet du Plessis, confirmed the letter had been received that Mitsubishi were withdrawing from the project.

The Japanese source said Mitsubishi, which regarded the Iscor contract as a "plum", had been forced into the decision in a bid to stave off criticism of Japan's growing trade links with South Africa.

"The whole South African trade issue is now politically sensitive. While nothing formal has been signed between Iscor and Mitsubishi, the cancellation of intent by Mitsubishi now gives Japan leverage against anti-South Africa critics," he said.

Moves by the Japanese Foreign Ministry has seen it continue to apply pressure on the Ministry of International Trade and Industry (Miti) to cut down on South African trade.

Steel industry sources said the Japanese technology would have been ideal for the Iscor application. The contract is for the uprating of Iscor's hot-strip mill at its Vanderbijlpark works.

Also understood to be under pressure are Iscor's iron ore contracts with Japan.

Iscor exported a total of about 9-million tons of iron ore last year — over 50 per cent of its total production of 16,5-million tons — and earned R285-million in foreign exchange.

The Japanese source said Iscor's iron ore contracts were still in place but the but there was the possibility that Japan could refuse to sign further contracts. — Sapa

Iscor shrugs off sanctions

GERALD REILLY

PRETORIA — International sanctions against SA had not been too much of a problem in terms of Iscor's export volumes, the corporation's senior GM Nols Olivier said.

In the corporations house journal he said it was realised well in advance that the US market would be lost.

Consequently alternative markets were developed.

"At one stage we were exporting to 80 countries worldwide but we have consciously reduced the number to about 60 selected markets."

There was no doubt the Newly Industrialised Countries (NICs) — Taiwan, Brazil and South Korea among them — would continue their exceptional growth in steel production with highly advanced technology from the US, Europe and Japan.

This did not seriously affect Iscor's current position as the 16th largest steel producer in the free world.

Iscor, Olivier said, did not foresee expansion in its production capacity over the next 10 to 15 years, but rather an optimum utilisation of existing facilities.

Capital spending would be channeled into productivity improvement and technological development programmes rather than into increased capacity.

The quality of Iscor steel compared well with the best that could be produced by the NICs.

The accent in the competitive international steel market was slowly shifting away from production of the well-known commercial grades to more sophisticated steels, such as those Iscor was now manufacturing for the Mossel Bay project, he said.

"What is important is that we produce high quality steel and perform competitively on local and overseas-markets."

On rationalisation Olivier said the corporate work force now totalled 57 000, compared with more than 70 000 before rationalisation.

Liquid steel production was 7,2-million tons in 1982.

It dropped below the 6-million ton level in 1983 and 1984 and had since shown a steady annual increase. Today it was back to the pre-rationalisation level of 7-million tons a year.

Cape Times 25/3/88 (280)

Embargo breakers?

THE HAGUE. — Two Dutch shipping firms will be charged with breaking an embargo on supplying arms to South Africa, the Rotterdam prosecutor's office said yesterday.

A spokesman said officials of the Alnaut and Capelle trading and chartering companies had been told they would be summoned to court soon.

The two firms are accused of shipping 82mm mortar shells in 1985 on a ship that left from Zeebruge, Belgium, with the stated destination of Indonesia. During the voyage, the ship was alleged to have been renamed and changed course for South Africa. — Sapa-Reuter

'TOUGHER SANCTIONS WILL HURT, NOT HELP BLACKS'

Sowetan 25/3/88

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WASHINGTON — The head of a South African organisation opposed to apartheid told the US Congress on Wednesday that tougher American economic sanctions would hurt — not help — efforts to end racial segegration in his country.

"The outside world cannot end apartheid and it does no service to black South Africa by pretending it can," said John Kane-Berman, executive director of the South African Institute of Race Relations, a liberal group that documents the effects of apartheid

Kane-Berman said stronger economic sanctions of the type under consideration in congress would hurt blacks and undermine steps they have made in securing more economic parity with whites

"There is substantial evidence to demonstrate that a growing economy generates forces which blacks can harness to empower themselves to do the job of dismantling apartheid," Kane-Berman said in remarks prepared for delivery to a house sub-committee considering more economic sanctions.



JOHN Kane-Berman

The risk of sanctions is "that they will slow down the pace at which the balance of economic power is shifting in favour of black people," he said.

Democratic congressman Howard Wolpe, chairman of the House Africa Sub-committee, and some other members of congress say the partial sanctions imposed on South Africa 18 months ago have failed to force the white-ruled government to eliminate apartheid.

SABTA SPEAKS OUT AGAINST SANCTIONS

Sowetan 25/3/88

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THE South African Government's action in banning black political organisations has caused the Southern Africa Bus and Taxi Association to take a more militant line, but further sanctions against this country would hurt the black community even more.

Testifying before the Congressional Committee in Washington which is investigating sanctions against South Africa, a delegation led by Sabta president Mr James Ngcoya said the association's view on general sanctions was that they had little political effect.

But, the delegation said, the economic effects were already being felt by the black community and further sanctions would hurt even more.

Suffer

Sabta told the committee: "The black people of Sout Africa have suffered injustices, oppression and poverty under apartheid. By their own efforts, Sabta members and others in the black community have pulled themselves up against all odds.

"We ask you to consider carefully the effects of sanctions. Do not make us suffer even more in your well meaning but misdirected attempts to put pressure on the Pretoria government."

The delegation suggested that the present sanctions had been a factor in the Government's heavy handed action and in the rise of the right-wing. It put the view that a better way of ending apartheid was to strengthen black economic power so as to increase the political leverage of the black business community.

The delegation made it clear that it was not calling for the lifting of specifically targetted sanctions against Government agencies

On the bannings, Sabta said: "We state here today that we totally reject the Government action in banning these organisations and we call for that action to be rescinded immediately. These sentiments and the forum in which we have expressed them will not be popular in the government circles in South Africa and we can expect some retaliation on our return."

25/3/88 Sowetan

Congress told SA sanctions will not end segregation

D/D 25/3/85

280

WASHINGTON — The head of a South African organisation opposed to apartheid told the US Congress on Wednesday that tougher American economic sanctions would hurt — not help — efforts to end racial segregation in his country.

"The outside world cannot end apartheid and it does no service to black South Africa by pretending it can," the executive director of the South African Institute of Race Relations, Mr John Kane-Berman, said.

"There is evidence to show that a growing economy generates forces which blacks can harness to empower themselves to do the job of dismantling apartheid."

The chairman of the House Africa subcommittee, Democratic Congressman Mr Howard Wolpe, and other members of Congress say the partial sanctions imposed on South Africa 18 months ago have failed to force the government to eliminate apartheid.

Mr Richard Leonard, who has served as a consultant for several church groups, said stronger sanctions were needed to show the South African Government that apartheid must be eliminated.

However, Mr Kane-Berman said blacks would be the hardest hit by economic sanctions.

The US could best help end apartheid by pouring money into teacher-training and other educational programmes, he said.

Other strategies included building houses for blacks and buying land for black farmers.

The Soviet Union has poured $15 billion into its clients in Africa since 1980, more than 17 times the US input.

The Soviets maintain 6 500 military advisers in Africa, and some 45 000 Cuban troops.

Most of the Cuban troops are in Angola, while the Soviet and East European advisers are mostly in Angola and Ethiopia.

The assistant secretary of state for Africa affairs, Dr Chester Crocker, has said he does not advocate that the US try to compete with the Soviet Union on military aid.

This was due to the fact that the US enjoyed an edge in economic and development programmes it offers developing nations in Africa.

— Sapa-AP

Sanctions bust back after the calm

Sanctions are back again as a major issue for South Africa's trading partners. By HILARY JOFFE

THE sanctions debate is back on the agenda for several of South Africa's major trading partners after a lull going back to mid-1987.

In the US this week a congressional committee has been hearing submissions on a range of Bills calling for intensified sanctions.

West German President Richard Weizacker last week said his government might reconsider its position on mandatory sanctions — a suggestion which reportedly caused a cabinet-level row in Bonn.

And mildly threatening noises have come even from the cautious Swiss in the wake of the banning of 17 resistance organisations last month and the South African government's threat to cut off foreign funding to organisations it considers subversive.

Swiss Foreign Minister R Felber said last week the South African government's reform policy was put in question by the banning of the 17 organisations. If the Swiss government's "positive measures" were to be jeopardised "we would be obliged to think about a new position".

"We will continue our policy of dialogue as long as it is useful," he said, "but we ask the South African government to give us such significant signals that we will not be forced to reconsider our relations. These last weeks they have not given us these positive signs."

His government's objective was the end of apartheid and the launch of democracy in South Africa and, he said, "we have to use all diplomatic measures to influence the policy of the minority in power".

Felber was speaking in the Swiss parliament in Basle in reply to a question by an opposition socialist MP on Switzerland's gold trade with South Africa, who asked whether it was true 60 percent of South African gold was traded through Switzerland. The minister replied that no country published such statistics and Switzerland had to "preserve the secrecy of transactions of important customers who trade through Switzerland."

An opposition motion calling for increased sanctions was voted down 117-61.

Apart from an arms embargo since 1973 and certain limits on loans to South Africa, Switzerland does not impose sanctions against South Africa; and in 1985 it was the fifth largest customer for South African exports. But debates on South Africa are not new there: Switzerland first condemned apartheid in 1968 and in 1986 the Swiss government, which has consistently opposed sanctions, decided to implement "positive measures" towards bringing about change. Its positive measures budget this year is R3-million, which goes towards education, human rights and community work projects.

The West German government last year gave more than DM1-million to such causes and this year increased the figure, allocating DM1-million to Operation Hunger alone.

West Germany is one of South Africa's major suppliers. Its exports to South Africa rose last year by 8,6 percent, while its imports declined by 24 percent in deutschemark terms.

Contradictory statements have been coming from West Germans about whether a shift in policy is being debated. Weizacker, who was on a tour of African countries, said last week in Harare that "South Africa should not think the issue of mandatory sanctions is dead" and "The West German government's position could be reconsidered."

A spokesman for the West German embassy in Pretoria said this week there was no basis for speculation about a shift in German policy towards South Africa. The German government came out against the banning of the 17 organisations and pleaded for clemency for the Sharpeville Six but this was nothing new, nor did Germany's abstention on the Security Council motion indicate any change of policy. He said Weizacker's comments were in line with government policy, since their main tenor was that apartheid must be overcome.

In the US, pro-sanctions Democrats and the Reagan administration are clashing once again on the issue of further sanctions against South Africa in public hearings of the House foreign affairs panel on Africa.

There are presently more than 40 Bills before congress with implications for US/South African relations. Many of the Bills deal with subjects unrelated to South Africa but a clause related to South Africa has been tacked on to them.

Among the most signficant are the Dellums Bill, which would stop all trade in goods and technology between the two countries, except American imports of essential strategic minerals; and the Wise Bill, which would penalise US companies who did not leave South Africa within 12 months and would strike at multinational oil companies with South African ties.

Once the hearings have been held, the congressional committee decides whether proposed legislation should be put before congress and "marks up" Bills for debate.

Conflict over sanctions has also raged in Japan, which has replaced the US as South Africa's major trading partner.

●Weekly Mail co-editor Irwin Manoim this week testified in Washington on the press in South Africa before the congressional committee.

Spur established a first in the fran- ... are sucessful."

Pioneer hangs on

By Don Robertson

PIONEER car audio and hi-fi products will continue to be sold in SA in spite of the company's decision to limit its trade with this country.

The Japanese Foreign Affairs Department, under pressure from America, recently asked companies with large trade links with SA to limit their exports.

The request could threaten the motor industry among others, although no decision has been made by Japanese motor manufacturers.

It was reported that Pioner would withdraw its products from SA by the end of the year. But Pioneer executives have told their agents, Tek Electronics, that products will continue to be supplied.

Pioneer was, however, one of the first companies to respond to a request to limit its trade with SA, reducing its exports from 1,2-billion yen in 1986 to 850-million last year. This was facilitated by the rand's devaluation in the past two years.

27/3/88

A year after its SA film fade-out, Kodak is still...

OVER-EXPOSED!



EVEN IF YOU HAVEN'T GOT IT, FLAUNT IT . . . UCT's irrepressible "bummies" won't go the way of defeated drummies

Girls drummed out — over to the bummies

By ALAN DUGGAN

THE DRUMMIES are dead — long live the *bummies!*

After countless colourful Rag parades, Cape Town University's drum majorettes have called it a day

The prancing girls have finally yielded to pressure from the university's feminists and anti-militarists.

But the thousands of people who line the streets once a year for UCT's Rag procession may be pleased to know The "bummies" are here to stay

Fuelled by seemingly endless cans of beer, these male "drum-majorettes" will continue to flaunt their oversized bras, padded knickers and curly wigs annually to raise funds for charity

The demise of the drummies follows years of criticism from feminists and anti-conscription campaigners who claimed drum-majorette squads were "sexist" and "militarist"

The pro-drummie brigade, in turn, argued that since Rag was devoted entirely to raising money for deserving charities, the end justified the means.

However, drummies are still alive and kicking at the University of the Witwatersrand — despite the torrential downpour that forced students to abandon this year's Rag Day.

But a spokesman for the Rag committee said the Wits drummie squad was operating on a reduced scale

"The trend seems to be to phase them out," he said

Buy an Empisal
#the OK and get

Reels snapped up via back door

AMERICAN photographic multinational Eastman-Kodak has failed to close the shutters on South Africa after divesting nearly a year ago.

By HAMISH McINDOE

South African Druggists (SAD), who bought millions of rands worth of Kodak film shortly before the New York-based company pulled out, and is now importing stock from secret overseas sources, disclosed this week.

● Eastman-Kodak's share of the local market — 7 million colour rolls sold a year — has only dropped from 47 percent to 30 percent since divesting for political reasons nine months ago

● Kodak's market share should be nil after pre-divestment stock runs out by the end of this year but it is expected to hold a 20 percent market share in 1988 due to SAD imports from undisclosed overseas sources.

● The price gap between Kodak photo film and Japanese competitors Fuji and Konica has narrowed from being 20 percent more expensive to about nine percent.

SAD declined to disclose its overseas sources for Kodak stock. "The reasons for that must be obvious," said an SAD spokesman, adding that Kodak had forbidden its overseas subsidiaries to supply SA.

The spokesman made it clear that pre-divestment stock would run down by the end of the year and reliance on Kodak film would then be entirely from overseas sources.

The spokesman stressed the threat of "total sanctions" on imported film from industry majors had caused distributors to switch to private label film.

Ironically, all this film is also made overseas but the packaging does not bear the telltale hallmark of the major producers.

"And private label film coming onto the market will also further erode Kodak's market share" the SAD spokesman added.

Total

Eastman-Kodak's withdrawal was total. Unlike most divesting US multinationals — such as General Motors and IBM — it did not allow a managment buy-out of its local operations, or leave the door open to re-investment.

Meanwhile, the local distributor of Japan's Fuji Film is standing in the firing line of a recent Tokyo Foreign Ministry request to traders doing business with South Africa to loosen their ties with this country

Recently released figures showing that Japan is South Africa's biggest trading partner caused acute embarrassment to the Japanese government.

The Sunday Times this week learned that Japan's External Trade Organisation (JETO) in Johannesburg had been ordered by its Tokyo head office to temporarily close its doors on traders' inquiries.

JETO director Mr K Kobayashi declined to comment on the move but, according to a Japanese Embassy source, the closure would give JETO time to consider the "the request to very prudently reduce trade with South Africa."

Quotas

Fuji has already slashed its South African sales by imposing import quotas on its local distributors, Johannesburg-based Photo Agencies

Said a Photo Agencies spokesman. "No Fuji stock has come into South Africa this year

"We used up our 1987 quota after Kodak pulled out, but we expect the situation to even out by next year"

He rated the chances of Photo Agencies continuing to supply Fuji Film in the event of a total supply cut-off from Japan as slim.

"The Japanese are very rigid about these sorts of things It won't work the same way as with Kodak" the spokesman said

S African taxi operators lay it on the line to American Congressmen

By CAS St LEGER

FROM a backyard operation in the townships to the American Congress in Washington.

That's that's how far along the road to power the Southern Africa Black Taxi Association (Sabta) has travelled in a handful of years.

And Sabta president Thupane James Ncgoya and his Free State provincial leader, Boas Monamane, who testified this week against sanctions before a US Congressional Committee, have R1 000-million in economic muscle to prove their point.

Mr Ncgoya was invited to Washington by the committee after meeting Congressmen in the US on a fact-finding, support-seeking business mission with other Sabta officials last year.

He delivered a message to the committee urging aid for the development of black business as the most effective means of ending apartheid. Sanctions, he said, contributed to the Government's heavy-handed actions and to the rise of the right wing.

"If the Conservative Party comes into power — and sanctions will certainly help them to do so — the black people will have even less hope than now, he said."

"We believe the road (to reform) lies through the creation of jobs and wealth. From that strength will come a political influence no government can resist."



JAMES NGCOYA
Aid black business

The two-man delegation has been listened to with "understanding of all the problems that have arisen from previous Congress decisions", said Mr James Chapman, Sabta's national adviser.

There will be a report-back after the delegates return next Wednesday.

Sabta was born in Pretoria five years ago, with assets of a desk and chair, a broken filing cabinet, a telephone and a far-sighted and aggressive marketing policy, despite very limited financial resources

Its main opposition was the powerful bus monopoly, Putco.

Until the Government white paper recommended deregulation of the taxi industry it had been protected by the 1981 Welgemoed Commission's recommendation that black taxis be stopped

Mr Ncgoya, 49, had humble beginnings. He saved the money he earned as a heavy duty truck driver in Johannesburg and — 10 years ago — bought a second-hand car as his first taxi.

A sizeable chunk of Sabta's success was the brave marriage between white expertise and black acumen at a time when the black taxi business had a push-start "skorokoro" image

"That decision came in for a great deal of criticism. In hindsight, it was a good decision, part of our success," said Mr Chapman

Today Sabta's 45 000 registered members use 800-million litres of fuel, 3,6-million litres of oil, one million oil filters and 780 000 tyres annually.

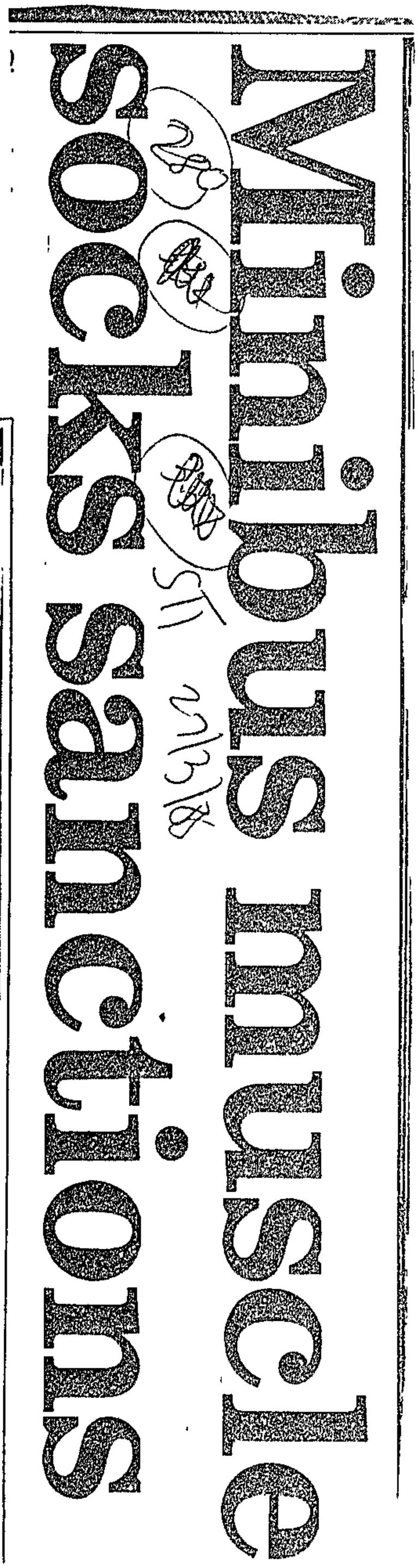
Commuters

Competition for their business is fierce, with Toyota last year supplying 48 percent of taxi mini-bus sales, worth a total of R168-million out of the R568-million mini-bus market against Nissan's 40 percent.

There were 18 347 mini-buses sold in 1987 and at least 5 800 of these went as taxis.

Putco moves 106 000 peak-hour black commuters, fading to 32 000 off-peak; the taxis carry 55 000 in rush hour but 72 000 in the quleter periods of the working day.

"Last year, no one in the United States had heard of Sabta," said Mr Chapman.



Iscor lifts exports, laughs at sanctions

By Don Robertson

SANCTIONS against South Africa have had no effect on Iscor's steel exports.

In fact, exports have increased from 30% of total production four years ago to 40%.

Nols Olivier, senior general manager in charge of marketing, says in an interview in Iscor's house magazine — Iscorian — that the corporation knew it would lose the American market and others were developed.

Mr Olivier says: "At one stage we were exporting to 80 countries, but have conciously reduced this to about 60 selected markets. As long as we maintain our competitive edge in terms of quality and keen pricing, sanctions will not have much of a bite."

Iscor's work force is 57 000 compared with 70 000 before the rationalisation programme was instituted in 1984. Steel production was 7,2-million tons in 1982, but fell to 6-million tons in 1983 and 1984. It is now back to 7-million tons.

Iscor is not particularly worried about expanding steel production by Taiwan, Brazil and South Korea.

"It does not seriously affect Iscor's current position as the 16th-largest producer in the free world since our marketing policy differs from theirs."

However, Iscor does not see any increase in its production capacity in the next 10 to 15 years.

Whether or not Iscor retains its present ranking in production capacity is of no concern. What is more important is that Iscor produces high quality steel and performs competitively in domestic and foreign markets.

Mr Olivier says Iscor recently set a world record for the output of tinplate by producing 30 000 tons in one month. Studies are being undertaken to establish a R70-million plant for tin-free steel in 1990. Tin-free steel has a coating of chromium oxide which is a substitute for tinplate in various applications.

Only five

Iscor will supply 40 000 tons of ultra-high-grade steel for the offshore part of the Mossgas project and could supply 39 000 tons for the onshore development. Iscor is one of only five producers in the world able to produce this high-grade steel.

It is also discussing with motor manufacturers the possibility of producing electro-coated steel for use in cars. Mr Olivier says building of an electro-galvanising plant has been accepted in principle.

It has developed a low-alloy steel for car wheels. This has effectively replaced imports of this steel and about 50 000 wheels are exported each month.

Iscor is considering the production of stainless steel slabs and hot-rolled coils at its Vanderbijlpark plant for export.

WHILE government dares the world to do its damnedest to implement sanctions, it has been other South Africans, both black and white, who have tried to persuade the US Congress not to step up economic measures against this country.

That those who argued that sanctions were politically counter-productive and economically damaging to blacks came mainly from the ranks of government's political opponents is one of the ironies of the situation. For it is at government that sanctions are aimed; the sanctioneers are trying to force changes in government policies of which they disapprove.

The message from government is that it doesn't care what anybody does and that it will implement such policies as it pleases. So the Southern Africa Bus and Taxi Association (Sabta) has had to tell the congressional committee investigating stricter sanctions that black business needs the economic muscle to fight apartheid. On behalf of the PFP, Colin Eglin and Helen Suzman have had to tell the committee that apartheid breaks down when the economy is booming, but sanctions fuel white resistance. And Institute of Race Relations director John Kane-Berman has had to put the moral and strategic objections to sanctions, noting that white business might be hurt but it is black jobs that are lost.

Their message has been that sanctions strengthen apartheid. That might be why government, more concerned with the right wing than reform, doesn't care.

SA chrome sanctions put US steel at risk

LONDON — Attempts by US stainless steel producers to reduce their dependence on SA for chromium have rebounded on them, as a worldwide shortage of the metal develops, analysts here say.

They say SA producers are concentrating on the needs of northern European and Japanese customers, while according the Americans a low priority.

As a result, some traders suggest US

MIKE ROBERTSON

stainless steel manufacturers fear they will soon run out of charge chrome and ferrochrome and have been reducing their orders for other raw materials.

A boom in stainless steel production has not just fuelled the rapid rise in nickel prices, but driven the cost of charge and ferrochrome to new highs on the free market and reduced stocks to unusually low levels 28/3/88

In past months, the free market price of charge chrome has risen by 43% to $1 102 a ton, while the price of charge chrome has doubled to $1 764 a ton.

With SA producing more than half the world's chromium and supplying almost all direct to users, free market stocks have been severely diminished by the boom in stainless steel production. Stainless steel must contain a minimum of 12% chromium.

DID 26/3/88

Anti-SA moves rebound with chromium shortage

Daily Dispatch Correspondent

LONDON — Attempts by United States stainless steel producers to reduce their dependence on South Africa for chromium, have rebounded on them, as a worldwide shortage of the metal develops, analysts here said.

They said South African producers are concentrating on the needs of northern European and Japanese customers, while according the United States a low priority.

As a result, some traders suggested that US stainless steel manufacturers fear they will soon run out of charge chrome and ferrochrome, and have been reducing their orders for other raw materials.

A boom in stainless steel production has not only fuelled the rapid rise in nickel prices, it has driven the cost of charge and ferrochrome to new highs on the free market and reduced stocks to unusually low levels.

In the last few months the free market price of charge chrome has risen by 43 per cent to 1102-US tonne, while the price of charge chrome has doubled to 1764-US-tonne.

With South Africa producing more than half of the world's chromium and supplying almost all direct to users, free market stocks have been severely diminished by the boom in stainless steel production.

Stainless steel must contain a minimum of 12 per cent chromium

According to Mr Jim Lennon of the Commodities Research Unit, stocks of charge chrome and ferrochrome had dropped to the equivalent of 1,5 months demand by the end of last year, and have been run down even further since.

He said South African producers had recently concluded charge chrome contracts with their European customers for the second quarter at 1279-US tonne, 12 per cent up on the first quarter.

The authoritative journal, Metal Bulletin, reports that South Africa's low-carbon ferrochrome producers are poised to raise second quarter prices to 2425-US tonne.

It says the producers believe that the rapid increase in prices has narrowed the gap between high and low carbon grades to unacceptable levels and that the differential needs to be re-established.

P/D 28/3/88

Eskom rejected by UK investors

LONDON — Top British merchant banks and stock brokers have given the cold shoulder to Eskom.

Eskom officials are currently here seeking advice on privatisation. They are also expected to visit Europe and the Far East.

According to a report in the Sunday Telegraph yesterday, among those who have rejected Eskom as a client is Morgan Grenfell, which is understood to have declined even a meeting to discuss the issue in detail.

The company which is handling the United Kingdom electricity privatisation scheme on behalf of the government, Kleinwort Benson, has given the South African corporation the thumbs down.

Top City stockbroker, Mr James Capel, which has a highly-regarded South African mining research team, has also turned Eskom down and other institutions are also believed to have been approached.

Eskom, which has assets of about R27-billion and a 1987 income of R3.7 billion (figures quoted by the Sunday Telegraph), not only supplied 95 per cent of the Republic's electricity but is also a key supplier to neigbouring states such as Lesotho, Swaziland and Botswana.

It has been given a six-month deadline by the State President, Mr P. W. Botha to present a report on privatisation, which would be the biggest yet undertaken by South Africa and set the standard for future sell-offs.

International support for a privatisation of this magnitude was vital as the size of Eskom's cash requirements "would prove a severe test for the Johannesburg market on its own".

"Eskom officials had been hoping that the strong recovery of the financial rand over the last year signalled a return of overseas confidence in South African investment.

"But it is clear that despite the major improvements the company has made and its record in upgrading pay for black workers, many fear that the political repercussions of involvement in the Eskom issue would more than offset any financial advantages." — DDC

DTD 29/3/88

AAM: disinvestment not a failed strategy

LONDON — One in five British companies operating in South Africa two years ago have since withdrawn, says a new report by the Anti-Apartheid Movement (AAM) to be released next week.

The report, which concludes the disinvestment drive has met with mixed success, says the number of British companies with subsidiary or related companies in South Africa has fallen from 297 to 235 in the same period.

It says total United Kingdom direct investment in South Africa fell from £6 billion to £2,9 bn between 1980 and 1986.

The withdrawal of Barclays and Standard Chartered reduced the book value of UK investment in South Africa by 10 per cent.

In the past two years, it says, a further 19 companies reduced their exposure, either by partial disposal of subsidiaries, or by reducing their shareholdings

The AAM said Britain's economic relations with South Africa are being restructured away from direct investment towards other commercial links, such as licensing and franchise agreements.

Withdrawals, the report says, have not resulted in total disinvestment

Instead they have been structured to ensure the twin result of minimising the impact on the economy and guaranteeing a continuing foothold in South Africa

Despite this, the AAM still argues that disinvestment is not a failed strategy.

Among the adverse consequences of disinvestment for the South African economy, the reports says, have been:

A lessening of company interest in opposing sanctions after having reduced direct involvment; An exacerbation of South Africa's position as a long-term exporter of capital and reduced access to foreign technology. — DDC

DID 29/3/88

Sabta and the paradox of the sanctioneers

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SIMON BARBER writes from Washington

The hearings on new South African sanctions held last week by congressman Howard Wolpe's House Africa sub-committee were, as are all such events hosted by the egregious member for Kalamazoo, in no way intended to help congress reach a reasoned decision.

Rather, they were the legislative equivalent of a Stalinist show trial a nauseating little charade intended to cloak a predetermined outcome with the trappings of due, democratic process.

The testimony offered by, among others, the SA Institute for Race Relations' John Kane-Berman, economist Merle Lipton, and the president of the SA Black Taxi Association Thupane Ncgoya was as magisterial as it was futile.

Throughout much of the proceeding, Wolpe was the only committee member on hand to hear evidence His attention level was low, so low, in fact, that there were interludes when he seemed to find the upper reaches of his nose more interesting

As for testimony not presented in person (not to mention the full statements those present were forced to abbreviate savagely), neither the remarks submitted for the record by Helen Suzman and Colin Eglin, nor the excellent essay provided by UCT's Professor David Welsh, will have the slightest impact

For all its eloquence and cogency, for all the time and effort evidently spent on its preparation, the entire anti-sanctions presentation was headed straight for the memory hole of the official transcript. Such is the incredible lightness of being a congressman, no one with a vote on Capitol Hill will ever read it again

Indeed, like the proverbial tree toppling unheard in the midst of the primordial forest, it is possible to say that these hearings did not happen.

One is left to fantasise about what might have happened had this been a jury trial, with the participants vying to impress a panel of twelve citizens plucked at random from the street There is no doubt in my mind that the question of sanctions would now be closed

On the evidence presented it, the jury would, without unduly long deliberation, have found unanimously against the sanctioneers with a recommendation that Wolpe and his friends themselves be charged with grievous assault on the aspirations of black South Africans for private political gain

For the purposes of this daydream, the proponents of sanctions will play the role of prosecution. After all, they do in real life represent the political establishment and next year, possibly, will formally control the state.

At no point did either they or their expert witnesses ever manage to nail down what surely must lie at the heart of their case: a causative connection between their prescriptions and the alleviation of the ills said prescriptions are supposed to cure.

The mere incantation of oppressive practices, however odious those practices might be, does not validate a counter-policy unless it can de demonstrated beyond a reasonable doubt that the policy would end the practices

As it happens, only one witness, Roger Riddell of the London-based Overseas Development Institute, seriously attempted to so demonstrate Yet even he, after constructing a detailed and not unconvincing argument for SA's vulnerability to economic punishment, pulled up lame at the moment of truth

"The effect of sanctions is likely to be limited," he ultimately conceded, "while external pressures can help, few if any people believe that their effects will be a major factor in the political dynamics that must necessarily remain the crucial element in the process."

So why was he so in favour of such pressures? "In the first place, there has been no conclusive evidence that the alternative strategy of constructive engagement or dialogue with Pretoria has led to change in the intended direction" (If there was a second place, the witness did not proffer it.)

Moments earlier, he had been counselling unprecedented international coordination against the SA economy, effectively urging Washington to consider greater coercion of its allies than the Comprehensive Anti-Apartheid Act had ever applied to Pretoria

"Ladies and gentlemen of the jury," the defence would be bound to say in its summation, "you are being asked to believe that for all the whit of man there are only two possible approaches to SA, and that, as a result, you have no option but to undermine a series of long-established economic and political relationships of considerable significance to the well-being of this country for the sake of actions the prosecution's star expert admits would be of 'limited' use."

The defence might then feel obliged to point out that the logic behind several of the steps demanded by the prosecution had nothing to do with their potential efficacy but were intended to secure rewards of a rather more personal nature.

It is no coincidence, for example, that congressman Mickey Leland, a congressional black caucus member from Texas, should be seeking, as his bill, HR 3 328, puts it, "to prohibit investment in US capital markets by certain South African mining interests".

HR 3 328 was introduced last September when Consolidated Gold Fields and T. Boone Pickens, the American takeover specialist, were vying for control of Newmont Mining. Pickens happens to be a constituent of Leland, who in turn is closely connected to the law firm of Democratic Party eminence gris Robert Strauss which was representing Pickens in the Newmont fight.

Perhaps a little too obviously, the law firm authored an article, published in the Journal of Commerce shortly after Leland had had his legislative "inspiration", vigorously supporting the bill.

It is equally difficult to accept at face value congressman Mervyn Dymally's preposterously impractical HR 1 051, "to prohibit the import of South African diamonds into the US"

Dymally, who chairs the CBC, explained in his testimony that his purpose was not merely to lay low apartheid "It is my intention that by prohibiting South African diamonds, we give support to those countries such as Botswana and Australia who have a legitimate right to the profits of their resources, independent of the De Beers cartel"

How thoughtful.

In his list of producers that might, in his somewhat warped view, benefit from the smashing of the Central Selling Organisation — his unabashed purpose — the congressman conveniently left off Zaire, whose President Mobutu happens to be a close friend with a strong antipathy for the CSO.

To clinch the case, the defence would turn not to Kane-Berman or Lipton, as compelling as their testimony was, but to the spell-binding submission of Sabta's Ncgoya.

The prosecution finally rests on two propositions First, that all the black leaders it has declared credible are on the record in support of its approach. Second, that there are only two conceivable avenues open, theirs and the one they assert the Reagan administration and its principal allies are embarked upon.

In his full prepared text, which, in the real hearing, Wolpe predictably would not give him an opportunity to present and which will disappear into the congressional ether along with everyone else's, Ncgoya blew both propositions away.

Based on that text, the defence peroration might run thus:

Though it will no doubt strive to find evidence that Sabta is a corrupt organisation somehow acting as a "stooge" for "the regime", the prosecution cannot immediately dismiss 100 000 self-employed, unsubsidised, taxi-drivers, carrying a million passengers a day in direct, often acrimonious, competition with government-backed services, as "not credible", especially since the driver-owners come in all political stripes.

With the help of the foreign corporations the prosecution seeks to evict, Sabta, perhaps more than any other single black organisation, has made a significant bite into the government's monopoly of power in ways that the government will find it difficult to stop. Banning political parties is easy, but outlawing an entire industry that is becoming increasingly essential to the functioning of the economy is not.

But by its own testimony, the prosecution says it wants to crush Sabta by attempting to block the sale of foreign minivans and starving SA of the fuel to run them And then in the same breath, it says that such sanctions will quite likely be of only "limited" effect in changing the government's mind. What kind of a case is this that it seeks to destroy the very forces that are already achieving what it claims to be its goals?

"We and thousands like us", Ncgoya testified, apologising to the prosecution for his broken accent as he did, "are trying our best every day to build a future for ourselves and our children and our nation

"We ask you for your understanding and assistance — we have struggled more than you know. We have come to far to turn back. Do not take from our hands the tools of liberation we have forged at such a price."

Will you listen to Ncgoya, members of the jury, and his pleas for help, or will you listen to the contradictory and self-interested wind of these congressmen?

There can be no doubt how the jury would find, but this is a daydream, and there is no jury, only a memory hole.

DID 29/3/88

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UK speaks out against SA tour

LONDON — The British government yesterday spoke out against the proposed international rugby tour of South Africa, which could prompt a black African boycott of the Seoul Olympics and other major sports events.

A spokesman for the British Minister of Sport, Mr Colin Moynihan, said: "This sort of tour is discouraged by the government."

He said Mr Moynihan's office had been in touch with the International Rugby Board (IRB) about the tour, approved by the board on Friday, but said that the minister would take no immediate action.

The South African tour involves inviting up to five players from each of the world's main rugby-playing nations — England, Wales, Scotland, Ireland, France, New Zealand, Australia and Argentina.

After African states threatened to boycott the 1988 Olympics in South Korea if the tour went ahead, Welsh officials have expressed fears that Cardiff's bid for the 1994 Commonwealth Games could now be in jeopardy.

Yesterday, the secretary general of the Supreme Council for Sport in Africa, Mr Amadou Lamine Ba, said Cardiff's attempts to host the Games would be blocked if the tour went ahead.

The London-based South African Non-Racial Olympic Committee (Sanroc), chaired by Mr Sam Ramsamy, also took up the threat.

"We need to hit British sport where it hurts the most," he said

The secretary of the committee organising Cardiff's campaign to host the Games, Mr Myrddin John, said the committee was definitely opposed to the tour.

"If we hear that a player intends to go, we will write to the player and to the governing body, in this case the WRU," Mr John said.

The WRU has reportedly advised its members not to take part in the tour.

The union is believed to have wrecked the chances of a British Lions tour in the South African Rugby Board's (SARB) centenary next year by voting against it last week.

Nearly a year ago, Wales' mercurial flyhalf, Jonathan Davies, signed a declaration that he will not play in South Africa as long as apartheid exists.

Davies, who would have been a prime candidate and crowd-pleaser for the World XV team, sent this declaration to Sanroc 11 months ago.

The Scottish flyhalf, Richard Cramb, said yesterday that he would be "a little reluctant" to tour South Africa at this stage of his career.

The secretary of the Rugby Football Union at Twickenham, Mr Dudley Wood, confirmed England's stand that, while the RFU would try to "dissuade" players from accepting invitations to tour South Africa it was "up to the individual to make up his own mind".

He said they were very concerned about the political situation.

"It is for that reason that in recent times we haven't put up any teams to go to South Africa or thought about tours to South Africa at all."

Mr Wood said there would be no question of taking sanctions against players who did tour South Africa because it was "a matter of individual freedom".

Mr Ramsamy said that "all the rugby unions are saying exactly the same as Dudley Wood, and it is mealy-mouthed hypocrisy.

"They are saying one thing and doing another because our evidence is clear that, possibly apart from the Welsh union, the others are in fact encouraging the players to go to South Africa as individuals.

"They are playing with fire and if the government does not crack down on them we can kiss goodbye to the Olympic Games."

The president of the SARB, Dr Danie Craven, yesterday told the SABC the IRB "has at long last stuck out its neck on behalf of sport and rugby particularly to withstand all the onslaughts against sport from all the political people". — Sapa-RNS-DDC

Sanctions hearings revert to futile congressional trial

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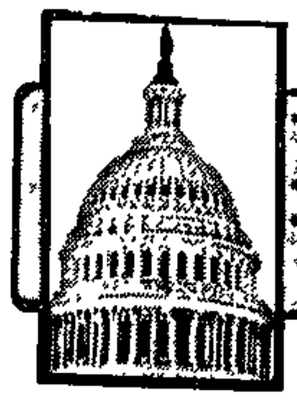

Washington Letter
by SIMON BARBER

THE hearings on new anti-South African sanctions last week by Congressman Howard Wolpe's House Africa sub-committee were, as are all such events hosted by the egregious member for Kalamazoo, in no way intended to help Congress reach a reasoned decision.

Rather, they were the legislative equivalent of a Stalinist show trial: a nauseating little charade intended to cloak a predetermined outcome with the trappings of due democratic process.

The testimony offered by, among others, the SA Institute for Race Relations' John Kane-Berman, economist Merle Lipton and the president of the SA Black Taxi Association, Thupane Nchoyawas, was as magisterial as it was futile.

Throughout much of the proceedings Wolpe was the only committee member on hand to hear it. Since he did not like what he was hearing, his attention level was low, so low in fact that there were interludes when he seemed to find the upper reaches of his nose more interesting.

For all its eloquence and cogency, for all the time and effort evidently spent on its preparation, the entire anti-sanctions presentation was headed straight for the memory hole of the official transcript. Such is the incredible lightness of being a congressman, no one with a vote on Capitol Hill will ever read it again.

One is left to fantasize about what might have happened had this been a jury trial, with the participants vying to impress a panel of 12 citizens plucked at random from the street.

On the evidence presented the jury would, without unduly long deliberation, have found unanimously against the sanctioneers with a recommendation that Wolpe and his friends themselves be charged — with grievous assault on the aspirations of black South Africans for private political gain.

For the purposes of this day-dream, the proponents of sanctions will play the role of prosecution.

At no point did either they or their expert witnesses ever manage to nail down what surely must lie at the heart of their case: a causative connection between their prescriptions and the alleviation of the ills said prescriptions are supposed to cure.

'Limited' use

"Ladies and gentlemen of the jury," the defence would be bound to say in its summation, "you are being asked to believe that for all the whit of man there are only two possible approaches to SA, and that, as a result, you have no option but to undermine a series of long-established economic and political relationships of considerable significance to the well-being of this country for the sake of actions the prosecution's star expert admits would be of 'limited' use."

The defence might then feel obliged to point out that the logic behind several of the steps demanded by the prosecution had nothing to do with their potential efficacy but were intended to secure rewards of a rather more personal nature.

It is no coincidence, for example, that congressman Mickey Leland, a congressional black caucus member from Texas, should be seeking, as his Bill, HR 3328, puts it, "to prohibit investment in US capital markets by certain South African mining interests".

It is equally difficult to accept at face value congressman Mervyn Dymally's preposterously impractical HR 1051, "to prohibit the import of South African diamonds into the US".

Dymally, who chairs the CBC, explained in his testimony that his purpose was not merely to lay low apartheid. "It is my intention that by prohibiting South African diamonds, we give support to those countries such as Botswana and Australia who have a legitimate right to the profits of their resources, independent of the De Beers cartel."

Two avenues

In his list of producers that might, in his somewhat warped view, benefit from the smashing of the Central Selling Organization, he conveniently left off Zaire, whose president Mobutu happens to be a close friend with a strong antipathy for the CSO.

To clinch the case, the defence would turn not to Kane-Berman or Lipton, as compelling as their testimony was, but to the spellbinding submission of SABTA's Ncgoya.

The prosecution finally rests on two propositions. First, that all the black leaders it has declared credible are on the record in support of its approach. Second, that there are only two conceivable avenues open, theirs and the one they assert the Reagan administration and its principal allies are embarked upon.

In his full prepared text, which, in the real hearing, Wolpe predictably would not give him an opportunity to present and which will disappear into the congressional ether along with everyone else's, Ncgoya blew both propositions away.

Based on that text, the defence peroration might run thus:

Though it will no doubt strive to find evidence that SABTA is a corrupt organization somehow acting as a "stooge" for "the regime", the prosecution cannot immediately dismiss 100 000 self-employed, unsubsidized taxi drivers carrying a million passengers a day in direct, often acrimonious, competition with government-backed services, as "not credible", especially since the driver/owners come in all political stripes.

With the help of the foreign corporations the prosecution seeks to evict SABTA. Perhaps more than any other single black organization, it has made a significant bite into the government's monopoly of power in ways that the government will find it very difficult to stop. Banning political parties is easy, but outlawing an entire industry that is becoming increasingly essential to the functioning of the economy is not.

But by its own testimony, the prosecution says it wants to crush SABTA by attempting to block the sale of foreign minibuses and starving SA of the fuel to run them. And then in the same breath, it says that such sanctions will quite likely be of only "limited" effect in changing the government's mind. What wind of a case is this that it seeks to destroy the very forces that are already achieving what it claims to be its goals?

"We and thousands like us", Ncgoya testified, apologizing to the prosecution for his broken accent as he did, "are trying our best every day to build a future for ourselves and our children and our nation.

"We ask you for your understanding and assistance — we have struggled more than you know. We have come too far to turn back. Do not take from our hands the tools of liberation we have forged at such a price."

Will you listen to Ncgoya, members of the jury, and his pleas for help, or will you listen to the contradictory and self-interested wind of these congressmen?

There can be no doubt how the jury would find, but this is a day-dream and there is no jury, only a memory hole.

SAIRR 'objections' to sanctions

JOHANNESBURG. — Sanctions involve great risks and very uncertain gains, Mr John Kane-Berman, the executive director of the SA Institute of Race Relations (SAIRR), yesterday told the US congressional sub-committees in Washington that are considering toughter sanctions against South Africa.

A copy of Mr Kane-Berman's evidence was released in Johannesburg yesterday.

The single most important strategic objection to economic sanctions is that they would slow down the pace at which the balance of economic power would shift in favour of black people, he said. The moral objection is that if, for example, South Africa was no longer able to export coal, thousands of people, most of them black, would be out of work.

"Sanctions would certainly inflict costs on whites too, but their generally higher levels of saving give them a safety net which quite simply does not exist for blacks." — Sapa

Swiss trade with SA more than doubled

The Star's Foreign News Service

GENEVA — Campaigns by anti-apartheid organisations against South African goods have been ineffective in Switzerland.

Switzerland's imports from South Africa, excluding gold, more than doubled from 1986 to 1987.

Supermarkets and even small shops continue to stock arrays of South African produce, particularly fresh fruit. Large chain stores such as Migros and Denner stamp all such items, "South Africa" or "imported from South Africa," but this is not putting off consumers.

Imports of South African goods excluding gold amounted to almost 400 million francs (R632 million) in 1987, compared with around 153 million francs (R238 million) in 1986.

But this has not pleased the mass circulation Sunday newspaper *Sonntagsblick*, which has taken exception to what it calls "the increasing fondness for products from the Cape."

A full-page article in the paper was headlined "Switzerland is the most important support of South African racists".

The paper claimed that between two-thirds and three-quarters of South African gold is marketed by Switzerland — something which Swiss banking experts say is "doubtful".

Switzerland no longer reveals figures on gold imports, having stopped the practice in 1980 following angry protests by South Africa and the Soviet Union. But experts believe South Africa to be selling around half of its gold through the "Big Three" Swiss banks which run a gold pool in Zurich.

DEFEATED

A Socialist Party motion against trade with South African was heavily defeated in the Swiss Parliament last week, with the majority Conservative parties as well as the Government itself repeating the basic Swiss position. This is that it strongly opposes apartheid, but Switzerland, as a neutral country, does not join in economic boycotts.

At Migros, which is the biggest Swiss supermarket chain, spokesman Erich Kissling said: "We do not engage in politics and leave the decision to our customers."

At the Denner discount chain, which stocks much South African canned goods, spokesman Peter Christen said: "There has been absolutely no drop in sales of South African products."

New Q'town councillor resigns seat

Daily Dispatch Reporter

QUEENSTOWN — The newly elected town councillor for ward 3 here, Mr Maurice Shadiack, has resigned his seat, less than a week after he won the municipal by-election on March 2.

Mr Shadiack's surprise resignation was contained in a letter to the town clerk, Mr Peter Gerber, who was also the returning officer in the election.

In a statement Mr Shadiack said several factors had influenced his decision, particularly the way in which the poll had been conducted.

He alleged there had been irregularities and said under the circumstances he could not associate himself with the by-election as the matters were contrary to his principles.

He had no alternative but to resign as the councillor for ward 3.

He said he would definitely not contest the October municipal elections.

Asked if he was considering legal action, he said he had not ruled out the possibility.

In the recent election Mr Shadiack defeated Dr Arno Botha by seven votes He received 312 votes against his opponent's 305 in a 51,8 per cent poll.

Mr Gerber said he was not prepared to comment until Mr Shadiack's letter had been before the council.

"I do, however, reserve the right to express myself publicly once the contents of the letter have been thoroughly considered".

Mr Gerber said he did not think the vacancy in ward 3 would be filled until October.

Dr Botha said in an interview he was unaware of irregularities in the recent election.

"I do not think the reasons given by Mr Shadiack for resigning are good enough. I feel he has left the voters in ward 3 in the lurch."

After incurring election expenses and winning the seat Mr Shadiack should have served his term on the council, Dr Botha said.

The mayor, Mr Gerrie Coetzer, said he had not been involved in the election and did not want to become involved in a dispute at present.

Princ

SA's defiant foreign policy 'short-sighted'

Cape Times 30/3/88 280

Own Correspondent

JOHANNESBURG. — Former South African ambassador to the United Nations Mr Kurt von Schirnding yesterday criticized the government's "short-sighted foreign policy of taunting foreign trade partners to impose sanctions".

Addressing the SA German Chamber of Commerce on international perspectives on SA, Mr Von Schirnding — in his capacity as SA Foundation director-general — said SA's defiant confrontation with trading partners in the United Nations by telling them "to do their damnedest" was confrontational and dangerous.

"The coutry's main Achilles heel is its lack of perception of what marketing is all about. We don't have many more feet to shoot ourselves in.

"However pressed we are to taunt powers to apply sanctions and do their damnedest, it is a very short-sighted policy to adopt. We cannot hide for ever between the veto power of the United States and Britain," he said.

He emphasized that the February 24 restrictions and the future of the temporarily reprieved Sharpeville Six had detrimental effects on the international community's perception of SA.

The Club speaks out on SA

Sowetan 31/3/88

280

FOCUS

Britain's Prime Minister Margaret Thatcher 'stands alone among Commonwealth leaders who have called for the imposition of economic sanctions on South Africa. But that doesn't mean the Commonwealth has given up, as its Secretary-General Shridath Ramphal, explains in this interview with AMEEN AKHALWAYA, editor of *The Indicator*. The interview was conducted at Lancaster House in London where Mr Ramphal officially opened a conference — on media censorship in South Africa.

AKHALWAYA. What is the position of the Commonwealth now on the question of sanctions (against SA)?

MR RAMPHAL: The position of the Commonwealth is unchanging The great majority of the Commonwealth, indeed the totality of the Commonwealth — save only for Britain — is that that is the only way forward, the necessary way forward, that is the right and the moral responsibility of the international community to apply pressure in all the areas in which it can apply pressure on Pretoria — not on the people, but the authorities in South Africa — to bring apartheid to an end

The argument in South Africa, especially by the Government and its supporters, is that sanctions cannot work, will not work and that they will merely harm the black people.

That's now a familiar alibi But there are two dimensions here The first is that you can never tell the degree to which sanctions can work unless you try them

So this is an alibi and it must be exposed We must encourage and convince Britain, the United States — at least the US administration — Germany, Japan, France, countries that have the biggest trading interests and investments in, and commitments to, South Africa, that they're on the wrong side of history if they stand aside from this important dimension of the struggle for freedom

But can you convince those countries?

Ashamed

I don't think we can convince them tomorrow, but I don't think we can live for just tomorrow We have to ensure in the Commonwealth and in every group of decent people around the world that the issues at stake in South Africa — indeed, now the issues that are at stake in southern Africa — are bigger than today, are bigger than trade, are bigger than investments and that we will all be ashamed in 10 years in 20 years, if we have to explain the reluctance of the world's major democracies to apply pressure to South Africa in terms of their material considerations, that their assessments at the time that it really wasn't in their material interest

Within South Africa, critics of sanctions and disinvestment argue that there is a lot of hypocrisy on the part of Commonwealth countries For example if you land at Jan Smuts Airport, the first sight you are likely to see is an Air Zimbabwe plane, and that it is politically comfortable for people like Robert Mugabe to talk sanctions, yet they are not prepared to do anything practical about it What is your assessment?

That's a glib kind of statement The truth is that we have to work with the realities of history, and a part of that history — indeed a part of the tactics of apartheid — was to make the neighbouring countries dependent upon South Africa, vulnerable to South Africa, and Zimbabwe is part of that

Ian Smith and Rhodesia ensured that linkage It can't be broken, it can't be fractured even, within a matter of years It is going to take a long time

So the countries like Zimbabwe — and there are others like Botswana, like Lesotho, which is an enclave, Swaziland, Angola and Mozambique — we have to regard as sui generis (unique), that because of their historical dependency, which itself is an offshoot of the apartheid strategy, they have got to proceed on issues like sanctions at a slower pace than the rest of the international community

Does that mean assisting the SADCC (Southern African Development Coordinating Conference)?

Symbol

It means assisting every element that is working for release from that dependency and SADCC is of course the prime symbol of that That is why the Commonwealth puts so much weight behind helping SADCC

Another argument heard in South Africa is that Commonwealth countries should be the last to try for a sanctions campaign because very few of them are democratic and therefore have no moral right to point fingers at Pretoria

First of all it is a lie Most of the Commonwealth countries are practical working democracies

We are not without blemishes There are Commonwealth countries that have military establishments, military regimes We are not proud of those regimes, neither are those countries We like to work within the framework of the Commonwealth for the return — as in Nigeria — to civilian rule

We don't attempt to hide that But to imply that South Africa is unlike those countries because it is a working democracy, is the biggest lie of all

The one thing that South Africa is not, is a democracy You cannot be a democracy in an enclave that is one-tenth of the community

So the sooner we call a spade a spade the better Let's recognise that in South Africa we're dealing with a military regime that shelters behind an electoral facade and let us recognise that there are some other countries that are military regimes too — some in the Commonwealth, some beyond — but that South Africa is the only country which makes a virtue almost a philosophy, an ideology of the system

And to that extent if we acquiesce, we become appeasers, we become accomplices The Commonwealth isn't about to do that

There is some feeling, some speculation gaining currency in South Africa that Margaret Thatcher is having her own version of constructive engagement because she is going to do another Zimbabwe on South Africa, that this will be her crowning exit Is there anything going on behind the scenes to this effect?

If there is something going on behind the scenes I'm not about to tell you! That's the first thing

The second is that Mrs Thatcher played an enormously important role in the freedom of Zimbabwe It's a role of which the Commonwealth is very proud

Which white Zimbabweans and white South Africans regard as a sell-out

I know But look at the reality The real reality — not the reality that's sometimes portrayed from Pretoria — is that Zimbabwe is emerging into nationhood

Yes, they have had their tribal conflicts But as I go to Zimbabwe — three, four, five times a year — as I work with the government of President Mugabe, with Joshua Nkomo now back in the fold, what I see is the working out of nationhood between the communities and I see a very lively partnership between black and white I don't see tribal problems between black and white

If white South Africa will only allow itself to see the reality in Zimbabwe, it will see a country that should give it encouragement, even hope

Is there anything really going on behind the scenes, if not with Thatcher, then another EPG (Eminent Person's Group) mission?

The Commonwealth will not give up on trying to help South Africa, black and white, to become a genuine multiracial democracy We nearly managed it with the EPG

Tragedy

It was within the grasp of Pretoria to have negotiations with the ANC, involving the ANC, in the context of a suspension of violence on all sides The EPG foundered not because it failed to produce the prospect of peace but because it succeeded

There were those in Pretoria who could not grapple with the concept of a negotiated peace, with a genuine settlement And that is the real tragedy

But would the EPG proposals have worked, given the nature of the extra-parliamentary organisations in South Africa and even in exile?

I don't think we would have had that experience We had reached a point in those discussions where we could have been talking about a suspension of violence on all sides, starting of course with the suspension of the violence of apartheid itself, which is the creator of violence in South Africa, but a suspension on all sides as a prelude to negotiations about political freedom in South Africa

In your view what would be the basic commitment needed from each of the many conflicting groups in South Africa to get a process of negotiation going?

White South Africa has to accept the end of white supremacy That's the bottom line



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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Sales based on commercial reasons

Metal Box pulls out for R148m

UK-BASED Metal Box PLC has disinvested from SA for R148,4m.

Barlow Rand is the ultimate beneficiary of the move.

Metal Box's 25% stake in Metal Box SA has been sold to packaging giant Nampak, owned by Barlow Rand, for R114m (£28,7m). And its 25% stake in Robor Industrial Holdings has been sold for R34,4m to Barlow Rand, which already has a 60% stake in the JSE-listed investment holding company.

The final amount paid to Metal Box PLC is subject to exchange-control regulations.

A Metal Box PLC spokesman Sean Travis Healy said in London the sale of its interests was based on commercial considerations and was not a politically motivated disinvestment.

Speculation that Metal Box PLC would exercise the option it had to dispose of its stake in Metal Box SA to Nampak had been rife since the start of the year.

Its decision to do so now apparently resulted from approval for the deal being obtained from the sole dissenting member of its board.

The long-term strengthening of the financial rand could also have been one of the persuading factors for going ahead with the sale.

LINDA ENSOR and
MIKE ROBERTSON

The Metal Box deal was concluded at 669c which represents a premium of 39,4% on the net-asset value of 480c which prevailed as at September 30, 1987, and a discount of 10,8% on the closing price of the share (750c) before trading was suspended in the Metal Box and Nampak shares at noon yesterday.

The suspension will be lifted when details of the deal are formally announced on or before next Thursday.

The shares in Robor were bought at 430c — much higher than yesterday's closing price of 375c but below net-asset value which, in September last year, was 484c.

The takeover of Metal Box SA, which in 1987 had a turnover of nearly R1bn, is a coup for Nampak which already owns 54% and now has a 79% stake. It is believed to have made an offer to the other minorities.

No details are available on how Nampak will finance the deal. At its year-end in September 1987, it had R60,5m available in cash. If borrowings are used to fund the balance this will have a dramatic effect on finance charges which at

● To Page 2

UK's Metal Box pulls out of SA for R148m

● From Page 1

a prime rate of 14% would escalate by R9,4m.

Gearing at the end of September 1987 was a low 18% so the group has the financial strength to expand its borrowings, but the effect on the bottom line of the additional income accrued from Metal Box would be diluted by the higher interest bill if borrowings are used.

On Metal Box's 1987 earnings, Nampak would have derived R38,9m from a 79% stake compared with the R26,6m which, in fact, flowed onto its balance sheet.

If the assumed finance charges are deducted, Nampak's earnings a share would have been 235c in 1987 rather than the actual 228c and 257,8c without that consideration

Metal Box SA will continue as a licensee with the right to use the name for a two-year period.

cials following the R29,85.

P10 3/3/88

Ex-SA ambassador criticises govt's foreign trade policy

JOHANNESBURG — The former South African ambassador to the United Nations, Mr Kurt von Schirnding, has criticised the government's "short-sighted foreign policy of taunting foreign trade partners to impose sanctions".

Addressing the South African German Chamber of Commerce on international perspectives on South Africa, Mr Von Schirnding — in his capacity as the South Africa Foundation director general — said Pretoria's defiant confrontation with trading partners in the United Nations by telling them "to do their damndest" to impose sanctions was confrontational and dangerous.

"However pressed we are to taunt powers to apply sanctions and do their damndest, it is a very short-sighted policy to adopt. We cannot hide for ever between the veto power of the Unites States and Britain," he said.

Mr Von Schirnding emphasised that the February 24 restrictions and the future of the temporarily reprieved Sharpeville Six had detrimental effects on the international community's perception of South Africa.

"The coutry's main Achilles heel is its lack of perception of what marketing is all about. We don't have many more feet to shoot ourselves in. The February 24 restrictions might have been necessary but not justified," he said.

He also questioned the necessity of the "imposition of draconian measures" while jeopordising South Africa's foreign relations.

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British Steel to quit SA

D/D 31/3/98

280

LONDON — British Steel was pulling out of South Africa, Mr Robert Atkins, junior trade and industry minister, told MPs yesterday.

But the state corporation, which is soon to be denationalised, made it clear later that the decision was being made on commercial rather than political grounds.

A spokesman said the corporation was not doing enough business to justify maintaining a sales office in Johannesburg. In recent years sales had averaged less than 2 000 tons a year.

The office, staffed by one salesman, his secretary and a driver, is expected to be closed by the end of May.

Mr Atkins made the announcement during the committee stage of the British Steel de-nationalisation bill in response to Labour amendments calling for the corporation to cut links with South Africa as a protest against apartheid. — DDC

Economic blows against SA have put reform into mothballs

Liberal orthodoxy continues to insist that trade sanctions and industrial disinvestment will hasten the end of apartheid. But W F DEEDES, former Editor of the London Daily Telegraph, found evidence to the contrary on a recent visit to SA

IT IS AS well that those on Washington's Capitol Hill who are just now calling for a second round in the disinvestment and sanctions campaign against South Africa do not have to present an annual report and accounts to shareholders. They would be found to have issued a false prospectus, to have been trading at a loss and now to be bankrupt.

A fresh look at the state of SA's economy and business confirms that not only are sanctions and disinvestment in SA failing to do what was promised of them, they are rapidly bringing about results exactly opposite to those desired.

Disinvestment by American companies has enriched a lot of white South Africans, who took over businesses at bargain basement prices. It destroyed black jobs. It dumped the Sullivan Code, which imposed conditions on American companies for treatment of their workers. It killed multi-million dollar social programmes. It removed America's voice from SA's affairs and weakened the liberal influence.

Politically, the consequences of this economic war are proving even more disastrous. They led directly to the recent rise in support for the Conservative and extreme right-wing HNP parties, which have supplanted the liberals as the principal opposition to government.

The consequence of that has been to put reform into mothballs. The last reformist speech by President P W Botha was in January 1986.

The cost to America herself has not been light. Her relations with SA are now at zero. Japan has moved in behind her to become SA's largest trading partner. I discount tales of intense diplomatic activity between SA and the Soviet Union (attributable, I suspect, to a desire to aggravate the US State Department), but there is growing commercial traffic between them.

The Japanese are under increasing pressure, particularly from Washington, to stop taking advantage of the situation in SA. They will not be easily persuaded. Japanese vehicles, for example, have become part of the blacks' biggest commercial success story — the growth of the SA Bus and Taxi Association (Sabta).

Begun in 1979 by 21 taxi drivers, Sabta now represents 45 000 minibus owners, 55 000 other employees and transports half-a-million passengers a day. It is the largest private-sector consumer of petrol, lubricants, tyres and spare parts in the country.

To damage SA to the extent the campaigners desire, it would be necessary to blockade the ports and sever telecommunications. Short of that, I foresee no crisis for SA's economy between now and the mid-1990s.

More than half SA's imports, being high value and low bulk, are in fact unsanctionable. It is impossible to police the export of diamonds.

Adverse winds have actually improved the position of many SA companies. They have led to new disciplines and tighter ships. The dangerous year was 1986, when there was a huge outflow of nervous capital. Thanks to the talents of Governor Gerhard de Kock at the Reserve Bank, that situation was repaired.

There are now positive signs of renewed confidence; indeed, a main private anxiety among those commanding the heights of the economy is that the Nationalist government will take it as a signal that all is well and best left alone."

In the long-term, certain adverse consequences will flow. The capital shortage will make itself felt, and with American ties severed SA will suffer from being outside the mainstream of modern technology. But that is not going to happen this year, or next.

So much for Neil Kinnock's most recent and fatuous observation to a South African publication: "The motivation for sanctions is neither vindictiveness nor vengeance, but speedy and certain change."

It will be argued that the importance of sanctions lies not so much in their practical effects as in their symbolic importance.

That would ring truer were countries like Canada and Australia, strong supporters of sanctions, not palpably influenced by knowing that SA's loss is their gain. Australia is in open competition for SA's coal exports. It would ring truer, again, if America's legislators were not so careful to exclude strategic minerals from their hit list

As some South African witnesses in Washington recently — for hearings on the Comprehensive Anti-Apartheid Act — reminded us, every main change for the good in SA in recent years has been brought about by economic realities. Economic growth erodes apartheid.

Sanctions have slowed down but not stopped the rise in SA's economic life of black owners, managers and above all entrepreneurs. That is where the political leverage will come from.

The campaign against SA's economy assists government in several ways. It gives them every pretext to centralise power. It offers an excuse for going slow on education, housing and other social programmes for the blacks. And it slows down the dismantling of the apartheid apparatus to meet the demands of industry and commerce. When booming industry called for more skilled black labour, pass laws had to go.

The black trade unions are in a harsh dilemma. Sanctions and disinvestment cost their members jobs. When the Americans left, their South African successors tightened business up and shed labour. Black union bargaining power has been weakened. Yet for political reasons the black unions cannot publicly oppose what they know to be most damaging to their interests.

As America is propelled towards yet stronger measures against SA, I see fresh perils arising for the West.

My inquiries in SA leave no doubt that nations are already cheating on a grand scale. The stronger sanctions become, the more profitable it will be to cheat. It is not difficult. This is a highly sophisticated world economy. Cheating over SA, I predict, is going to become progressively more damaging to international relations

With supreme irony, Botha and his companions in government strive to prove that action against them is wholly justified. Just as things calmed down, and some of the world entered second thoughts about this pyrrhic economic war, Botha and company gratuitously banned black organisations, picked a ludicrous quarrel with Archbishop Tutu and appeared eager to hang six Sharpeville blacks.

It is not wickedness. Cut off from the world, they can no longer follow international winds and tides. Between Western pressures and their own politics they are effectively locked in.

We have sterilised political possibilities in SA. In the years far ahead of us, historians will look back at this and say of us this was their silliest hour.

LOCAL MANUFACTURE

The soft option?

While there are advantages in striving for greater technological self-sufficiency, SA will never be self-sufficient as far as hardware manufacture is concerned.

This sobering warning comes from David Jacobson, group technology director for the Altron group and a former vice-president of the Council for Scientific and Industrial Research (CSIR).

Acknowledging that the "monster of sanctions ever lurking in the background" is a spur to greater self-sufficiency, he says however that a constraint under which we live is that high-technology industries know no boundaries.

"Electronics, for example, is an international business. Just open up a PC and see the United Nations of electronics represented by origins of components. So even if we design and construct our own hardware in SA the international umbilical cord of component and special material supply cannot be shaken off."

As, irrespective of sanctions, there are certain elements in computer hardware technology which will always have to be imported, this is a good argument for greater emphasis being placed on channelling the country's technologically creative energies into other avenues of the computer industry.

Software, he points out, can be developed and constructed in SA without having to import any component parts. But, he warns, expansion of the domestic software industry could be inhibited by a shortage of its most important ingredient — well-trained, good quality manpower. The desired expansion of software development in SA cannot be fuelled fully by the country's present complement of software engineers

"Both industry and government must ensure that the universities have sufficient financial support to adequately staff and equip the relevant departments. In turn the universities must produce graduates with minds open to knowing" ■

Isolating SA 'will not force change'

By Neil Lurssen,
The Star Bureau

WASHINGTON — A senior Reagan Administration official has told Americans that economic isolation of South Africa would concentrate even more power in white hands and contribute to the "powerlessness of blacks".

Embargoes could be an effective way of registering disapproval of another country's policies, but they had never been able to force fundamental constitutional change inside the countries against which they were targeted, Mr Charles Freeman, who serves as deputy to the Assistant Secretary of State for Africa, Dr Chester Crocker, told a foreign policy group in California

Mr Freeman was speaking against a background of renewed efforts in the US Congress to impose stringent economic sanctions against the Republic.

That process continues tomorrow when the liberal-dominated Africa sub-committee of the House of Representatives is expected to approve a tough package of punitive measures.

AROUSE A BACKLASH

Mr Freeman said sanctions had "tended to arouse a nationalist backlash and to unite those against whom they are directed more than to divide them or push them towards compromise and accommodation.

"South Africa seems unlikely to be an exception in this regard.

"The first consequence of the falling tax revenues that would follow a major economic contraction in South Africa would be reduced government expenditures on education, housing and other services for blacks, all of which have been expanding in recent years.

"Moreover, to the extent that sanctions seemed to threaten South African access to key industrial inputs and technologies, the State's role in the economy would expand as the government redirected investment towards achieving the same self-sufficiency in economic areas that it has successfully promoted in the arms industry."

Mr Freeman said this would concentrate even more power in the hands of the apartheid state, and it would deny blacks the opportunity to develop the economic muscle they needed to strengthen their bargaining power against apartheid.

INTERNATIONAL

Sanctions: US business starts to fight back

From ALAN DUNN, The Argus Foreign Service

WASHINGTON. — American businesses still operating in South Africa have publicly fired their first shot at pro-sanctions lawmakers by snubbing a House of Representatives panel probing oil sanctions.

This was the start of a series of moves against a sanctions momentum which has grown in Washington in the last three years.

Six oil companies, as well as the State Department and other officials of the Reagan Administration, refused to testify before the House's sub-committee on mining and natural resources. The panel was staging a hearing on a Bill called the Anti-Apartheid Petroleum Sanctions Act.

The Bill, drafted by Congressman Bob Wise of West Virginia, severely penalises US oil companies operating in South Africa or the US subsidiaries of multinational oil interests still operating in South Africa.

Cripple

"Sanctions placed on the oil industry would cripple the country's transportation system and defence forces," said Mr Wise. It would leave South Africa without the capital and expertise needed to maintain oil production. "The resulting financial burden would be almost devastating, forcing South Africa to come to the bargaining table," he said.

In its written testimony to the sub-committee, Mobil Oil Corporation, America's largest employer in South Africa, warned that imposing total sanctions would be tantamount to the US playing its "last card" against apartheid.

Mobil said the measures would not have the effect sponsors desired, and pooh-poohed an assertion that the oil legislation would hit at South Africa's "energy jugular".

South Africa could replace any technology US oil companies removed in withdrawing from the country, said Mobil, which has about $400-million invested.

Barratt warns of dangers of SA's mental isolation

DP 9/4/88

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Daily Dispatch Reporter

GRAHAMOWN — South Africans were bringing on themselves, through the agency of government and the security regulations, an isolation of the mind — a sort of psychological imprisonment.

This was said by the director-general of the South African Institute of International Affairs, Mr John Barratt, at the first of two graduation ceremonies at Rhodes University here last night.

"It is as if we preferred the security and certainty of this prison to the problems and insecurities of the world outside," he said

But this isolation of the mind was the antithesis of a university and this trend should be resisted by graduates as they moved out from the university.

The growing pressure on universities stemmed from a belief on the part of government, and possibly large sections of the white community that they could and should be isolated from society as a whole.

"Life would be more comfortable in an isolated tower of learning but this would be abdicating the role of universities which is to be on



MR BARRATT

the cutting edge of change in all its aspects," he said

The threat of isolation came from all sides most obviously by the international community through sanctions and boycotts.

"We cannot develop as a modern nation if channels for the free flow of scientific and technological information become blocked and if academic interchange is increasingly limited," he said.

Instead South Africa was threatened with becoming a stagnant intellectual backwater with the great universities downgraded in the western world.

Conditions could be ameliorated in ways, as the reforms of the first half of the 1980s did, but as long as the majority of people were denied full political and economic rights the western world would not turn a blind eye.

Much of this isolation was self-imposed, even invited The security forces operated with impunity in other countries on the grounds they were countering a threat to the established order.

"A cordon of bitterness is being strengthened around us, isolating us further while revulsion grows in the west at this reliance on brute strength," Mr Barratt said.

No strong voices of dissent were raised by liberal politicians or business leaders for fear of being pilloried as unpatriotic or weak on security.

The media should be an important means of countering this isolation from international and domestic realities..

But the powerful electronic media were fully under official control while the press was gradually being co-opted into submission or was concerned primarily with circulation figures and financial results.

"There is no adequate debate on our international and regional relations in spite of the implications for our future," Mr Barratt said.

Universities and other research and educational institutions could play a constructive role in promoting greater awareness and more informed understanding of these issues.

"In this regard Rhodes is to be congratulated on a new initiative in establishing the International Studies Unit which hopefully will strengthen the study of international relations here and contribute to a broader and more informed debate," he said.

D|D 6/4/88

Sanctions

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This was their silliest hour

Liberal orthodoxy continues to insist that trade sanctions and industrial disinvestment will hasten the end of apartheid. But W. F. DEEDES, former British Cabinet minister and editor of the Daily Telegraph who has just returned to London from Johannesburg, found evidence to the contrary.

It is as well that those on Washington's Capitol Hill who are just now calling for a second round in the disinvestment and sanctions campaign against South Africa do not have to present an annual report and accounts to shareholders. They would be found to have issued a false prospectus, to have been trading at a loss and now to be bankrupt.

A fresh look at the present state of South Africa's economy and business confirms that not only are sanctions and disinvestment in South Africa failing to do what was promised of them. They are rapidly bringing about results exactly opposite to those desired.

Disinvestment by American companies has enriched a lot of white South Africans, who took over businesses at bargain basement prices. It destroyed black jobs. It dumped the Sullivan Code which imposed conditions on American companies for treatment of their workers. It killed multi-million dollar social programmes. It removed America's voice from South Africa's affairs and weakened the liberal influence.

Politically, the consequences of this economic war are proving even more disastrous. They led directly to the recent rise in support for the Conservative and extreme right-wing HNP parties, which have supplanted the liberals as the principal opposition to government. The consequence of that has been to put reform into mothballs. The last reformist speech by President Botha was in January 1986.

The cost to America herself has not been light. Her relations with South Africa are now at zero. Japan has moved in behind her to become South Africa's largest trading partner. I discount tales of intense diplomatic activity between South Africa and the Soviet Union (attributable, I suspect, to a desire to aggravate the State Department), but there is growing commercial traffic between them.

The Japanese are under increasing pressure, particularly from Washington, to stop taking advantage of the situation in South Africa. They will not be easily persuaded. Japanese vehicles, for example, have become part of the blacks' biggest commercial success story — the growth of the South African Black Taxi Association.

Begun in 1979 by 21 taxi drivers, SABTA now represents 45 000 minibus owners, 55 000 other employees and transports half a million passengers a day. It is the largest private-sector consumer of petrol, lubricants, tyres and spare parts in the country.

To damage South Africa to the extent the campaigners desire, it would be necessary to blockade the ports and sever telecommunications. Short of that, I foresee no crisis for South Africa's economy between now and the mid-1990s. More than half South Africa's imports, being high value and low bulk, are in fact unsanctionable. It is impossible to police the export of diamonds.

Adverse winds have actually improved the position of many South African companies. They have led to new disciplines and tighter ships. The dangerous year was 1986, when there was a huge outflow of nervous capital. Thanks to the talents of the Reserve Bank officials, that situation was repaired. There are now positive signs of renewed confidence, indeed a main private anxiety among those commanding the heights of the economy is that the Nationalist Government will take it as a signal that all is well and best left alone.

In the long term, certain adverse consequences will flow. The capital shortage will make itself felt and with American ties severed, South Africa will suffer from being outside the mainstream of modern technology. But that is not going to happen this year or next. So much for British opposition Labour leader, Mr Neil Kinnock's, most recent and fatuous observation to a South African publication. "The motivation for sanctions is neither vindictiveness nor vengeance, but speedy and certain change."

It will be argued that the importance of sanctions lies not so much in their practical effects as in their symbolic importance. That would ring truer were countries like Canada and Australia, strong supporters of sanctions, not palpably influenced by knowing that South Africa's loss is their gain.

Australia is in open competition for South Africa's coal exports. It would ring truer, again, if America's legislators were not so careful to exclude strategic minerals from their hit list.

As some South African witnesses in Washington for hearings on the comprehensive Anti-Apartheid Act reminded us, every main change for the good in South Africa in recent years has been brought about by economic realities. Economic growth erodes apartheid.

Sanctions have slowed down but not stopped the rise in South Africa's economic life of black owners, managers and above all entrepreneurs. That is where the political leverage will come from.



Helen Suzman ... are there people who believe labour power is more effective when there is unemployment?

The campaign against South Africa's economy assists the Government in several ways. It gives them every pretext to centralise power. It offers an excuse for going slow on education, housing and other social programmes for the blacks. And it slows down the dismantling of the apartheid apparatus to meet the demands of industry and commerce. When booming industry called for more skilled black labour, pass laws had to go.

The black trade unions are in a harsh dilemma. Sanctions and disinvestment cost their members jobs. When the Americans left, their South African successors tightened business up and shed labour. Black union bargaining power has been weakened. As Helen Suzman has just put it in a submission to the Congressional Sub-Committee on Africa: "Are there people who really believe that labour power is more effective when people are unemployed?" Yet for political reasons the black unions cannot publicly oppose what they know to be most damaging to their interests.

White labour can respond differently. It has the vote. Most analogies with Rhodesia are false, but one is not. White artisans in Rhodesia, defending their jobs against black advancement, were the foundations of former Rhodesian Prime Minister Ian Smith's party. We see that movement, stimulated by the economic war against South Africa, repeating itself.

As America is propelled towards yet stronger measures against South Africa, I see fresh perils arising for the West. My inquiries in South Africa leave no doubt that nations are already cheating on a grand scale. The stronger sanctions become, the more profitable it will be to cheat. It is not difficult. This is a highly sophisticated world economy. Cheating over South Africa, I predict, is going to become progressively more damaging to international relations.

There are other dangers. With mixed, but let us say predominantly good intentions, the West is making a tremendous ass of itself in South Africa and this is not passing unobserved. There is much tittering in small embassies about it in Pretoria, which I find depressing.

With supreme irony, Botha and his companions in the government strive to prove that action against them is wholly justified. Just as things calmed down, and some of the world entered second thoughts about this pyrrhic economic war, Botha and company gratuitously banned black organisations, picked a ludicrous quarrel with Archbishop Desmond Tutu, and appeared eager to hang six Sharpeville blacks.

It is not wickedness. Cut off from the world, they can no longer follow international winds and tides. Between Western pressures and their own politics they are effectively locked in. We have sterilised political possibilities in South Africa. In the years far ahead of us, historians will look back at this and say of us, this was their silliest hour.

'No SA arms' for Red China'

Staff Reporter

NO South African weapons would be displayed in the Chinese capital Beijing — or be privately shown to Chinese army chiefs, Armscor spokesmen said yesterday.

Armscor's director of Public Relations, Mr Johan Adler, said in a statement: "Armscor denies categorically any plans to exhibit its weapons in Red China."

This directly contradicts a report in the latest edition of the reputable Jane's Defence Weekly. When this report was put to Armscor on Wednesday night, a spokesman told the Cape Times that they had "no comment".

Surprised

Another spokesman, Mr Bertram Retief, last night reaffirmed Mr Adler's statement and said Armscor would not show weapons, "before, during or after the show", either publicly or in private.

The Jane's report surprised political analysts, in light of South Africa's strong anti-communist stance.

It quoted Armscor chief executive Mr Johan van Vuuren as saying that other than in Chile: "We go to other shows where we take hotel rooms to talk to potential customers privately, but we can't come officially."

Barlow gets Metal Box for R148m

JOHANNESBURG —UK-based Metal Box PLC has disinvested from South Africa for R148,4m.

Barlow Rand is the ultimate beneficiary.

Metal Box's 25 per cent stake in Metal Box SA has been sold to packaging giant, Nampak, owned by Barlow Rand, for R114m. And its 25 per cent stake in Robor Industrial Holdings has been sold for R34,4m to Barlow Rand, which already has a 60 per cent stake in the JSE-listed investment holding company.

The final amount paid to Metal Box is subject to exchange-control regulations.

A Metal Box spokesman, Mr Sean Travis Healy, said in London the sale of its interests was based on commercial considerations and was not a politically motivated disinvestment.

Speculation that Metal Box would exercise the option it had to dispose of its stake to Nampak has been rife.

Its decision to do so now apparently results from approval for the deal being obtained from the sole dissenting member of its board.

The long-term strengthening of the financial rand could also have been one of the persuading factors.

The Metal Box deal was concluded at 669c which represents a premium of 39,4 per cent on the net-asset value of 480c which prevailed as at September 30, 1987, and a discount of 10,8 per cent on the closing price of the share (750c) before trading was suspended in the Metal Box and Nampak shares.

The suspension will be lifted when details of the deal are formally announced on or before next Thursday.

The shares in Robor were bought at 430c — much higher than the closing price of 375c but below net-asset value which, in September last year, was 484c.

The takeover of Metal Box SA, which in 1987 had a turnover of nearly R1bn, is a coup for Nampak which already owns 54 per cent and now has a 79 per cent stake. It is believed to have made an offer to the other minorities.

Metal Box SA will continue as a licensee with the right to use the name for a two-year period. — Sapa.

Four more major firms to quit SA

ster 2/4/88

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Four big companies said this week they were pulling out of South Africa, the target of worldwide outrage for its crackdown on black opposition at home and abroad.

American resource company Newmont Mining Corporation said on Wednesday it would sell its share interests in four large South African firms.

The state-owned British Steel Corporation, packaging giant Metal Box and international services company BET also announced plans to sell their assets and withdraw.

The spate of disinvestment followed international condemnation of a South African military raid into neighbouring Botswana and the killing in Paris of a representative of the African National Congress (ANC). Pretoria has dismissed accusations of involvement in the Paris killing.

The outcry has grown since Pretoria earlier this month banned 17 black dissident groups and plunged into a worsening conflict with anti-apartheid churches.

South African business leaders said the crackdown revived a campaign in the US Congress for more punitive economic measures against Pretoria, and heaped pressure on President Ronald Reagan and British Prime Minister Margaret Thatcher to abandon their long-held anti-sanctions stance.

Former chairman of Anglo American and De Beers corporation Mr Harry Oppenheimer said: "The question arises as to how long the US will maintain this internationally unpopular position after a change of president, or if there are further security actions of our Government, domestically or in the region."

MrOppenheimer's warning, in a public speech, came only days before the South African military raid into Botswana and two separate clashes with alleged ANC guerillas, near the borders with Botswana and Zimbabwe, which left a total of 11 people dead.

Three of the four firms now joining the corporate exodus from South Africa cited commercial rather than political reasons. Analysts contend, however, that the real reason for the wave of disinvestment is a mix of political and economic factors coupled with pressure by anti-apartheid activists and shareholders, particularly in the US.

"The full explanation stems from a complex calculation involving assessment of the current profitability of the South African economy, its future prospects given the exacerbation of its political crisis, and the public and shareholders' resistance to companies in South Africa," the British Anti-Apartheid Movement said in a report to be published next week.

One in five British companies operating in South Africa has withdrawn over the past two years, reducing the number still here from 297 to 235.

Drop in investment

Total British investment, which accounts for about 40 percent of all foreign investment in South Africa, fell from from £6 billion (about R24 billion) in 1980 to £2,9 billion (about R12 billion) in 1986.

About 140 US companies have pulled out of South Africa over the past three years, citing anti-apartheid pressure and the unfavourable political and economic climate, according to the Washington-based Investor Responsibility Research Centre.

Japan, which in 1986 supplanted the US as South Africa's biggest trading partner but has no direct investment in the country, is also under pressure to scale back its business involvement in the country.

Mr Hajime Tamura, Japan's powerful Trade and Industry Minister on Monday urged the country's six big trading houses to restrain trade with South Africa. Tokyo is increasingly embarrassed about its position as Pretoria's number one trading partner.

The anti-apartheid pressure often emanates directly from shareholders. IBM and Chevron Corporation, both said this week they face shareholders' proposals to cut all business ties with South Africa.

IBM disinvested last year, but granted its former South African subsidiary, International Services Management Ltd, exclusive rights to sell IBM equipment and services.

Chevron owns 50 percent of Caltex Petroleum Corporation, whose South African subsidiary has a refinery in South Africa producing petrol and other petroleum products. — Sapa-Reuter.

W German coalition in row over sanctions

The Star's Foreign News Service

MUNICH — A long-simmering and potentially disruptive row within the West German government over its South Africa policy has flared again following the return from Johannesburg of two members of the Bonn coalition.

The two, Mr Gerhart Baum and Mr Burkhard Hirsch of the minority Free Democratic Party, said their one-week tour of South Africa had convinced them that only sanctions could persuade the government there to change course.

An angry deputy leader of the Bonn coalition's other minority party, Mr Erwin Huber, deputy general secretary of the Bavarian Christian Social Union, yesterday accused the two of an "affront" against the Bonn government.

In an interview in the daily Die Welt, Mr Huber said Mr Baum and Mr Hirsch were "talking South Africa into crisis". Compared to what Bavarian Prime Minister Franz-Josef Strauss had achieved on his recent visit to South Africa, Mr Baum and Mr Hirsch had returned with empty hands as "unsuccessful political globetrotters", said Mr Huber.

The Free Democrats are still angry over the visit to South Africa by Mr Strauss, chairman of the Christian Social Union. They feel he usurped the responsibilities of Foreign Minister Mr Hans-Dietrich Genscher, chairman of the Free Democrats.

Following their return from South Africa on Friday, Mr Baum and Mr Hirsch called for specific sanctions aimed at weakening the South African Government and strengthening the opposition.

They suggested limiting air links with South Africa, introducing visa requirements for South African visitors, an end to all economic co-operation and a ban on selected exports.

Chancellor Helmut Kohl was likely to come under growing parliamentary pressure to decide on limited sanctions against South Africa following a surge of domestic criticism of Pretoria.

The pro-sanctions camp may be strengthened by the murder of the ANC representative Mrs Dulcie September in Paris.

Blacks worse off after embargoes — envoy

BONN — South Africa's ambassador to West Germany yesterday said that foreign interference and sanctions against his government had served only to increase tensions in South Africa.

In a full-page advertisement in the mass-circulation **Bild** newspaper, Mr Willem Retief said anti-apartheid sanctions on South Africa had worsened the situation of blacks in the country.

"Instead of helping South Africa on a difficult road, foreign interference has contributed to destabilisation, inflamed emotions and created more hatred," the advertisement said.

"There are no easy solutions to the many and complicated problems facing South Africa," Mr Retief said. "Sanctions can only hinder the process of finding these solutions."

There have been recent calls in Chancellor Mr Helmut Kohl's conservative coalition government for tougher sanctions on South Africa. Sapa-AP

Foreign action harms blacks envoy

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BONN (West Germany) — South Africa's ambassador to West Germany yesterday strongly criticised foreign interference in his country.

He said that such interference and sanctions against his government had served only to increase tensions in South Africa.

In a full-page advertisement in the mass-circulation Bild newspaper, the ambassador, Mr Willem Retief, said anti-apartheid sanctions against South Africa had worsened the situation of blacks in the nation

"Instead of helping South Africa on a difficult road, foreign interference has contributed to destabilisation, inflamed emotions and created more hatred," Mr Retief said.

"There are no easy solutions to the many and complicated problems facing South Africa," the ambassador said.

"Sanctions can only hinder the process of finding these solutions."

The imposition of harsh economic sanctions would ultimately lead to "an economic catastrophe for Europe, which relies on South Africa for many raw materials."

There have been recent calls in the conservative coalition government of the West German Chancellor, Mr Helmut Kohl, for tougher sanctions against South Africa.

Mr Kohl has so far opposed such sanctions.

He has said that they would harm the black majority more than the South African Government. — Sapa-AP

Mitterrand reconsiders sanctions

Cape Times 5/4/88

PARIS. — President Francois Mitterrand said the murder last week of an ANC official had rekindled the question of economic sanctions against Pretoria, but he ruled out a break in diplomatic relations.

President Mitterrand said: "The crime committed raises even more ardently" the role of economic sanctions. But "a rupture is an impossibility".

When asked if he suspected South African involvement in the murder, he said: "I have had suspicions about the (South African) regime for a long time, but with regard to the assassination of Dulcie September, I can say nothing definite even if my intuition tells me something else."

Ms September, 53, was found shot to death in front of the door to her office in central Paris. Police said at the time that they had no witnesses and no material clues beyond the .22-calibre cartridge casings found at the scene.

On Saturday, the French daily Le Monde said Western intelligence agencies in Paris were convinced that South African secret service agents were responsible for the murder.

The front-page story said intelligence personnel believed the South African National Intelligence Service, if not directly involved, at least ordered the murder and possibly organized it.

And in Washington, FBI agents have repeatedly warned black South African anti-apartheid activists in the United States that they may be targets of "hit squads" dispatched by the Pretoria government. — Sapa-AP-UPI

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Sanctions study may embarrass Kennedy

by SIMON BARBER

WASHINGTON — An in-depth study of sanctions by an independent government oversight agency could turn into an acute embarrassment for the man who commissioned it, Senator Edward Kennedy

The study by the general accounting office (GAO) has yet to be completed but according to administration and corporate officials familiar with its preparation, its preliminary findings are close to those of the author of the recent economist report debunking sanctions, Mrs Merle Lipton.

These conclusions were reached despite South Africa having refused to issue a visa to a member of the team

Two researchers were finally allowed into South Africa earlier this year, but, inexplicably, they had to be sent from the Frankfurt office

Mr Kennedy is a co-sponsor of the senate version of Congressman Ron Dellum's total disinvestment bill and had been expected to unveil the report at hearings kicking off the as yet unscheduled senate sanctions debate

As part of an overall assessment of how the US should proceed beyond the 1986 comprehensive anti-apartheid act, Mr Kennedy asked the GAO to look at;

- South Africa's trade relationships with third countries,
- US trade-related bank-lending to South Africa;
- The impact and true extent of disinvestment by US firms,
- and the depth of US reliance on South African minerals.

While specific recommendations are not part of the GAO's brief, the report is said to raise powerful practical objections to Congressman Dellum's bill and other related legislation embargoing South African diamonds and attempting to force the departure of foreign oil companies.

"This is not the report Kennedy was looking for," one official said.

A senator may not suppress a GAO report he has requested. If he chooses not to release it, and it is not classified, the agency will automatically publish it thirty days after completion.



MR KENNEDY

Metal Box pull-out startles the unions

Despite a Cosatu call to disinvesting companies to to inform unions, Metal Box, which has a liberal reputation on labour matters, pulled out quietly. HILARY JOFFE reports

WORKERS at Metal Box are surprised and concerned that they were given no indication of the disinvestment move by UK-based Metal Box, National Union of Metalworkers' organiser Bobby Marie said this week.

The British multinational last week said it had sold its 25 percent stake in Metal Box South Africa to Nampak, a Barlow Rand subsidiary, for R114-million. Nampak previously owned 54 percent of the company.

"It came as news to us," said Marie. "And we are concerned that management did not have the courtesy to mention it to us and explain its implications."

As yet it's unclear whether there will be any implications, since the British company only had a minority holding. The technical agreement between the two companies will be continued.

But Numsa was surprised that it was not informed of the disinvestment, since Metal Box SA has adopted a progressive approach to industrial relations. It consults with shop stewards and union organisers on a range of issues, including, for example, its social responsibility projects.

The company is aware of Cosatu affiliates' policy on disinvestment, which includes a call for disinvesting companies to negotiate disinvestment issues with unions in organised plants.

Marie says the union will be approaching Metal Box management to discuss the issue.

In its R148,4-million disinvestment, British company Metal Box also sold its 25 percent stake in Robor Industrial Holdings for R34,4-million to Barlow Rand, which already owns 60 percent of Robor. Barlow Rand is thus the ultimate beneficiary of the pullout.

A Metal Box spokesman was reported from London as saying the sale of the multinational's South African assets was based on commercial rather than political considerations.

The number of British companies which have disinvested from South Africa is relatively small compared with the 140 US companies which have pulled out over the last three years. Barclays Bank and Standard Chartered Bank were among the biggest British moves.

From London, British Industry Committee on South Africa (Bicsa) spokesman Nick Mitchell said this week he believed the Metal Box disinvestment was not part of a pattern, although "one can't exclude the possibility of other companies saying the economic advantage of staying in South Africa is outweighed by the disadvantage.

"By the beginning of this year there was less pressure but events in South Africa over the past few weeks have made life more difficult."

Bicsa's members comprise 40 of the largest British companies which have South African investments, making up an estimated 70 to 75 percent of the value of total investment. The committee was set up in January 1986 with combatting the sanctions campaigns as one of its primary aims.

Altogether there are about 160 British companies with South African investments. British direct investment in South Africa was estimated at £6-billion in 1984. With the decline in the value of the rand and some disinvestments since, this figure has probably remained at about that level, Mitchell estimates.

He adds that British associated companies in South Africa were spending more than R100-million a year on social investment, according to research done last year. The money was being allocated primarily towards education, housing and job creation.

● British industry's "Marshall Aid" plan for South Africa, reported in the press last year, never really existed, says Mitchell. A proposal was circulated for collective action on social change by British companies operating in South Africa. But Bicsa members rejected this in favour of continuing and expanding individual companies' social spending programmes.

in fifty years

the rice, cotton, and soya revealed the full extent of US market power. In the case of rice, US action cut world prices from $230 to $170 a ton.

The EC has not been above pursuing agricultural policies with a disastrous developmental impact. Thanks to the CAP, the Community has become a major exporter of agricultural goods marketed with the aid of export subsidies.

Overall, CAP export subsidies are estimated to reduce the prices of temperate foodstuffs by 16 percent.

Attempts to resolve the international food crisis are focused on Gatt where the Reagan administration remains committed to complete free trade in farm produce by the year 2000.

For the majority of developing

Japan moves to cut SA platinum purchases

TOKYO. — Japan has been increasing its platinum purchases in spot markets because end-users here are trying to cut their direct trade with SA, precious-metal traders in Tokyo said.

Political tensions over SA have been forcing a variety of industries to switch their main supply source, and platinum imports are no exception, they said.

Japan has been the biggest non-communist platinum consumer for some years. Johnson Matthey estimates it used around 50,4 tons in 1987, well over half non-communist world output.

Japanese platinum imports in February jumped to a record 11,1 tons against the previous record of 8,8 in November 1987, official Japanese data shows.

"Recent offtake by unknown Japanese trade houses in European physical markets has proven that auto makers, and probably other industries, have already started seeking other platinum suppliers rather than SA," one precious metal dealer at a major trade house said.

Japanese trade houses bought more than one ton of platinum in late March, trade sources here calculated.

They bought the ton in European markets and are estimated to have bought another 300kg recently on the Japanese spot market, the sources said.

This is strongly related to the SA issue, they said.

The trade sources added that direct imports from other suppliers are rising fast.

SA platinum exports to Japan fell to 1,92 tons in February from 2,33 in January and 3,42 a year ago, ministry of finance custom-cleared figures show.

Money Market | LSE prices | Krugerrands | ... indices

DLD 8/4/86

Call for halt to alleged industry bid by SA

LONDON — The British Government has received calls from the opposition Labour Party to a halt a reported bid by South African businesses to buy into Britain's electricity industry when it is privatised next year.

The London Daily Mail said yesterday the South African move was being seen as "a blatant attempt by the apartheid regime to increase dramatically the amount of coal its sells to the UK.

"Power stations are the biggest single coal users in this country."

The newspaper said South Africa at present exported about half a million tons a year to Britain, a tiny proportion of the 103 million tons produced in the UK's own pits and the 10,75 million tons imported from other countries.

The Daily Mail said a top-level delegation from South Africa would visit Britain this month to convince ministers that such a development would mean cheaper electricity for homes and industry.

The delegation would include Mr Allen Cook, of Rand Mines, and Mr Bernard Holtshousen, of Gencor.

Labour MPs have called on the Energy Secretary, Mr Cecil Parkinson, to give categorical assurances that South Africa would be specifically excluded from any involvement in the privatised industry.

Labour MP, Mr Bob Cryer, said, "So far the government have failed to provide any effective guarantees in previous privatisations to prevent foreign take-overs." — Sapa

D/D 9/4/88 (280)

Another call by Kaunda for sanctions

BRUSSELS — President Kenneth Kaunda of Zambia urged the European Community yesterday to impose more sanctions against South Africa and said the situation in the region was explosive.

The West German Foreign Minister, Mr Hans-Dietrich Genscher, who currently holds the EC's rotating presidency, flew to Brussels specially for a one-hour meeting with Dr Kaunda, who is attending a world food conference here.

"It is an explosive situation and I think it is important for the minister to come and see for himself what's taking place there," President Kaunda, the current chairman of the Organisation of African Unity, told journalists.

He said he had reiterated his calls for abolishing apartheid and for mandatory sanctions against South Africa.

The 12-nation EC has introduced only limited economic sanctions which developing contries say do not go far enough.



DR KAUNDA

Mr Genscher said he planned to visit Zambia in the second half of this year.

He added: "We agreed on the assessment that apartheid cannot be reformed and must be abolished. To establish the necessary prequisites to make a political dialogue possible, political prisoners must be released." — Sapa-Reuter

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Democrats moot radical sanctions

From SIMON BARBER

WASHINGTON. — Democratic Party leaders in the US House of Representatives, after behind closed door deliberations, have settled on a package of radical new sanctions which is expected to be rubber-stamped by Congressman Howard Wolpe's Africa subcommittee on Wednesday.

The measures, which are based on Congressman Ron Dellums's total disinvestment bill, are expected to be approved by the full chamber without major modification. The Senate's plans remain unclear.

Key features of the sanctions package, as outlined in an official summary, are:

● The forced withdrawal of all remaining US companies and investment, and an embargo on all South African products except "otherwise unavailable strategic minerals for economy or defence".

● The denial of federal coal, gas and oil leases to "non-US persons investing in or exporting oil to South Africa oil industry", plus a ban on "US-owned, controlled or registered ships transporting oil to South Africa".

● A prohibition on military and intelligence co-operation including "co-operation in collection or exchange of intelligence and in exchange of defence attaches".

● A mandatory provision obliging the President to "pursue international agreements on security council action and also retaliate, through import or government contracting provisions, against companies taking commercial advantage of US sanctions".

● Adding implementation of UN resolution 435 to the conditions South Africa must meet for sanctions to be lifted.

● A similar non-binding resolution, modelled on a measure already approved by the Senate Foreign Relations committee, seeking the closure of two South African consulates, a freeze on South African embassy staff and a case-by-case review of visa applications by South Africa citizens, "epecially government officials".

● An administration study, to be delivered within six months, of "possible actions to limit or reduce South Africa's foreign exchange earnings from gold and ... mechanisms to avoid or minimize any adverse effects to US gold mining industry".

The new package includes "up to $40 million (R20 million)" in "aid for disadvantaged South Africans and Namibians, with $4 million specifically set aside for "refugee education".

The programme would "emphasize training and legal assistance for journalists, aid to major trade union federations and their affiliates and other viable unions in South Africa/Namibia ... as well as aid through scholarships, for private enterprise, alternate education and community development".

The proposed bill merely "authorizes" the expenditure and does not formally "appropriate" the funds, which could therefore turn out to be substantially less than promised.

Finally, the President is required to create a new office in the State Department, headed by a deputy assistant secretary, "to co-ordinate monitoring, enforcement and public information dissemination regarding US and other sanctions against South Africa".

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MG&S 11/4/88 280

Japan takes action against trade with SA

NAIROBI — Japan is campaigning for closer ties with black Africa while trying to curb the growth of its new role as South Africa's top trade partner.

The strategy, a leading Tokyo economist said during a visit to Nairobi this week, marks a shift away from a policy that has long been dictated by the needs of Japanese industry for metals and minerals produced by South Africa.

"I believe Japan's action to tone down trade and business with South Africa is not just rhetoric, or lip service," said Mr Ichiro Inukai.

Mr Inukai, economics professor at the International University of Japan, visited Kenya as an envoy of the Japanese Foreign Ministry.

He said in an interview that Tokyo's relations with black Africa reflected sharply rising aid, efforts to bolster trade and participation in mineral exploration.

His trip came amid a flurry of diplomatic visits scheduled by officials from Zambia, Mozambique, Ethiopia, Somalia, Rwanda and Botswana to Japan in the first half of 1988 to discuss aid.

Development aid

Japan has earmarked R1 000-million in development aid for black Africa in the next two years.

This, Mr Inukai said, means that Africa will get 11 percent of Japan's aid to the Third World, up from only three percent in 1970.

Mr Inukai described as "unusual" the decision of Japan's Minister of Trade and Industry, Mr Hajime Tamura, to summon the presidents of six major trading houses last month to urge them to restrain trade with South Africa.

Tokyo's trade with South Africa developed from its drive to rebuild the Japanese economy after World War 2.

Concrete action

"We could say that because of raw materials, resources which Japan didn't have and couldn't get outside South Africa, we've had a sort of excuse so far ... trade with South Africa could be regarded as a matter of national security," Mr Inyukai said.

But, he added: "Bearing in mind world opinion on apartheid and the economic power Japan now has, it seems that our Government has finally decided to take concrete action."

Japan last year replaced the United States as South Africa's biggest trade partner and is sensitive to charges

number for continued economic ties with South Africa as vital to both sides.

that it is exploiting a vacuum created by the withdrawal of American, British and other companies over apartheid.

But Mr Inukai quotes a business leader in Tokyo telling him that Japanese firms in black Africa were complaining. "Report after report said 'please take some action'," the businessman recounted.

Mr Shigeru Yamakawa, Nairobi-based executive director for the semi-official Japan External Trade Organisation (Jetro) in Africa, says a tendency to monitor trade in dollar terms is misleading.

Two-way trade reached 4 300-million dollars in 1987, up 19 percent in dollar terms but two percent in yen terms over 1986, according to the Japanese Foreign Ministry.

Japan sells mainly cars, television sets and other electrical and electronic gadgets to South Africa. It buys coal, gold, platinum and strategic metals and minerals, like manganese and ferro-alloys, along with grain.

Bans imports

Tokyo has barred direct Japanese investment in South Africa, and bank loans and arms sales to it, since 1965.

It now also bans imports of Krugerrands and sales of computers to the South African police and military, restricts tourism, cultural and educational links, and no longer permits the Jetro office there to promote new business.

Mr Yashuji Akagawa, head of the giant Marubeni trading firm's South Africa office, voiced support last September for continued economic links with South Africa as vital to both sides.

But Mr Inukai quotes a business leader in Tokyo telling him that Japanese firms in black Africa were complaining. "Report after report said 'please take some action'," the businessman recounted.

Mr Inukai said that ideas to limit ties with Pretoria and boost black African trade include switching some Japanese purchases of maize from South Africa to countries like Zimbabwe, Kenya and Tanzania.

Japan, which already buys copper from Zambia and Zaire, and iron ore from Liberia, was looking, too, at whether black African countries could supply strategic materials such as uranium and platinum, that it now buys from South Africa.

Mr Inukai said it appeared that the Japanese Government may at present want to halt only further growth in trade with South Africa. But in the long term it might seek a reduction.

"That could depend on where we can get alternative supplies of chrome, nickel and those kind of rare metals," he added. Kapa Reuter

AK695 · 11/4/88

Sanctions 'have cost US coal industry R500-m'

280

By NEIL LURSSEN
Argus Africa News Service

WASHINGTON. — As the United States Congress prepares demands for even tougher sanctions against South Africa, a new study claims that existing embargoes cost the US coal industry about R500-million between 1985 and 1987.

The loss will be even greater if there are wider sanctions, it warns. The study was commissioned by the SA coal-mining industry and carried out by Wharton Econometric Forecasting Associates (WEFA).

It states that embargoes on South African coal exports sparked off competition between exporters which contributed to weak export prices — a major cause of the huge loss suffered by the United States industry.

Ripple effect

It adds to growing evidence that United States sanctions are not a simple matter of reducing trade links between Washington and Pretoria, but have a ripple effect on world trade.

Among those affected is Australia, whose coal producers came face-to-face with aggressive South African marketing of its cheaper product in Australia's traditional East Asian markets.

Some countries have benefited — notably the coal-buying countries which were paying about $48,21 (about R96) a ton for steam coal in 1985 and can now get it for about $41,99 (about R84) a ton.

The report comes at a time when other US industries are counting the costs to themselves of the trade curbs imposed on them by Washington politicians. America's uranium enrichment industry has been hit badly by the 1986 ban on unprocessed uranium from South Africa.

There have been cases where the US has had to import processed uranium from the Soviet Union.

Statistics show that American farmers are losing hundreds of millions of rands as trade declines between the two countries.

In 1984, the US exported agricultural produce worth $483-million (about R966-million) to South Africa, including large quantities of wheat and maize because of the serious drought in the region. Last year, the value of US agricultural exports dwindled to $55-million (about R110-million).

When the congressional sanctions debate resumes here on Wednesday, anti-sanctions congressmen are bound to cite these figures, plus the results of surveys by respected organisations that show sanctions have not worked and have merely reduced American political influence in South Africa.

But they will find it almost impossible to convince liberal Democrats and others who have created a perception in the US that to be anti-sanctions is to be pro-apartheid.

Rubber stamp expected for US sanctions

D/D 11/4/88

from SIMON BARBER

WASHINGTON — Deliberating behind closed doors, Democratic Party leaders in the House of Representatives have settled on a programme of radical new sanctions which will be rubberstamped by Congressman Howard Wolpe's House Africa subcommittee on Wednesday.

The list, which is based on Congressman Ron Dellums' total disinvestment bill, is expected to be approved by the full chamber without major modification. The Senate's plans remain unclear.

An alternative package offered by Congressman Dan Burton — the subcommittee's senior Republican — designed to promote black private enterprise, is likely to be dismissed.

Key features of the sanctions package, as outlined in an official summary are:

● The forced withdrawal of all remaining United States companies and investment, and an embargo on all South African products except "otherwise unavailable strategic minerals for economy or defence".

● The denial of federal coal, gas and oil leases to "non-US persons investing in or exporting oil to the South African oil industry", plus a ban on "US-owned, controlled or registered ships transporting oil to South Africa."

● A prohibition on military and intelligence co-operation.

● A provision obliging the President to "pursue international agreements, United Nation Security Council action and retaliation through import or government contracting provisions against companies taking commercial advantage of US sanctions".

● Adding implementation of United Nations resolution 435 to the conditions South Africa must meet for sanctions to be lifted.

● A "sense of the Congress" resolution directing the Justice Department to conduct an anti-trust investigation of De Beers' Central Selling Organisation and "to bring any action necessary".

● A similar non-binding resolution seeking the closure of two South African consulates, a freeze on South African embassy staff levels and a review of visa applications by South Africans.

● An administration study, of "possible actions to limit or reduce South Africa's foreign exchange earnings from gold and mechanisms to avoid or minimise any adverse effects to the US gold mining industry."

D10 11/4/88 280

Japanese Sunday newspapers carry anti-apartheid ad

TOKYO — Japanese human-rights groups, opposition parties MPs, churches and trade unions voiced their support for the "South African people's struggle for freedom and justice" in a full-page advertisement which appeared in Sunday newspapers.

The advertisement, signed by 30 organisations and 133 individuals, calls for justice for the Sharpeville Six, freedom for political prisoners, the unbanning of 17 organisations and the liberalisation of trade unions.

The statement says, in part, "We call upon Japanese companies to object to the South African government's withdrawal of rent from empoloyees' wages and the restrictions on union activities.

"We who sign here, by our actions in Japan, demonstrate our rejection of the dishonourable title of 'honorary white'".

A spokesman for the Japanese Consul General's office said yesterday that the advertisement had been placed independently of the Japanese Government.

"While we are not in a position to comment, we do strongly oppose apartheid and we have been sending political messages to the South African government by imposing certain sanctions," he added. — DDC

Sanctions against SA cost US $250m

By Simon Barber

WASHINGTON — Sanctions against South African coal applied by the United States and other countries have cost the already depressed American mining industry $250 million over the past two years, according to a "conservative" estimate by Wharton Econometrics Forecasting Associates (Wefa).

Furthermore, Wefa concludes in a new study commissioned by South African coal producers, that more widespread sanctions — only the US, France and the Nordic countries now apply them on a mandatory basis — may make the losses even worse by "further weakening the world export coal market".

"Faced with the immediate loss of some 9 million tons of coal sales, and the prospect that additional sales could decline significantly, South African producers had no other choice but to lower prices on average by $5 to $7 a ton.

"Because prices negotiated by South African producers are viewed as benchmark prices by both exporters and importers, the sharp reduction in South African coal prices exerted downward pressure on prices paid for coal imports worldwide."

Between 1985, when the first embargoes were imposed, and today, the world price of thermal coal dropped from just over $48 a ton to just under $42.

Wefa suggests that Japan, other Pacific rim nations and some European importers used the sanctions-related drop in South African prices to reduce the prices of other producers.

There was evidence that the coal importers played South African exporters against Australian, US or Canadian suppliers, arguing that they had to have additional price concessions to compensate for pressures exerted on them by activists and their allies.

Alternative to sanctions offered

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Bday 12/9/88

WASHINGTON — US loan guarantees to help black South Africans buy homes in contravention of the Group Areas Act head the list of alternatives to sanctions being offered by congressional Republicans.

The proposal is contained in a draft Bill Congressman Dan Burton, senior Republican Congressman in Howard Wolpe's House Africa Sub-committee, hopes to present to the panel when it meets tomorrow or next week to rubber-stamp a broad array of new sanctions.

The draft says the US would "provide financial and advisory assistance to those who are challenging the Group Areas Act through financing guarantees for disadvantaged South Africans in areas not discriminating by race (or) designated for other races under the Group Areas Act."

The chances of the alternative package becoming law are extremely slim, because it does not even have the support of all House Republicans.

SIMON BARBER

Other elements of the Bill, which is entitled "The Comprehensive Anti-apartheid and Democratic Development in SA Amendments of 1988", are:

☐ Increased emphasis on providing economic and legal assistance, training and other consultative support for black private enterprise;

☐ A 10-year exemption from the Rangel Double Taxation Law for US firms that transfer equity to their black employees;

☐ Support, including loan guarantees and insurance, for black enterprise through the Export-Import Bank and the Overseas Private Investment Corporation;

☐ Exemption from the Comprehensive Anti-Apartheid Act's sugar and agricultural product embargoes for black-owned businesses;

☐ A presidential advisory group to help co-ordinate private and public assistance to "disadvantaged South Africans".

SA powers seem convinced they are almost invincible

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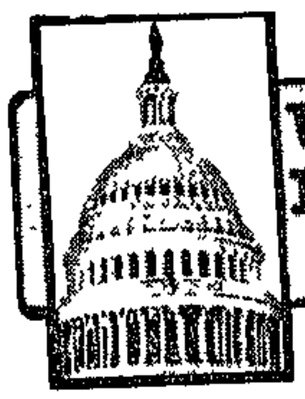
Call Times 12/14/88



Washington Letter
by SIMON BARBER

ALL diplomatic number plates in Washington carry a two-letter code identifying the nationality of their owner It seems that the State Department security types who assigned the codes tried to make it easy for the average police officer to remember the more important ones without having to consult a list. Good taste was not a consideration behind the resulting mnemonics.

The code for Soviet diplomats, for example, is "FC" and I need not go into detail about what that might stand for except to say the second word is "communist". Israelis are "VJ" for "very Jewish" South Africans are "BL", which could stand for a number of things, but in the mind of the assigner, if not the cop on the beat, was probably the acronym for a person with an infuriating disregard for the truth.

For that, sadly if not unsurprisingly, is how Pretoria has long since come to be viewed by official Washington.

Not that it minds apparently. In a curious way, mendacity may be starting to become a deliberate policy on the part of those within government who are determined SA shall never compromise.

That any leader of any country, let alone a country as beset as SA, could rationally hold such a view bespeaks a more than ordinary arrogance. Indeed, SA's powers, whoever precisely they are, seem to have convinced themselves that they are wellnigh invincible

If this is the case, the sanctioneers in the US Congress and elsewhere can add one more glorious irony to their wellstocked trophy room far from causing their target to tremble, they have succeeded merely in persuading him of the full extent of his capacity to thrive despite them, and in some cases, at their own expense.

The Comprehensive Anti-Apartheid Act (CAAA) and the Rangel amendment to increase the tax burden of US companies doing business in SA may have been greeted with howls of horror and outrage And yet, though they comprised some of the stiffest penalties ever imposed by the US on another country short of armed invasion, the SA economy has prospered since the time of their enactment

One of the CAAA'S chief effects has been to push SA's trade account with the US into a healthy surplus, releasing funds that can be used to purchase goods elsewhere and to generate further self-sufficiency. The Congress's attempts to apply still broader sanctions while leaving untouched the strategic minerals that comprise at least 80% of published US imports from SA, will merely hasten that process

As for the total "disinvestment" now being envisaged, it will be a colossal charade as any competent trade lawyer will tell you One such is Donald de Kieffer who observed recently:

"It is no exaggeration to suggest that over a long weekend, clever lawyers can — and have — restructured companies in such a way as to enable their clients to truthfully deny that they do any business in SA whatsoever. Nevertheless, the same plants are producing the same products with the same workers, and with the same cash flow back to the US"

What about Congress's efforts to force other nations to comply with its actions, you may wonder Well, the first thing to remember is that businesses trade, not governments, and so long as there is money to be made there, businesses will continue to trade in SA, if necessary with the help of men like De Kieffer.

Secondly, it is unlikely that third countries, many of them US allies and trading partners of long and critical importance, are not going to take kindly to Congress trying to blackmail or otherwise manhandle them and their companies SA will not only continue to profit, but will be able to enjoy the spectacle of the US messing up its relations with the rest of the world.

Given all that, it is scarcely surprising that Pretoria should be feeling its oats, encouraged by the folly of the sanctioneers to believe that SA is safe from external threat and therefore free to extinguish its opponents by any means, however extreme.

Such an illusion, and one can only hope that it is one, finds particular substance in the new study of coal sanctions prepared by Wharton econometrics, according to which the embargoes imposed since 1985 by the US, France, and the Nordic states have chiefly succeeded in losing the already moribund American coal mining industry at least $250 m while scarcely causing SA producers to bat an eyelid

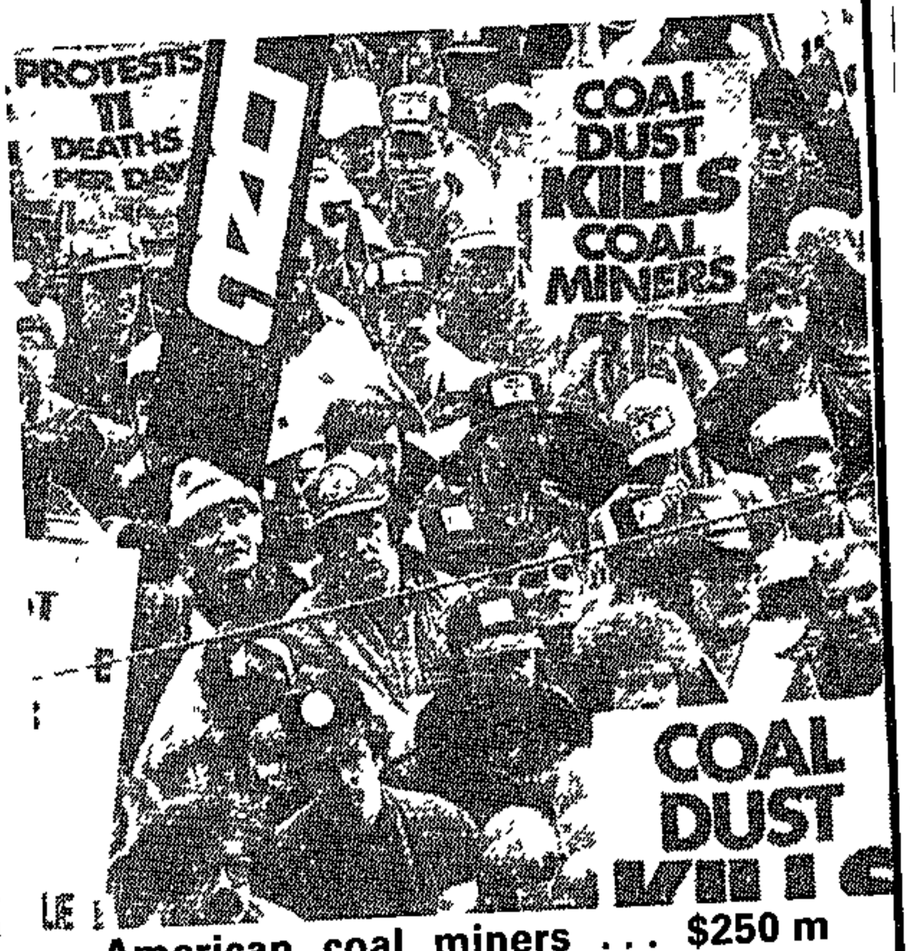
This is because the coal trade inhabits the real world and in the real world of generating electricity and making steel, purchasing decisions are made on the basis of price, not on whether you would let the vendor in your club. And since SA produces and can afford to sell its coal considerably more cheaply than anybody else, people are going to buy it whatever the US Congress or a bunch of smug Scandinavians have to say.

Furthermore, as Wharton reports, coal having become a chronic buyer's market, if an important supplier like SA cuts its prices dramatically, its competitors are going to find themselves being whipsawed down by aggressive customers like Japan, Taiwan and South Korea.

Better yet for the connoisseur of the ironies inflicted by the economically illiterate upon themselves and their supposed beneficiaries, the SA coal industry has plenty of scope to continue forcing down world prices — by replacing its human miners with more productive machines

Clearly, for SA's exports to be shut down entirely, there will have to be a total international quarantine, and that dog won't hunt either, says Wharton. Coal, like so much else SA produces, is fungible and does not carry a passport. Priced competitively, it will always be sold.

"For instance, Polish operators (those great comrades in the struggle), could opt to purchase cheap, embargoed SA coal and reship as their own or use it domestically which would free up additional local mine supplies for shipment to western Europe"



American coal miners ... $250 m poorer as a result of sanctions.

PW Botha and his men have every right to find such conclusions splendidly funny. Unfortunately, the laughter will be lost on the sanctioneers who will not learn from it how grossly their prescriptions are failing — will not understand that they are unleashing a demon, not liberating black South Africa. But perhaps that was not their purpose.

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Star 12/4/88

Veto of tough new Bill possible

Anti-sanctions stand reaffirmed by White House

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By Neil Lurssen,
The Star Bureau

WASHINGTON — The White House has reaffirmed its opposition to economic sanctions against South Africa, pointing out that they have been tried and that they have failed.

President Reagan's position on further punitive measures against South Africa was made clear to reporters here yesterday by White House chief spokesman Mr Marlin Fitzwater.

It came on the eve of a new move in the Democratic Party-controlled House of Representatives to impose the toughest package of sanctions yet — the Dellums Bill, which aims to cut virtually all trade between the two countries.

Threat to consulates

The Bill, with a number of amendments that may threaten the existence of some South African consulates in the US and intelligence links between the two countries, is expected to be approved by a sub-committee tomorrow and to be sent to the full foreign affairs sub-committee, where its approval appears to be certain.

From the committee stage it will go to the floor of the House, where a majority of congressmen is likely to vote in favour.

A parallel move to win approval in the Senate is also under way, but the measure's fate in the upper chamber of Congress is less certain.

Also uncertain at this point is whether President Reagan will veto the Bill should it be accepted by both chambers.

He suffered an embarrassing defeat in Congress in 1986 when his veto of the Comprehensive Anti-Apartheid Act of that year was soundly beaten. The question this year is whether he will risk another big defeat in the closing stages of his period in office with yet another veto effort.

Analysts say that much will depend on the actions of the South African Government itself with Pretoria providing the political climate which makes it possible, or impossible, for US political leaders to hold off sanctions in an election year.

In spite of these political uncertainties, the President and his senior State Department, White House and national security officials remain firmly opposed to the Dellums Bill, arguing that sanctions have reduced US leverage in Pretoria and have failed to move the South African Government toward US policy goals such as the start of all-party constitutional negotiations.

At a regular press briefing in the White House yesterday, Mr Fitzwater was asked why his chief had imposed crippling economic sanctions on Panama while continuing to resist their use in South Africa.

"The situation is totally different — in every respect. The internal politics, the nature of the government, the nature of the objectives, the nature of the sanctions available — I don't see how you can make comparisons," he said.

Mr Fitzwater said the legitimate government of Panama had been thrown out by the military regime of General Manuel Noriega. In South Africa, however, the US was trying to persuade the legitimate government to make changes.

The US did not have the financial influence in South Africa that it had in Panama. Sanctions had been tried in South Africa and they had not worked, he said.

...erritory into ...
...ernment in December 1986.

D/D 13/4/88

US oil firm's threat to sue

from SIMON BARBER

WASHINGTON — The Mobil Oil Corporation threatened yesterday that if the total disinvestment legislation now being considered by the House of Representatives was enacted, the company would be constitutionally entitled to demand reparations from the United States government for the loss of its South African investment.

The warning came in a sternly-worded statement submitted to the House sub-committee on minerals and resources which was holding hearings on a bill to force all foreign oil concerns out of South Africa.

Democratic leaders in the House have agreed to adopt the measure, authored by Congressman Bob Wise of West Virginia as part of Congressman Ron Dellums' sweeping Disinvestment and Trade Embargo Bill.

"After careful review," the statement read, "Mobil's lawyers have concluded that,' if enacted, both proposals should be held by the courts to violate the Fifth Amendment to the United States constitution which provides that property shall not 'be taken for public use without just compensation'."

The company charged that its forced departure would lead, "as Congress knows", to the virtual expropriation of its South African investments, valued yesterday by Congressman Wise at $420 million.

"Mobil will not be able to sell its South African property at anything approaching a fair price. Retaliatory actions by the South African Government, through foreign exchange controls or otherwise, may further frustrate Mobil's ability to receive fair compensation."

Citing detailed case law, the company noted that the Supreme Court had recently ruled that "if property, previously held lawfully by a private person, is rendered essentially valueless by state or federal legislation, the person has suffered a compensable loss under the Fifth Amendment."

The Wise bill also calls for non-United States companies involved in the South African oil business to be punitively denied federal oil, coal and gas leases unless they too disinvest.

Congressman Wise comes from mining-dependent West Virginia and, as Congressman Richard Cheney, a Wyoming Republican, pointed out, his proposal is so drafted that foreign firms' investment in his own state's coal operations would not be penalised.

"I have a distinct impression that you want to make a moral statement with my coal but not with your coal," Congressman Cheney said.

DP 13/4/88

Amcham group aims to plead against sanctions

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JOHANNESBURG — A delegation from the American Chamber of Commerce in South Africa (Amcham) is to leave for the US on Friday.

The director of Amcham, Mr Adrian Botha, describes the move as a last-ditch effort to counter the new sanctions package to be proposed by the House of Representatives Africa sub-committee.

Mr Botha said this was the first time an Amcham delegation was to visit the US specifically to talk to legislators.

The group was to meet a wide range of House members and Senators during its visit.

"We want to meet people who are not already convinced supporters of the measures," Mr Botha said.

He could not see the package failing to get through the House. However, the Senate was a more open question.

The delegation was not naive about the enormity of its problem, but Amcham felt the effort had to be made.

The delegation plans to argue that sanctions and disinvestment will not achieve their ends, while the withdrawal of foreign influence from South Africa would negatively affect the efforts of local groups opposed to apartheid.

In addition to Mr Botha the delegation includes the Amcham president, Mr Ian Leach; the senior vice-president Mr Maurice Allen; Johnson and Johnson's Mr Roger Crawford and the Timken chairman, Mr Kendall Brook. — DDC

(380) SMM 13/4/88

Groups refuse summons to testify.

US corporations fire first shot on sanctions lobby

By Alan Dunn, The Star Bureau

WASHINGTON — American businesses still operating in South Africa have publicly fired their first shot at pro-sanctions lawmakers here by snubbing a House of Representatives panel probing oil sanctions.

This was the start of a series of moves designed by US corporations to brake and roll back a sanctions and disinvestment momentum which has grown in the last three years, threatening tougher, even total, restrictions against South Africa this year.

Six oil companies yesterday burst the low public profile corporate America has up to now preferred on the South African issue, refusing to testify before the House's sub-committee on mining and natural Resources.

Two, Mobil and Caltex, submitted written testimony. Officials of the Reagan administration including the State Department, which is and has been emphatically against sanctions, also rebuffed invitations to testify.

The panel was staging a hearing on a Bill titled the "Anti-Apartheid Petroleum Sanctions Act", which was drafted by Congressman Bob Wise of West Virginia. It severely penalises US oil companies and subsidiaries in South Africa.

"Sanctions placed on the oil industry would cripple the country's transportation system and defence forces," said Mr Wise. It would leave South Africa without the capital and expertise needed to maintain oil production. "The resulting financial burden would be almost devastating, forcing South Africa to come to the bargaining table."

Mobil Oil Corporation, America's largest employer in South Africa, warned in its testimony that imposing total economic sanctions would be tantamount to the US playing its "last card" against apartheid.

It said the measures would not have the effect their sponsors desired, and pooh-poohed an assertion that the oil legislation would hit at South Africa's "energy jugular". It said South Africa could replace any technology US oil companies removed in withdrawing from the country.

Mr Wise said Sasol's fuel-from-oil process could not produce refined products, such as lubricants and solvents which could only be imported. The costs of alternative sources would have a "debilitating effect".

Mobil, which has about $400 million invested in its South African operations, contradicted Mr Wise. It said the Republic had two lubricant refineries, a number of re-refineries and sophisticated solvent manufacturing facilities.

"South Africa is not solely dependent upon direct imports for its lubricant and solvent requirements," it said.

In a clear threat, raising the spectre of massive legal actions, Mobil noted that its lawyers had concluded that the American constitution protected it from the US government removing its property without just compensation. It said 244 000 Mobil shareholders would be hit by the "confiscatory" legislation.

Mobil said US companies were a "vital counterweight" to apartheid. It noted that in South Africa most skilled Mobil workers were local people.

Judging by the country's ability to build and operate the Sasol synthetic fuel plants, "there is absolutely no basis for assuming they would be unable to manage refineries of the type operated by US companies in South Africa," it said.

Other measures contemplated against the pro-sanctions lobby include:

- Alternative legislation to be introduced in Congress, possibly later this month, qualifying economic sanctions already in place against South Africa.
- Retaining a former liberal Democrat US senator to lobby legislators on an "old boy" basis.
- A blitz on the US Senate in an effort to halt any additional trade measures against South Africa in the works.

w/Mail 15-21/4/88

Amcham send team to lobby on sanctions

By HILARY JOFFE

THE American Chamber of Commerce in South Africa is sending a five-person delegation to Washington to lobby against the new sanctions Bill due to come before the US congress.

This is the first time Amcham will be lobbying US legislators directly, and it is doing so because "We feel this is a critical juncture", Amcham's Adriaan Botha said this week.

The Amcham lobbyists don't plan to defend what's going on in South Africa, says Botha. "The main thrust of our argument will be we want to see change in South Africa but sanctions and disinvestment are not the way to do it."

The Africa sub-committee of the House of Representatives' Foreign Affairs Committee was due to release its version of a Bill this week. Details were not available at the time of going to press but the Bill is said to include measures which would:

- force remaining US companies in in South Africa to leave;
- impose trade sanctions against all South African products except those deemed to be of strategic importance to the US;
- cut off military and intelligence ties between the two countries;
- deny gold, coal, gas and oil leases in the US to companies, wherever based, which had a presence in South Africa — a measure which would significantly affect non-American multinationals such as Shell and BP.

It may authorise an investigation into the De Beers-controlled Central Selling Organisation, with a view to possible action against it in terms of American anti-trust legislation.

And an investigation into possible ways of reducing South Africa's foreign exchange earnings on gold may be initiated.

Events in South Africa in recent months have put the sanctions and disinvestment issue "on the boil again", following a period in which advocates for stronger sanctions could not raise much interest for their proposals, says Botha. The new US sanctions Bill is likely to be passed by the House and may well get through the Senate.

Events which have put the sanctions issue back on the agenda in the US, Botha says, include:

- the February restrictions on 18 organisations, government action against Archbishop Demond Tutu and Dr Allan Boesak and the lack of any action against the AWB;
- the proposed Promotion of Orderly Internal Politics Bill, which would enable the government to stop overseas funding of organisations;
- the death penalty imposed on the Sharpeville Six, whose stay of execution expires on Monday;
- the killing of African National Congress representative Dulcie September in Paris and the bomb which severely injured Professor Albie Sachs last week in Maputo.

Disinvestments by American companies have reduced Amcham's membership to just over 200, down from a peak of 340.

American direct investment in South Africa is estimated at just under $1-billion, down from $2,8-billion in 1984/85, Botha says.

SANCTIONS

Bad flavour

Nobody likes the economic sanctions that Congress forced on the Reagan administration in late 1986. American corporations skulked away from their South African investments, the South African government was livid, the US government was resentful and the sanctions sponsors were dissatisfied because the sanctions did not result in the immediate collapse and disintegration of SA's economy.

But as George Shultz, the US Secretary of State, observed on another topic: "nothing is ever settled in Washington. The same issues come up time and again."

And so it is that sanctions are once again the flavour of the week on Capitol Hill. The anti-South African bloc hopes to exploit the continuing American public disfavour of SA, while the White House and other lawmakers are distracted and slip through some really nasty sanctions while everyone is looking the other way.

While the details of the sanctions proposals being drafted by the African affairs subcommittee are still supposedly secret, it is known that they include a proposal to create a new under-secretary post in the State Department. His only responsibility would be to enforce the various (and presumably increasing) economic penalties the American government will impose on governments found to fall short of the American ideal of human rights.

Other sanctions proposals include: a ban on repatriating corporate or individual investment earnings from such countries; a ban on military aid to countries which get around embargoes against third countries (aimed at Israel's aid to SA); a direct ban on specific imports of formally exempt products; and closer reporting of disinvestment decisions forced on corporations already present in target nations.

Ironically, the renewed drive for sanctions against SA comes at the very time when South African opinion shapers have revived their own efforts to discredit sanctions within the US.

The Chamber of Mines last week released a report commissioned by the prestigious Wharton Econometric Forecasting Associates (the WEFA Group), which said the embargo on South African coal purchases cost the American coal industry at least $250m in revenues and countless jobs.

The study states that since South African coal prices are considered a benchmark for the world coal industry, the embargo forced a price reduction on steam coal from the $48,21/t level of 1985 to roughly $41,99/t today. That price quickly became a world-wide standard and weakened demand at the same time.

This refutation of Keynesian economic theory suggested that any further pressure on coal prices will have an even greater dampening effect on the world coal industry in the future.

Not that this matters to the anti-South African congressional bloc. ■

Black managers to debate sanctions issue

AS the overseas campaign for sanctions intensifies, black managers are debating their position on the issue.

The Black Management Forum has launched a research project into sanctions and disinvestment, which it hopes will be completed by July, when the organisation holds its annual conference.

"We believe we can no longer sit on the fence," BMF President Don Mkhwanazi told *Weekly Mail* this week.

Weekly Mail Reporter

BMF has had no view until now on sanctions and disinvestment. All Mkhwanazi will say is: "We understand and appreciate why people have argued for these measures."

In formulating policy the organisation will exchange views with a range of political, youth and workers' organisations as well as with business people.

BMF has undergone a metamorphosis over the past two years. The organisation, founded in 1976, used to argue it was "apolitical". Now its view is that business and politics in South Africa are synonymous, says Mkhwanazi. Membership numbers have grown rapidly to 1 100, from 360 at the end of 1986.

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3M under pressure to disinvest from SA

By Sven Forssman

The giant 3M company, recently awarded a Government contract estimated at more than R80 million, is being urged by the National Council of Churches of Christ in America to disinvest from South Africa.

A proposal by the National Council of Churches of Christ, a large stockholder in 3M, will be voted on at the annual meeting on May 10 in Minnesota.

Several other organisations have also indicated their wishes to co-sponsor the proposal.

But 3M's board of directors have recommended a vote against the proposal.

They say socially conscious US business involvement is a better way to break down apartheid.

The proposal for 3M to disinvest was put forward for the following reasons:

- The South African Government has persistently blocked peaceful channels for blacks to request changes in apartheid.
- The African National Congress has been outlawed and its leaders arrested.
- The Government has turned increasingly to violence against blacks.
- Many corporations have spent great amounts of time and money on social programmes to improve the lives of blacks, inside and outside the workplace. Yet these programmes have had little effect and they can no longer be used to justify continued investment in the country.
- The present economic conditions in the country make continued viable economic investment imprudent.

The Star's Africa News Service

Further sanctions on South Africa would need to be preceded by contingency plans to provide fuel, food and essential goods to Southern African Development Co-ordination Conference (SADCC) countries, says Dr Merle Lipton, senior analyst for the Investor Responsibility Research Centre.

Giving evidence to the US Congress, Dr Lipton said investment in these countries would be needed to provide alternative jobs and means of transport and this would require administrative and enhanced military back-up.

The South African-born researcher suggested neighbouring states could also be exempted from imposing sanctions themselves

New sanctions pose a threat to SA's neighbours, says expert

(280) Star 15/4/88

— even though this would result in greater leakages.

It might also be possible to negotiate a standstill on further sanctions in return for concessions from South Africa in the region.

Dr Lipton concluded that sanctions, unless accompanied by a naval and land blockade, seem unlikely to have much impact on the South African economy.

They seem more likely to lead to a process of lenghty economic attrition. During this period it would be difficult to target sanctions so that their costs fell on the Government and its supporters. South Africa's ruling groups would have the power to shift the costs of sanctions onto others.

She said it was sometimes argued that South African retaliation against SADCC countries would be constrained because these countries provided a market for an estimated 20 percent of South Africa's non-gold exports.

This would accord with the view of South African businessmen and sections of the Government concerned with commerce.

However, this constraint would no longer operate if South Africa were excluded from the region by sanctions.

Moreover, she argued, the desire for restraint was not necessarily shared by the military who were more concered with maintaining and asserting South African leverage over the region.

Dr Lipton, disagreeing with the argument that SADDC countries had suffered such heavy losses already from destabilisation that they had little to lose, said countries like Zimbabwe and Botswana stood to lose a great deal from a sharp deterioration.

Her evidence stated that the nine SADCC countries had a total population of 68 million compared with South Africa's 32 million.

Yet South Africa accounted for three quarters of the region's Gross Domestic Product and two-thirds of its exports. It provided almost 50 percent of the imports of the six landlocked SADCC countries and took 13 percent of their exports.

Imports from South Africa included a high proportion of food, fuel and electricity for many of the countries.

A large percentage of the foreign exchange earnings of at least five SADCC countries came from "invisible" exports to South Africa in the form of earnings from tourism, customs receipts and remittances from migrant workers.

Most SADCC countries were heavily dependent on the South African transport system which carried 80 percent of traffic for six countries and a significant proportion for Zaire.

South Africa was also a significant source of foreign capital and technology for all countries in the region.

Dr Lipton said Pretoria was determined to reduce the impact of sanctions by increasing the dependence of SADCC countries on South Africa.

The SADCC's strategy of strengthening regional rail routes had provided the SADF and its allies in the anti-government guerilla movements in Angola and Mozambique with vulnerable and exposed targets, she added.

Dutch helping to bust sanctions — claim

AMSTERDAM. — The polished anti-apartheid image of the Netherlands has been tarnished by evidence that it is helping Britain and its European Community partners to break coal sanctions which have denied South Africa access to a third of its traditional markets.

It has been claimed that coal shipped from South Africa is unloaded at Dutch ports from where it is distributed within Europe as "Dutch coal" — even though the Netherlands stopped producing coal 20 years ago.

Faced by anti-apartheid pressure to cut South African coal imports, coal traders in Britain, with those in West Germany, France and Italy, are reported to have sought to maintain their supplies of cheap steam coal by increasing imports of "Dutch coal".

In 1986, for example, Pretoria recorded British sales of 300 000 tons, while Britain admitted to 100 000 tons. Records at the Dutch Bureau of Statistics, however, indicate that in 1986 about 1,1-million tons of South African coal were transhipped to Britain through Dutch ports.

Imports of what is officially classified as Dutch coal account largely for the discrepancies.

The coal is believed to be sent to Britain in two ways: as re-exports of a "Dutch blend" and as transhipments, not officially imported into the Netherlands.

The "Dutch blend", a relatively cheap mixture of South African and Chinese coal, has an altered calorific value which disguises its origins while keeping the cost low.

The coal is mixed in bunkers at Dutch ports, where it is reloaded on to other vessels. The re-exported coal is accompanied by reissued papers which omit the South African label by stating "the Netherlands" as the country of origin.

Increased handling

In spite of calls by the Dutch Foreign Minister, Hans van den Broek, for more pressure on South Africa, the Dutch last year increased their handling of South African coal while most other European countries reduced theirs.

South African coal imports in the Netherlands rose from 200 000 tons in 1982 to almost 2-million tons last year.

Most of the ships used are owned or chartered by Shell, BP and Total. Shell Nederland and Shell Tankers (UK) play a key role in the transhipment of coal from the Richard's Bay terminal in Natal through Rotterdam. — Observer News Service.

Tutu calls on Portugal to press for more sanctions

LISBON — Archbishop Desmond Tutu yesterday urged Portugal to use its position within the European Economic Community to press for tougher trade sanctions against South Africa to end racial segregation in the country.

Archbishop Tutu made the appeal to Portugal's foreign minister, Mr Joao de Deus Pinheiro, during a stopover in Lisbon on his way to Madrid, Spain.

He said he hoped the foreign minister would try to persuade his European colleagues to press the South African Government to abolish its racial separation policies.

He also said it was in Portugal's own interests to press for negotiations to end racial conflict in South Africa because of the community of some 800 000 Portuguese emigrants living there.

"If there is not a peaceful settlement in South Africa and we have a racial war, the Portuguese, being white, will be involved A peace accord could only benefit them," Archbishop Tutu was quoted as saying.

● Archbishop Tutu said, on his arrival in Madrid, he expected repercussions in South Africa if the Sharpeville Six, who have been condemned to death, were executed.

The six were granted a month's reprieve from execution a month ago, the day before they were due to be hanged for "sharing a common purpose" with the killers of a black town councillor in 1984.

Lawyers applied on Friday for the trial to be reopened.

Archbishop Tutu, a Nobel peace prize winner for his fight to end apartheid, said he hoped a retrial would save them.

South African President P. W. Botha has said he would not use his prerogative to spare their lives against a court decision.

Archbishop Tutu said he did not think European countries were doing enough to help end race discrimination in South Africa by putting economic sanctions pressure on Pretoria.

"I would say they had done enough if apartheid had ended. Our purpose is to try and get them to step up what they are doing and make it more effective," he said.

"It is really up to you (western nations) whether South Africa is going to become a more democratic country peacefully or violently."

He said he believed there was still hope for a peaceful solution for South Africa, despite the fact that political violence had already claimed over 2 500 lives since 1984. — Sapa-AP-RNS

DIP 20/4/88

Tutu: cut official links with SA

LONDON — Archbishop Desmond Tutu said yesterday Britain should take an effective stand against apartheid by breaking diplomatic relations with South Africa.

He said breaking or at least scaling down diplomatic relations should be enforced.

He said the withdrawal or suspension of lending rights to South Africa would also be effective. South African businessmen had flown to Lusaka (to meet the ANC) "as though their lives depended on it" when just one New York bank refused to roll over a loan

He said powers such as the United States, West Germany and Britain readily enforced sanctions against countries like Panama, Nicaragua and Poland, but always protested that the majority would suffer when it came to applying sanctions to South Africa.

"When it comes to South Africa you have this wonderful upsurge of altruism. It is very touching," he said.

He rejected a questioner's suggestion that the church should endorse ANC violence to end apartheid. "The church does not take its marching orders from any political group whatever. We take our mandate from the Lord and the scriptures."

Archbishop Tutu said he would be among the first to applaud and cease calls for sanctions if the South African government acted to end the state of emergency and sat down with authentic representatives of all groups to negotiate the end of apartheid and a new constitution. — Sapa

What the reality of sanctions means to South Africa

CAPE TIMES 21/4/88

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By W F DEEDES

LONDON. — It is as well that those on Washington's Capitol Hill who are now calling for a second round in the disinvestment and sanctions campaign against South Africa do not have to present an annual report and accounts to shareholders

They would be found to have issued a false prospectus, to have been trading at a loss and now to be bankrupt.

A fresh look at the present state of South Africa's economy and business confirms that not only are sanctions and disinvestment in South Africa failing to do what was promised of them. They are rapidly bringing about results exactly opposite to those desired.

Disinvestment by American companies has enriched a lot of white South Africans, who took over businesses at bargain basement prices. It destroyed black jobs. It dumped the Sullivan Code which imposed conditions on American companies for treatment of their workers. It killed multi-million dollar social programmes. It re-

aggravate the State Department), but there is growing commercial traffic between them.

The Japanese are under increasing pressure, particularly from Washington, to stop taking advantage of the situation in South Africa. They will not be easily persuaded. Japanese vehicles, for example, have become part of the blacks' biggest commercial success story — the growth of the South African Black TAxi Association.

Begun in 1979 by 21 taxi drivers, SABTA now represents 45 000 minibus owners, 55 000 other employees and transports half a million passengers a day. It is the largest private-sector consumer of petrol, lubricants, tyres and spare parts in the country.

To damage South Africa to the extent the campaigners desire, it would be necessary to blockade the ports and sever telecommunications. Short of that, I foresee no crisis for South Africa's economy between now and the mid-'90s. More than half South Africa's imports, being high value and low bulk are in

There are now positive signs of renewed confidence, indeed a main private anxiety among those commanding the heights of the economy is that the Nationalist government will take it as a signal that all is well and best left alone.

In the long term, certain adverse consequences will flow The capital shortage will make itself felt and with American ties severed, South Africa will suffer from being outside the mainstream of modern technology. But that is not going to happen this year or next. So much for Neil Kinnock's most recent and fatuous observation to a South African publication "The motivation for sanctions is neither vindictiveness nor vengeance, but speedy and certain change."

It will be argued that the importance of sanctions lies not so much in their practical effects as in their symbolic importance. That would ring truer were countries like Canada and Australia, strong supporters of sanctions, not palpably influenced by knowing that South Africa's loss is their gain. Australia is in open competition for South

Sanctions have slowed down but not stopped the rise in South Africa's economic life of black owners, managers and above all entrepreneurs. That is where the political leverage will come from.

The campaign against South Africa's economy assists the government in several ways. It gives them every pretext to centralize power. It offers an excuse for going slow on education, housing and other social programmes for the blacks. And it slows down the dismantling of the apartheid apparatus to meet the demands of industry and commerce. When booming industry called for more skilled black labour, pass laws had to go.

Unions' dilemma

The black trade unions are in a harsh dilemma. Sanctions and disinvestment cost their members jobs. When the Americans left, their South African successors tightened business up and shed labour. Black union bargaining power has been weakened. Yet for political reasons the black unions cannot publicly oppose what they know to be most damaging to their interests.

As America is propelled towards yet stronger measures against South Africa, I see fresh perils arising for the West. My inquiries in South Africa leave no doubt that nations are already cheating on a grand scale. The stronger sanctions become, the more profitable it will be to cheat. It is not difficult. This is a highly sophisticated world economy. Cheating over South Africa, I predict, is going to become progressively more damaging to international relations.

With supreme irony, Botha and his companions in the government strive to prove that action against them is wholly justified. Just as things calmed down, and some of the world entered second thoughts about this pyrrhic economic war, Botha and company gratuitously banned black organizations, picked a ludicrous quarrel with Archbishop Desmond Tutu, and appeared eager to hang six Sharpeville blacks.

It is not wickedness. Cut off from the world, they can no longer follow international winds and tides. Between western pressures and their own politics they are effectively locked in.

We have sterilized political possibilities in South Africa. In the years far ahead of us, historians will look back at this and say of us, this was their silliest hour.

W F Deedes is a former editor of the Daily Telegraph).

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New US curbs pass test

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WASHINGTON — A bill that would impose sweeping new economic sanctions against South Africa passed its first test in the US Congress yesterday.

The bill, approved by two House of Representatives Foreign Affairs subcommittees over fierce Republican opposition, would require an end to all US business investment in South Africa and impose a virtually complete two-way trade ban.

The bill, which now goes to the full Foreign Affairs Committee, would bar American firms and foreign affiliates from making or holding any investment in South Africa.

Businesses would have a year to terminate their investment under the bill, which calls for terms of divestment to be negotiated with trade unions or other worker organisations.

The bill also bans imports of South African goods into the United States except for strategic minerals. — Sapa-RNS

Sanctions clashes in Congress

21/4/88

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By Neil Lurssen,
The Star Bureau

WASHINGTON — Liberals and conservatives clashed sharply in the US Congress yesterday over economic sanctions against South Africa, with the conservatives warning that sanctions could spark a violent uprising which would be easily put down by South Africa's military might.

Republican Congressmen Mr Toby Roth of Wisconsin accused US liberals of not really caring about blacks in South Africa.

But the Democrats defended their demands for new punitive measures, claiming they were the only way to force the South African Government to introduce fundamental reforms.

The clash came during debate over a new sanctions package that will go before the full Foreign Affairs Committee of the US House of Representatives next week — where it is expected to be approved and sent to the floor of the House.

It is certain to be approved there, too. If the conservatives have a chance of stopping it, it will be in the US Senate or, failing that, by presidential veto power.

● South African businesses have warned pro-sanctions Americans in a full-page newspaper advertisement of disaster for all in the Republic if its economy fails to grow at five or six percent.

The advertisement, sponsored by a group signing itself the "South African Business Community", appeared in *The Washington Post*.

"Free enterprise frees people," the advertisement slogan read. "Sanctions don't."

"As you know, in sophisticated technology, South Africa is right up there with the best in the West.

"But what many forget is that we're also right out there with the rest of the Third World. Where millions of people, still bound by tribal traditions, seek provision for their old age in more and more children.

"Unless our annual growth rate increases to between 5 and 6 percent, the ravages of overpopulation, poverty, illiteracy and disease will be commonplace," the advertisement said.

Sanctions net closing, says Assocom chief

Finance Staff

While mandatory international sanctions against South Africa appear far off, the overseas campaign to bar the country from world trade is now probably easier to intensify than it is to relax, says Assocom president Alec Rogoff.

South Africa must accept that external pressure will persist, despite the failure of the economic measures to achieve the aims of their proponents.

Those committed to commercial action against South Africa will spare no effort in coercing other countries to join them.

Mr Rogoff said at a South African Institute of International Affairs meeting yesterday that sanctions drives were often motivated by economic self-interest.

"With the slowing down of the world economy, international business is increasingly confronted by variety of barriers to international trade," he said.

Coal and steel sanctions were striking examples, having "little to do with alleged moral outrage against South Africa."

Mr Rogoff said South Africa should not try to satisfy the "world agenda", but at the same time should not cause its friends abroad embarrassment.

Reform progress was necessary, particularly with regard to black participation.

South Africa had shown its ability to price exports competitively, and it was imperative in this regard to reduce inflation in order to make the most of its comparative advantage in world trade.

Positive perceptions overseas of South Africa's economy could prove to be "one of our biggest weapons against external economic pressure."

The Assocom president said that at the same time it was up to business to exercise its full influence to stave off or at least modify trade pressure and to demonstrate that reform and economic slowdown were mutually contradictory.

Tutu thanks Maggie

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LONDON — Archbishop Desmond Tutu has publicly thanked Mrs Margaret Thatcher for putting pressure on President P W Botha in an attempt to save the Sharpeville Six from the gallows.

But he has also called on the West to cut or scale down diplomatic links with Pretoria, and to apply financial sanctions — hinting that a post-apartheid South Africa could take economic retaliation against Western nations which failed to impose sanctions, possibly by curtailing exports of strategic minerals.

The Archbishop is in Britain on a four-day visit. He will spend two days at the North London parish of St Albans, and then visit Birmingham to take part in a programme on

SOWETAN Foreign Service

racism organised by the city's black clergy.

There are no plans for meetings at 10 Downing Street or the Foreign Office, but Archbishop Tutu told a Press conference on Tuesday: "I want to take this opportunity to commend Mrs Thatcher (for her Sharpeville Six appeal).

"I spoke to her on the telephone and she told me some of the things she had done, and some things she still hopes to be able to do. So I want to thank her for that."

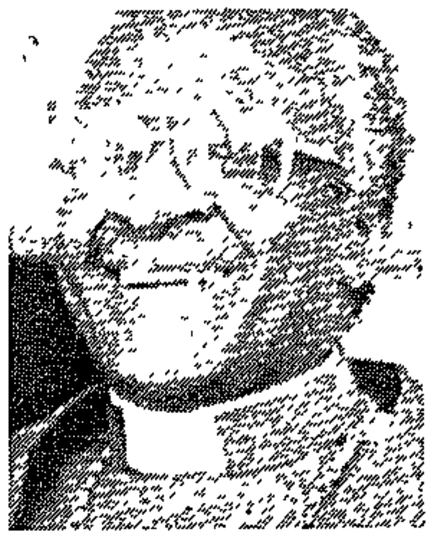
He emphasised, however, that the situation in South Africa was "critical," with the Government having chosen "the military option... it is hellbent on crushing all opposition."

In a message to "the power brokers" of the world, he said: "Do something to end apartheid. Use your influence on the Government.

"Can you show us something which is going to be more effective than sanctions?"

In a specific request, he said if the South African Parliament approved the Bill relating to foreign funding of groups and projects in the country, "then the West should cut diplomatic links, or scale them down."

He dismissed the notion that the church would ever back the armed struggle — "The church as church could never embrace violence" — but said churchmen could provide Christian guidance to individuals.



ARCHBISHOP Tutu

to make decisions about whether their own actions were justifiable or not.

Asked if he feared or had reason to fear assassination, the Archbishop said: "When you are involved in a struggle against injustice and oppression, you must be aware there may be those intent on liquidating you."

The Leadership Education and Advancement Foundation is a non-racial, private sector initiative committed to achieving practical solutions to South Africa's educational challenges. LEAF runs pre-university colleges at Kvalami

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Parliament and Politics

Suzman warns of punitive action

Political Staff

THE MP for Houghton Mrs Helen Suzman, yesterday warned of a number of punitive measures in the pipeline at the United States Congress which went far beyond the 1986 Comprehensive Anti-Apartheid Act (CAA Act).

She said campaigns against sanctions were increasingly futile especially because of the Government's recent actions in banning 18 organizations and 17 individuals.

"Turning water-cannon on kneeling clerics wasn't much help either".

Mandatory

Mrs Suzman has just returned from a two-week trip to the United States during which she campaigned on university campuses against sanctions.

In addition to the Rangel Bill imposing double taxation on the 148 US companies still in South Africa which had been passed already, there were five major bills now before congress.

The Dellums Bill extends the provisions of the CAA Act makes the withdrawal of all US Corporations, companies or individuals operating in South Africa mandatory within six months. It also prohibits all investment in South Africa.

- The Wise Bill would force US oil companies to withdraw;
- The Gray Bill would prohibit US intelligence and military co-operation with South Africa;
- The Leland Bill prohibits investment in the USA of SA capital; and
- The Cranston Bill would ban the export of US technology to SA.

Mrs Suzman said these could be reinforced by the threat that the US would boycott countries which took over their SA markets.

If the US disappeared from the scene available SA capital would be tied up in takeovers of existing firms and not be available for new projects.

This would effectively curb employment opportunities for the 40 000 young blacks who came on to the labour market each year.

Social responsibility

South African owners would probably cut the social responsibility programmes on which the US companies had spent $270 million in the past eight years.

These programmes had had a defusing effect on township anger.

r a market

and Industries (BTI) and the Industrial Development Corporation (IDC).

But the DoF is stalling. Director General Chris Stals notes the jewellery ad valorem issue was not mentioned in the Budget and so rests with his department. He refuses to be drawn on when changes will come.

"The White Paper on the Margo Commission (WP) stated ad valorem tax remains a valuable source of revenue and must be gradually phased out. We are studying the implications of the WP, but there is no special focus on the jewellery industry," he says.

On Tuesday, Reserve Bank Governor Gerhard de Kock supported the idea of a larger local industry, noting "considerable value could be added to South African gold sales if part of the gold were converted into jewellery as well as alloys and sheets."

Politicians, too, see the need for speeding up implementation of the Cabinet recommendation. The Third Report of the Standing Select Committee on Finance, dated 25 March, 1988, stated: "Beneficiation processes for new materials to obtain the benefit of a larger added value for local industries, should receive specific and urgent attention.

"In this regard, reference is especially made to the jewellery industry and it is recommended that the results of the inquiry into the industry be made public and that urgent steps be taken to bring relief."

To date, details of the inquiry have not been made public. BTI Chairman Lawrence McCrystal says the matter rests with Stals, while an Economic Affairs and Technology spokesman maintains the Department of Trade and Industry cannot comment "until the DoF makes its official views public."

JCSA executive director Tim Davidson estimates total annual ad valorem revenue in SA amounts to R350m, a fraction of annual budgetary requirements. By scrapping the tax on jewellery — a fraction of a fraction — the massive growth potential of the industry could be released.

"The rationale for this tax is different from that imposed elsewhere. Most ad valorem tax is on *imported* luxuries, but here it was imposed on a *locally* produced 'luxury' by the late Finance Minister Nico Diederichs. The local industry is penalised and the whole economy suffers," says Davidson. ■

DISINVESTMENT

Union specific

The disinvestment from SA of Sterling Drug has run into problems with the intervention of the Chemical Workers' Industrial Union (CWIU).

Just as the US-owned company was negotiating with would-be local buyers, the CWIU suddenly demanded the right to vet any potential deal. It doesn't want Sterling to sell its assets either to management or another company without its approval. Further, it warns it will consider strike action if ignored.

Sterling Drug of the US confirmed its divestment plans to the *FM* this month, following its acquisition by Kodak, which took flight from SA last year.

Several companies have their eye on Sterling's modern plant at Mobeni, near Durban, and its range of well-known products like Panado, Beserol and Andrew's Liver Salts.

CWIU general secretary Rod Crompton



says in the event of a sale to a local company, the union will demand full details including company valuation, purchase price, franchise and technology transfer arrangements. It will also demand regular disclosure of profits and guaranteed conditions of employment.

"If disinvestment is supposed to help workers, it shouldn't simply be 'corporate camouflage' and allow the company to go on as before with local management," he says.

Among local companies negotiating with Sterling are South African Druggists and Twins Pharmaceuticals. It is unclear whether licences to manufacture all Sterling's products will be passed on, although one prospective buyer says: "We wouldn't be negotiating unless something was up for sale."

Companies have mixed views on the Cosatu-affiliated CWIU's intervention. Twins Pharmaceutical MD Abe Krok says: "If we negotiate with Sterling, I don't see why we should also be obliged to talk to the union." But he adds: "I can understand their concern for jobs, so I can say we wouldn't retrench anyone as we need the capacity of the plant."

Another potential buyer says: "Any pur-

chaser would be imprudent if he didn't consider the labour relations implications of such a purchase."

Kodak, which controls Sterling, has made no attempt to spell out its intentions and hasn't replied to union demands for a meeting. Crompton says there is growing frustration with the American company.

"Kodak claims to have an open door policy when it comes to employee relations. But the door is so open that when you knock, there's no answer." ■

SANCTIONS

The Dukakis factor

As an example of just how topsy-turvy Washington is these days, it would be wrong to assume that, because it is an election year and Ronald Reagan cannot succeed himself, anti-South African forces in the US congress have clear sailing with this year's edition of economic sanctions.

To be sure, this is how Representative Ronald Dellums and 95 other house members view matters, as they sponsor a trade-ban and divestment bill which make the 1986 sanctions look ambivalent. And there are four other bills before the House African Affairs sub-committee, which target specific points of contact between the US and SA.

But the bottom line about all the sanctions activity in 1988 is that it stands less of a chance of adoption than did the 1986 measure. This is because the Democratic majority leadership, which controls the congress, will not let it pass. The strategy is an obvious one if you think about it.

The Democrats firmly believe that George Bush is unelectable, because of his vapid personality and the taint attaching to the range of Reagan administration scandals — financial, diplomatic and otherwise. It also is becoming clear that the party will rally around Governor Michael Dukakis in July. And since it is nominally the majority party in America, the White House should be within their grasp for the first time in eight years.

So it is that the weaker the Bush campaign appears in the critical weeks before the summer conventions, the less chance there will be that congressional leaders will allow South African sanctions legislation, which would tie the hands and embarrass a Dukakis administration.

After the conventions, of course, there will be little time for a complicated and controversial Bill to work its way through both the house and the senate, thence to face a certain veto at the hands of that lame but not dead duck, Ronald Reagan.

And for all the strong and vocal support, sanctions against SA are demonstrably more controversial and generally less accepted, even in Congress, than they were two years ago. An obvious explanation is that the 1986 sanctions did not work. Another reason is that less politicised congressmen also sense that there is a dramatic change brewing in the politics of southern Africa.

The continuing talks about Cuban troop withdrawal from Angola and the softening of the rhetoric out of Pretoria these days point to the advisability of a more cautious approach.

Nevertheless, Dellums predicts that the full house would vote out his Bill by May and that senate action could come in the final weeks of June before congress goes into recess for the party nomination conventions in July and August.

The Dellums Bill is similar to the one he got through the house in 1986. It was a weaker Bill, whose final adoption was pushed through a Reagan veto. The Dellums Bill would repeal all of the 1986 Act and replace it with sanctions that ban any US investment in SA, as well as forbidding any imports or exports of any product to or from SA. In addition, the Dellums Bill would prohibit US banks from holding any South African government funds; prevent any military or intelligence co-operation with Pretoria; continue the 1986 embargoes on Krugerrand gold coins and landing rights for South African Airways.

Most controversial of all, the Dellums Bill would require the president to impose trade sanctions on any third nation that benefits from or takes commercial advantage of any anti-South African sanctions. That is a carefully worded provision which aims to sever the military and economic ties between SA and countries like Israel and Japan.

The opening struggle over the sanctions effort focused last week not on the Dellums Bill, but on one of the complementary pieces of legislation which seeks to cut off American purchases of South African diamonds, minerals and metals of all kinds and trade in oil. It was the anti-oil proposal which drew the conflict.

In hearings on a provision to bar any petroleum company which does business in SA from bidding to purchase oil drilling leases from the US government, the major oil companies fought back by boycotting the hearings themselves. Representatives of Mobil, Standard Oil of California and Texaco (the parents of Caltex) and such major international as Shell and British Petroleum, sent written statements but did not send officials to testify on the Bill, which would require firms to disinvest from SA within 12 months.

Part of the oil company strategy was to discredit the loaded nature of the hearings themselves. But there is a growing concern within the multinational corporate community that such politically inspired business restraints may not stand up to court challenges and may, indeed, be illegal restraints on a corporation's first duty to maximize its profits for its shareholders.

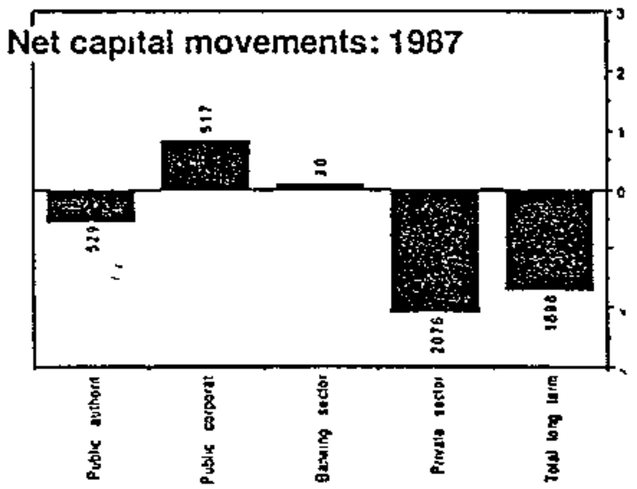
For the moment, the anti-South African forces in congress are undaunted. ■

THE ECONOMY

One-in-five UK firms has pulled out of SA

BUSINESS BAROMETER

GENERAL INDICATORS



CAPITAL OUTFLOWS

The flight of capital from South Africa continued in 1987, but at a slower rate than in the previous two years. The net capital outflow (not related to reserves) in 1987 was R3,1-billion — compared with R6,1-billion in 1986 and R9,2-billion in 1985, according to the latest Reserve Bank Quarterly Bulletin. Short term capital flight declined from R3-billion in 1986 to R1,4-billion in 1987. The outflow of long term capital declined from R3,1-billion in 1986 to R1,7-billion in 1987. South Africa's repayments of foreign debt in terms the First and Second Interim Arrangements with foreign creditor banks were the main component of last year's outflow, the Reserve Bank says. Public corporations were responsible for a net inflow of capital last year, drawing on foreign loans of R817-million for project financing. In 1986 they were net repayers of loans totalling R75-million. The graph shows net inflows or outflows of long term capital by sector.

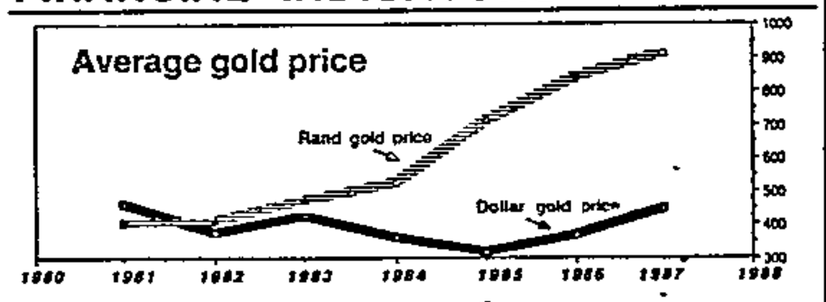
ADVERTISING

Advertising spending exceeded R1-billion for the first time in 1987, with television's share growing by 1,9 percent from R242,1-million in 1986 to R309,6-million in 1987. The share of all other media types declined, except that of radio which grew slightly from 11,5 percent to 11,6 percent (or R120,3-million). Advertising agency Grey Phillips says in its newsletter that the increase in radio spending is a result of radio stations increasing their rates according to what the market will bear – no new stations of any consequence have been launched, there has been no upsurge in radio sets bought and radio listenership has not shown an upward trend for years.

BLACK URBAN SPENDING

Reserve Bank Deputy Governor Jan Lombard earlier this year estimated total expenditure on goods and services by black urban households at R30-billion a year. Of this about R2,6-billion is spent on clothing and footwear and R10-billion on food. The demand from the black urban community constitutes almost 40 percent of total demand for food products in South Africa. On his estimates there are two million black urban households in South Africa, and this number is growing by about 100 000 or five percent a year. On average two to three out of about six people in each household are economically active, a total of about five million people of whom about one million may at present be looking for steady jobs. Lombard estimated income probably exceeded spending by about five percent or R1,5-billion.

FINANCIAL INDICATORS



Gold Price

	21/4/88	WEEK AGO	% CHANGE
	453.70	447.00	+1.5

Selling price: Major currencies against rand

	21/4/88	WEEK AGO	% CHANGE
US dollars	2.1450	2.1590	—0,6
Pounds Sterling	4.0478	3.9762	+1.8
Deutsche Mark	0.7776	0.7832	—0.7
Yen	57.93	58.45	—0.8
Swiss Franc	0.6420	0.6488	+1

US Dollar against major currencies

	21/4/88	WEEK AGO	% CHANGE
Dm	1.6680	1.6910	—1.3
Sterling	1.8871	1.8417	+2.4
Yen	124.26	126.19	—1.5
SwFr	1.3770	1.4008	—1.6

Source First National Bank

A British report says one in five UK companies have pulled out of South Africa in the past two years.
Weekly Mail Reporter, London

ONE in five British companies has withdrawn from South Africa over the past two years, according to a report published this month by the Anti-Apartheid Movement in London.

In the AAM's view this is a victory for the disinvestment campaign, although the report says: "Despite disinvestment moves, many ex-subsidiaries in South Africa continue to enjoy access to technology, product ranges and management expertise from their parent companies, an unsatisfactory situation which reduces the damage that disinvestment does to the apartheid economy."

The two largest disinvestment moves, Barclays Bank and Standard Chartered Bank, cut British investment in South Africa by an estimated 10 percent, according to the report. AAM estimated British direct investment in South Africa in 1986 at £2,9-billion (about R12-billion), down from about £6-billion in 1980, a fall due to rand depreciation and disinvestment. British direct investment accounts for 40 percent of the total.

According to the report, South Africa was the 15th most important destination for UK overseas investment in 1986, having fallen from third place in 1982.

There are now 234 British parent companies with subsidiary or related companies in South Africa, down from the 297 companies in mid-1986, a net reduction of 63 companies or over 20 percent, the report says.

A total of 55 parent companies disposed of their South African subsidiaries in the period 1986 to end March 1988. Others merged or were liquidated. A further 19 companies substantially reduced their shareholdings in South African subsidiaries.

Over the same period 104 US corporations (or 40 percent of the original total) sold their South African investments, leaving 157.

Although companies often give "bland commercial reasons" for their departure, the AAM report says, their decisions involve assessment of the current profitability of the South African economy, its prospects given the escalation of the political crisis and public and shareholder resistance.

"That companies have responded to South Africa's economic crisis by disinvestment is due to the unique position of South Africa as a target for international sanctions campaigners," the report says.

It quotes figures showing a 19 percent drop in British companies' net earnings from South Africa between 1984 and 1986. By contrast net earnings from the world increased by 96 percent in the same period.

In the AAM's view disinvestment is no substitute for effective sanctions against South Africa, the report says. But "disinvestment is creating a favourable situation for further sanctions to be imposed by reducing the strength of the corporate lobby against them," says the report.

Apart from Barclays and Standard, the list of prominent disinvesting British companies has included Hill Samuel, Rank Xerox, Wilkinson Sword, Rover Group and Metal Box. Companies which have announced their intention to disinvest during 1988 include Alexon Group, Allied Lyons, Glynwed International and British Steel Corporation.

The AAM report also lists 33 British companies with subsidiaries, associates or offices in Namibia.

Ask the unions, says US sanctions Bill

A CALL for disinvesting companies to negotiate the terms of their withdrawal with trade unions or other worker organisations is included in the new sanctions Bill which passed its first test in the US Congress on Wednesday.

The Bill, approved by two House of Representatives foreign affairs sub-committees over fierce Republican opposition, would require an end to all US business investment in South Africa and impose a virtually complete two-way trade ban.

It would give US businesses a year to terminate their South African investments and would impose a trade embargo within six months.

Imports of South African goods other than strategic minerals into the US would be prohibited. Exports to South Africa would be banned, except for US assistance for disadvantaged South Africans.

The bill, which now goes to the full Foreign Affairs Committee, would sanction non-US companies with South African oil industry links. — Sapa Reuter.

Extensive US sanctions pending warns Suzman

Political Correspondent

CAPE TOWN — The MP for Houghton, Mrs Helen Suzman, yesterday warned of a number of punitive measures in the pipeline at the United States Congress which went far beyond the 1986 Comprehensive Anti-Apartheid Act (CAA Act).

Campaigns against sanctions were increasingly futile especially because of the government's recent actions in banning 18 organisations and 17 individuals, she said.

Mrs Suzman has just returned from a two-week trip to the United States during which she opposed sanctions.

She said that in addition to the Rangel Bill imposing double taxation on the 148 US companies still in South Africa, which had been passed, there were five major bills now before Congress.



MRS SUZMAN

The Dellums Bill extends the provisions of the CAA Act and implements the mandatory withdrawal of all US corporations, companies or individuals operating in South Africa within six months.

It also prohibits all investment by US citizens and firms in South Africa.

The Wise Bill forbids any dealing by petroleum and oil companies in South Africa and enforces their withdrawal.

The Gray Bill prohibits any US intelligence and military co-operation with South Africa.

The Leland Bill prohibits investment in the US of South African capital, and the Cranston Bill bans the export of US high technology to South Africa.

Mrs Suzman said there were two good reasons for retaining US investment.

Firstly, if available capital was locked up in takeovers of existing firms, such capital was not available for new projects and there would be no growth.

Secondly, it was likely that South African entrepreneurs would curtail the extensive social responsibility programmes of US companies.

FOR SUBSCRIPTION INQUIRIES — TELEPHONE EAST LONDON 26141

Tebbit: hypocrisy of SA's critics sickening

Speech wins approval from Thatcher

LONDON — The British Prime Minister, Mrs Margaret Thatcher, gave full approval in parliament yesterday to a speech slamming the "stinking hypocrisy" of South Africa's critics, given by the former Conservative Party leader, Mr Norman Tebbit.

She was invited by black MP, Mr Paul Boateng, during question time in the House of Commons "to disassociate herself from the disgraceful remarks" of Mr Tebbit.

Mr Boateng asked her "to respond to the moral challenge of Archbishop Desmond Tutu" by imposing sanctions against South Africa.

Mrs Thatcher refused.

Mr Tebbit said in his speech to the South African Club in London that he felt sick when he saw "those who condemn unfair discrimination, persecuting a naive young girl like Zola Budd for no reason other than that she was born in South Africa".

He said he found intolerable the hypocrisy which condemned brutal treatment of black tribesmen in South Africa, while maintaining silence or "offering sickening, patronising, racialist excuses for the genocide committed elsewhere by one black tribe against another".

He deplored apartheid but believed economic sanctions against South Africa would not solve its problems.

"To the leaders of the black tribes, I say 'look north'," he added.

"Judge the regimes that criticise South Africa on their track records of economic management and consider whether you are wise to seek the overthrow of the South African system to substitute the Ugandan, Tanzanian or Angolan examples."

● Archbishop Desmond Tutu denounced Mr Tebbit's speech, and called on Mrs Thatcher to repudiate his remarks.



MR TEBBIT



ARCHBISHOP TUTU

He said he was "staggered" by a call by Mr Tebbit for people to make major political concessions to avoid violent struggle in South Africa.

Archbishop Tutu is visiting Britain on a tour of Anglican parishes.

He said on television: "I'm not asking for my freedom from a white man; that is a God-given right.

"Let me tell Mr Tebbit something — one day we will be free and we will remember who helped us in the process of becoming free."

Archbishop Tutu said that Britain had protected South Africa at the UN Security Council, and he concluded that "blood was thicker than water, and white people more important than black, while profits — pounds, shillings and pence — were more important than human lives".— Sapa-RNS

New US sanctions 'on way'

Attempts to draw the US away from sanctions and disinvestment were "a lost cause", said **Progressive Federal Party MP Mrs Helen Suzman** having just returned from an anti-sanctions talk tour of the US.

Addressing the House of Assembly yesterday during the debate on the State President's vote, Mrs Suzman said only her reputation as a vehement opponent of apartheid had drawn audiences to her talks. They did not like her anti-sanctions stand and she had faced some tough questioning.

"The US is taking the advice given to it by our retiring ambassador to the United Nations and prompted by the Minister of Foreign Affairs 'to do its damnedest'," she said.



Helen Suzman: US taking up challenge

She outlined to the House the 28 Bills in the US Congress pipeline which had every chance of imposing punitive measures beyond the 1986 Comprehensive Anti-Apartheid Act.

All would have a serious effect on South Africa's economy and employment capacity, she warned. And the reason these measures were at issue was because South Africa had entrenched racial discrimination.

Mrs Suzman warned that South Africans who welcomed this as an opportunity to pick up companies at bargain basement prices would in effect be locking available capital in these takeovers.

This would profoundly affect growth and employment opportunities as this money could not be used to finance new projects.

It was also unlikely that the companies, if run by South Africans, would continue to pour the huge amounts of money into social responsibility programmes that the US owners were doing.

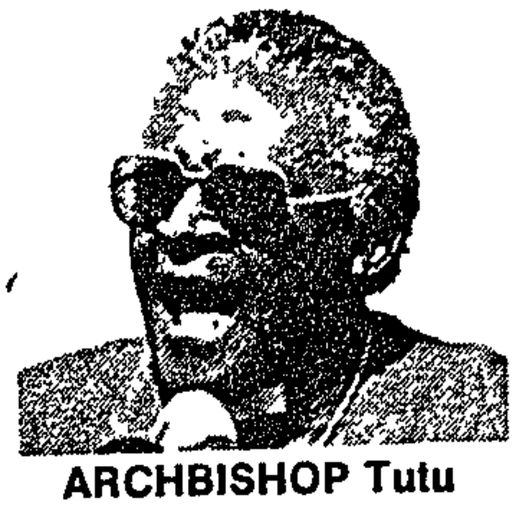
Tutu's challenge

Sowetan 22/4/86

LONDON — Archbishop Desmond Tutu yesterday called on the British Prime Minister, Mrs Margaret Thatcher, to repudiate a speech on South Africa by former Tory Party chairman, Mr Norman Tebbit.

The Archbishop, who is in Britain for a visit, said he was staggered and amazed after Mr Tebbit spoke on Wednesday night of the "stinking hypocrisy" poured out about South Africa.

Mr Tebbit, a former Cabinet Minister in Mrs Thatcher's government, told a South Africa Club



ARCHBISHOP Tutu

gathering in London he was opposed to sanctions.

He said the country needed friends and accused "hypocrisy" from outside the country of meddling in its affairs, making a difficult political situation "a

Mr Tebbit said it was mischievous to pretend that black tribes were the only rightful possessors of South Africa.

Archbishop Tutu said if Mrs Thatcher did not disown the speech the conclusion would be that profit was far more important than human rights.

Some 50 opposition Labour Party MPs signed a House of Commons motion censuring Mr Tebbit.— Sapa.

STV 23/4/88 2.80 NEWS

Developing nations had to 'drag' EC to talks on SA sanctions

BRUSSELS — Developing countries will press the European Community (EC) to impose tougher sanctions on South Africa at a special foreign ministers' meeting in Luxembourg next Tuesday, but know already that they face an uphill task.

The 66-nation African, Caribbean and Pacific (ACP) group will send 12 foreign ministers to meet their counterparts from West Germany, Denmark and Greece and discuss ways of fighting apartheid — an issue which bitterly divides the two groups.

The Community agreed last December to hold the Luxembourg meeting after turning down earlier ACP requests and arguing that sanctions imposed on Pretoria in 1986 were enough.

But the 12 EC states will be represented at the talks only by the so-called troika — the countries which are the current, previous and next holders of the rotating presidency of the EC council of ministers.

"We had to drag them screaming to the table," ACP Secretary-General Edwin Carrington said in an interview

He said the ACP, which includes 45 sub-Saharan African states, would try to persuade the Community that sanctions could be made to work, and seek a firm commitment to undermine South Africa's system of racial segregation.

"I think part of the problem is that the EC, while I genuinely believe that they oppose and despise the system of apartheid, have many fears," Mr Carrington said.

"They have fears as to what a post-apartheid society with significant black South African rule would imply. I think they have many a vested interest in South Africa, they have many kith and kin (there). And for all these reasons, the EC is reluctant."

Britain and West Germany are the countries most strongly opposed to beefing up the EC's existing sanctions against Pretoria — a ban on new investments and on South African exports of iron, steel and gold coins.

Mr Carrington, a soft-spoken 49-year-old West Indian, said he was embarrassed by the "feeble arguments" sometimes used by the EC to justify their inaction against apartheid.

"For a start, why don't they ban imports of coal? My approach would be that there should be a strategy of increasing stringency of measures against South Africa," he said.

"I do not share the view that the thrust of our policy is to bring down the South African government or to wreck South Africa.

"No, it is to force them to the negotiating table, to permit normal political action to take place in South Africa and to arrive at some kind of society and political arrangement that they accept as just and feasible and balanced."

Cutting off air links with South Africa was a sanction that would have to be considered if milder measures failed, he said.

Tension between the EC and the ACP over the issue has become a key factor as the two sides gear up for tough negotiations later this year on renewing the Lome Convention, a major pact between the two groups on trade and development aid.

"We hope we can have a frank exchange of views and a narrowing of the gap between us, a removal of some of the thinly disguised resentment which exists on this question between us," Mr Carrington said. — Sapa-Reuter.

Congress move to thwart total trade embargo on SA

By PATRICIA CHENEY
Washington

A GROUP of Republican Congressmen has drawn up a Bill that rejects new embargos on South Africa in favour of stepped up aid to South African blacks.

They hope the Bill will stop the complete trade and investment ban that seems set to steam through the House of Representatives.

The Bill, which has not yet been formally introduced by Republican Dan Burton, calls for:

● Giving money for black housing "only in geographic areas of South Africa in which there are no apartheid policies of residence restrictions based on race or ethnic origin, or in areas where such restrictions are being challenged by South African blacks or other non-white South Africans"

● Supporting "black private enterprise" by setting up business trusts, helping establish businesses, providing legal assistance and training black entrepreneurs

● Exempting American companies from double taxation if they transfer at least a 15 percent interest to black South Africans and train and promote blacks to managerial positions

● Setting up a President's advisory group of Americans "experienced in the establishment and management of programmes, services, and institutions which have proven effective ... in empowering disadvantaged and disenfranchised individuals and groups"

● Providing special credit, credit guarantees, bridge finance, and access to foreign capital through the export-import bank and overseas private investment corporations.

Meanwhile, Republican Howard Wolpe, House Africa subcommittee chairman, has introduced an amendment Bill that clarifies the five pro-sanctions Bills already under consideration by the subcommittee.

The Bill exempts "otherwise unavailable strategic minerals" from the proposed complete trade cut-off and eliminates loopholes which presently allow some South African uranium to come into the US despite the ban.

All trade between the US and South Africa would end within six months and all investment within one year.

The terms for disinvestment would be negotiated between the departing company and the relevant trade unions.

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Sanctions calls: Dutch media pays little heed

The Argus Foreign Service

ROTTERDAM. — Calls to intensify the economic boycott of South Africa, made in Holland by three leading South African church leaders, have received scant attention in the Dutch media.

Dr Beyers Naude was interviewed briefly on television, but his comments were given only a few paragraphs in the major newspapers.

He called on the Dutch Govennment to step up its economic sanctions, especially against coal and oil "to show solidarity with South African blacks". He said that little attention had been paid to the call by the rest of the world, and "we feel very helpless".

The Rev Nico Smit said he had hoped for an economic collapse in South Africa as this could provide the psychological shock needed to move the white electorate out of its pro-apartheid thinking.

"However, it looks as if the Western leaders do not want to change their financial position, although if they were informed of the real situation they would have to take action."

DISRUPTED

The Rev Sam Buti said reform by the white Ned Geref Kerk and the South African Govennment were "merely attempts to give apartheid a more acceptable face".

● In Munich anti-apartheid protesters disrupted the Hanover Fair with a demonstration in front of the South African stand.

About 100 demonstrators sealed off the stand, handing out pamphlets and telling visitors to stay away. There was chaos for about three hours as demonstrators and visitors argued in front of the South African exhibit.

The demonstrators were led by Barbara Simons, spokesman on South Africa for the Socialist faction in the European Parliament, and Helmut Lippelt, a Green Party member of the West German Parliament.

cross-country race. His brother, best friend and constant running com- help in this regard.

Europe to consider new package

66 nations in sanctions push on SA

Star 25/2/88

280

The Star's Foreign News Service
Kingston (Jamaica)

Foreign Ministers representing 66 countries in Africa, the Caribbean and the Pacific are to ask the European Community this week to intensify sanctions against South Africa.

They want the EC to put a freeze on all new loans, reject requests for re-financing existing loans, stop new investments and withdraw all existing investments.

The proposals from the group, which is linked to the European Community through the Lome Convention and includes the African Frontline states, will be made at a meeting with EC Foreign Ministers in Brussels tomorrow.

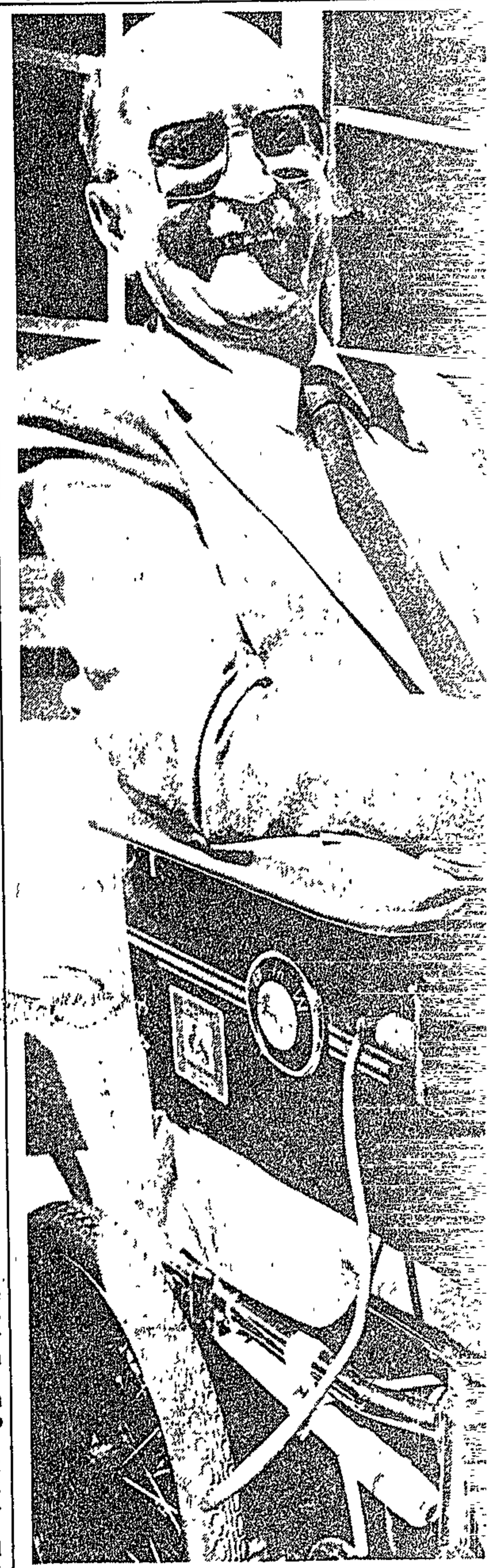
Officials said the group would be represented by eight Foreign Ministers.

They would tell their EC counterparts that the 66 countries had committed themselves to new measures against South Africa.

These included a ban on air links and an end to trade relations.

The group's position was agreed at a Foreign Ministers' meeting in Jamaica late last year.

The meeting concluded that there was no benefit in trying to bring down the South African Government, but there was merit in trying to force it to the negotiating table "to discuss the creation of a non-racial, democratic society".



Mr Heinie Reyneke is one of the residents of run by the disabled for the disabled

21 dead in road

Road accidents claimed the lives of at Last killed by

'Ban all SA coal' call to 17 nations

GENEVA — Coalminers and industrial and governmental representatives from 17 nations on Friday called for a total boycott of South African coal.

Delegates expressed "unqualified support to the South African miners' struggle against apartheid", inviting the International Labour Organisation to use all means available to ensure the total and effective boycott of South African coal.

South Africa is the world's third largest coal exporter despite import blockades imposed by several nations in 1985

SA clerics' sanctions call ignored

The Star's Foreign News Service

ROTTERDAM — Calls to intensify the economic boycott of South Africa, made in Holland by three leading South African church leaders, have received scant attention in the non-secular Dutch media. There has been no Government reaction.

Dr Beyers Naude was briefly interviewed on television, but his comments were given only a few paragraphs in the major newspapers, although they were well reported in the religious daily, *Trouw*.

He called on the Dutch government to step up its economic sanctions, especially in respect of against coal and oil, "to show solidarity with South African blacks". He added that little attention had been paid to the call by the world, and "we feel very helpless".

The Rev Nico Smit, of the NG Church, said he had hoped for an economic collapse in South Africa as this could provide the psychological shock needed to move the white electorate out of its pro-apartheid thinking

'MORE ACCEPTABLE FACE'

"However, it looks as if the Western leaders do not want to change their financial position, although if they were informed of the real situation they would have to take action."

The Rev Sam Buti, of the NG Church, said reform attempts by the white NG Church and the South African Government were "merely attempts to give apartheid a more acceptable face"

US big business against divesting

Star 25/4/88 (280)

EVANSTON (Illinois) — An overwhelming majority of the heads of some of the biggest companies in the United States opposes divesting US business interests in South Africa, according to a recent survey.

The chief executive officers of 120 companies with annual sales exceeding $1 billion opposed divestment by 86 percent to 14 percent.

In the survey, conducted by the Kellogg Graduate School of Management at Northwestern University, half of those opposed to divestituture said it would create unemployment for blacks in South Africa.

Another 31 percent said they regarded apartheid — the target of such divestiture moves — as an "internal political issue".

The survey also found three-quarters of the corporate chiefs favouring non-defence budget cuts as the best way to reduce the federal budget deficit. Another 60 percent also urged cuts in defence spending.

IBM continues selling to SA

RICHMOND. — IBM shareholders yesterday defeated a proposal that would have forced the computer giant to stop selling its products in South Africa.

The proposal gained less than 10% of about 400 million of the shareholders' votes.

The proposal, from a group of churches and individual shareholders, drew the most discussion at the meeting.

IBM sold its South African subsidiary last year. — Sapa-AP

SA commerce group visits US

WASHINGTON — A delegation of the American Chamber of Commerce in South Africa has been holding talks in the US in the past week to try to prevent further sanctions against South Africa.

It has concentrated on meetings with legislators in Washington. — Sapa.

Ecologist sues for uranium trading

BRUSSELS — The Green-Alternative European Link, the European Parliament's ecologists, alleged yesterday that a Luxembourg branch of a West German company had sold South African uranium to the Soviet Union.

The European ecological group claimed that the Luxembourg branch of Nukem, a German company which specialises in the transport of nuclear material, had forged documents in 1986 in order to sell to the Soviet company Technsnabexport, through the Finnish company TVO, South African uranium.

The Soviet Union has decided on an embargo on South African uranium.

REFUSAL

The deal was made in spite of a refusal by the European Atomic Energy Community (Euratom), the specialisd agency of the European Economic Community, Grael claimed.

Luxembourg member of parliament Mr Jup Weber, who is a member of the Luxembourg ecological party, has sued Nukem's Luxembourg branch for the illegal traffic. — Sapa-AP.

DID 2714158 (280)

Disinvestment: form of development aid?

Daily Dispatch Correspondent

CAPE TOWN — Disinvestment had produced reactions totally contrary to the hopes of its proponents and was a form of "development aid" for South Africa, the chairman of Shell, Mr John Wilson, said in his chairman's report.

"The South African economy has not crumbled, but rather disinvestment has increased domestic control over business as well as silencing foreign critics," Mr Wilson said.

He said that there were those on the sidelines "waiting for the pickings from the distressing sales of fleeing multinationals."

On the question of productivity, Mr Wilson said recent wage settlements above the inflation rate had reached a stage where jobs could be put at risk.

He believed it was essential for high wage demands to be linked to improved productivity.

Mr Wilson was gravely concerned with the proposed Labour Relations Amendment Bill since it was incomprehensible that government should seek to destabilise industrial relations just when they were improving.

He conceded there was no agreement in the private sector concerning the bill, which pandered to the growing right wing electorate and it was up to companies with a vision of a different future , to make known their criticism and grave disquiet.

Developing countries urge tougher sanctions

LUXEMBOURG — Developing countries urged the EC yesterday to impose tougher economic sanctions against SA, saying the bloc had the power to satisfy the world's demand for an end to apartheid.

The call came at a special meeting between a delegation from the 66-nation African, Caribbean and Pacific (ACP) group, which is linked to the community by the Lome trade and aid convention, and foreign ministers from three of the 12 EC states.

"The community and its member states have at their disposal all the means capable of forcing SA to make the changes which the whole world is waiting for," said Niger Planning Minister and ACP president Almoustapha Soumaila.

"We ask you to make use of them, for the price to be paid will be higher than we can imagine if you delay. Time is not in favour of peaceful change," he added.

He said the sanctions adopted by the EC in 1986 — a ban on some imports of iron and steel and gold coins from SA and a voluntary ban on new EC investment there — needed to be enforced more strictly.

But the situation in SA had deteriorated and new measures were needed, such as a ban on military and technical exports to SA, including nuclear technology, restrictions on imports of SA coal, gold and uranium and a mandatory ban on investment.

Diplomats said West German Foreign Minister Hans-Dietrich Genscher, current EC chairman, did not reply directly to the call for more sanctions, which is opposed chiefty by his own government, Britain and Portugal among EC states.

But he said the meeting would send a political signal to Pretoria.

EC Development Commissioner Lorenzo Natali pointed to the aid given by the EC to victims of apartheid and said EC aid to black states in southern Africa would also be increased.

He added that the community was doing everything in its power to prevent SA from passing a Bill which would effectively ban foreign funding for anti-apartheid groups. — Sapa-Reuter.

Barrett slams govt outburst

(180) Bl day 27/4/88

Own Correspondent

THE government's recent defiant statement that members of the UN Security Council should do their "damnedest" had shocked Western governments and South African businessmen, SA Institute of International Affairs Director-General John Barrett said yesterday.

The businessmen were shocked by the apparently ill-considered outburst inviting further sanctions, Barrett wrote in the latest edition of Inside South Africa, which was released yesterday.

labile.

Budlender said government had "disestablished" Oukasie as a township in

velopment Administer Gerrit Viljoen said Lethlabile was no longer earmarked for incorporation into any neighbouring homeland.

vendors must report to the Brakpan police station every day, may not communicate with State witnesses, or enter Khotso House.

The case was postponed to May 27.

I don't know about the orised expenditure. As fa member when I finished i the reports were in order

MICK COLLINS

Computer industry brings more power to your micro

DESPITE sanctions and other economic measures being taken against SA, the local computer industry is staying ahead in the technology race.

Altech subsidiary Electronic Building Elements (EBE), which is the SA distributor for Intel, yesterday announced it had reached agreement with ICL and its manufacturing arm, Psion Computers, to supply a powerful microprocessor for locally manufactured microcomputers.

ICL said it would incorporate Intel's System 302 microprocessor in its locally produced AT machines.

The System 302 — just released overseas and currently undergoing ICL bench tests — gives micros much faster processing speed and has been designed for CAD, CAE and other areas where greater processing capability and memory are required.

Psion MD Doug Gardner said: "When we embarked on local computer production, we gave the commitment to SA users that the capabilities of the local machines would be right up front with overseas progress and developments."

System 302 provides extensive memory capacity starting with 4mbytes on-board expandable to 24mbytes via two 32-bit expansion slots.

Manufactured under licence from the Rum and Maple Tobacco Corp . Richmond, U S A.

EC export restriction on SA apples

KIM IRVING

LONDON — AN EC decision to severely restrict the tonnage of SA apples exported to the Common Market this season is unlikely to be altered, according to Graham Broomhall, general manager of the European division of the Deciduous Fruit Board.

"It would appear there is little chance of the quota system being amended," Broomhall said yesterday.

This came after an emergency meeting in Brussels of southern hemisphere producers, to discuss a mandatory quota system Broomhall describes as "dangerous" and potentially disasterous for Cape growers.

SA's exports to the EC have been limited to 166 000 tons after a forecast 199 000 tons for the season, an output producers have been gearing up to meet.

A planned meeting last Friday between southern hemisphere producers and Alexander Tilldingcamp, the director-general of DG6, the body responsible for formulating agricultural policy in the EC, was cancelled at the last moment, Broomhall said.

The group had planned to question Tilldingcamp on the basis of the quota system, which followed the introduction in February of import licences, and whether the shortfall from some countries could be taken up by more efficient producers.

"I don't think there is any will to amend it," said Broomhall.

Further representations will be made through the body representing European importers in Brussels, Eucoufel, to the DG6, whose reaction should be known within the next few weeks.

Broomhall hopes the limits will be for this season only.

He says the action contravenes rules laid down by the General Agreement on Tariffs and Trade (GATT).

EC ignores call for sanctions

LUXEMBOURG — The European Community (EC) yesterday failed to announce new economic sanctions against SA after a meeting on the issue, but condemned apartheid in strong terms.

"We do not want to give any false hopes or false expectations," West German Foreign Minister Hans-Dietrich Genscher said when asked about possible EC sanctions on SA. 27/4/88.

Genscher was speaking following a meeting here between EC foreign ministers and a delegation from the 66-nation African, Caribbean and Pacific (ACP) group.

The ACP had urged the EC to step up economic sanctions by introducing new measures such as an embargo on imports of SA coal, gold and uranium and a ban on military and technical exports.

Speaking for the EC, Genscher called for an end to apartheid, freedom for political prisoners in SA and an end to what he called SA's policy of destabilising neighbouring countries.

"We have an abhorrence of the policy of apartheid. This is something which cannot be reformed, but which must be eliminated," Genscher said. Bldoy

EC pressurised to confront SA with tougher sanctions

LUXEMBOURG — Developing countries urged the European Community yesterday to impose tougher economic sanctions on South Africa, saying the bloc had the power to satisfy the world's demand for an end to apartheid.

The call came at a special meeting between a delegation from the 66-nation African, Caribbean and Pacific (ACP) group, which is linked to the community by the Lome trade and aid convention, and foreign ministers from three of the 12 EC member states.

Mr Almoustapha Soumaila, the Planning Minister of Niger and currrent president of the ACP, said the sanctions adopted by the EC in 1986 — a ban on some imports of iron and steel and gold coins from South Africa and a ban on new EC investment — needed to be enforced more strictly.

The situation in South Africa, he said, had deteriorated and new measures were needed. These included a ban on military and technical exports to South Africa, including nuclear technology; restrictions on imports of South African coal, gold and uranium, and a mandatory ban on investment.

West German Foreign Minister Hans-Dietrich Genscher, the EC's current chairman, did not reply directly to the call for more sanctions, which is opposed chiefly by his own government, Britain and Portugal among the EC states.

In a further development, South African coal industry executives are visiting Britain to boost anti-sanctions efforts ahead of the next round of EC talks, which could find coal sanctions returned to the agenda.

A delegation of industry executives has been encouraging sympathetic business and political leaders to keep fighting a ban.

They are warning that South Africa's coal export tonnage is down 14 percent over the past year and that sanctions, compounded by weak markets, have already cost the industry about 8 000 retrenchments. Two thousand more were likely to follow in the next year.

Britain and West Germany have so far managed between them to stop a coal ban but sanctions could resurface in EC talks soon on May 23 and June 13.

● A South African coal industry spokesman in London, Mr Robert Swain released a statement yesterday denying that the South African coal executives — including Mr Allen Cooke of Rand Mines, Mr David Rogans of Anglo American and Mr Bernard Holtzhausen of Gencor — were investigating South African investment in the privatisation of Britain's electricity industry — the Central Electricity Generating Board — as has been claimed by anti-apartheid activists.

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'Development aid' to SA's economy

Disinvestment has opposite results — Shell

BRONWYN ADAMS

DISINVESTMENT had produced reactions totally contrary to the hopes of its proponents and was a form of "development aid" to South African capitalism, according to Shell chairman John Wilson.

"The South African economy has not crumbled, but rather disinvestment has been welcomed by many businessmen and government as it has increased domestic control over business and, more importantly, silenced foreign critics," Wilson said in his chairman's report.

There are those on the sidelines "waiting for the pickings from distressed sales of fleeing multinationals", he said.

On the question of productivity, Wilson said recent wage settlements above the inflation rate had reached a stage where jobs could be put at risk, and Shell believed it was essential for substantial wage demands to be linked to improved productivity.

He said Shell viewed the proposed Labour Relations Amendment Bill with grave concern. "It is incomprehensible that government should seek to destabilise industrial relations just when a positive consensual approach was crystallising by imposing legislation which is not acceptable to any of the parties involved," he said.

He conceded there was by no means agreement in the private sector concerning the Bill, which pandered to the growing right-wing electorate. But it was up to companies such as Shell, which have a vision of a different future, to make their voices heard and to make known their criticism and grave disquiet.

Disinvestment deal angers management

ALAN FINE

ANOTHER disinvestment deal has run into difficulties — but this time it is local management which has expressed its anger by walking out.

The MD of Mono Pumps, with two other members of the management team and a senior draughtsman, have resigned their positions and purchased an opposition firm, Orbit Pumps.

Mono Pumps was sold last month by British parent company Gallaher to Malbak subsidiary Fluid Corporation. The R13,75m deal was concluded in the face of a management bid for the company.

Former MD Herbert Peake said yesterday management had been let down badly by Gallaher: "Years of loyalty meant nothing to them. Although our offer was 9% below the Fluid offer, it contained very few conditions. Also, all employees were in favour of the management buyout."

This, he added, explained a work stoppage which occurred the day the Fluid deal was announced.

While his ire was largely directed

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Disinvestment deal angers management

● From Page 1

against Gallaher, Peake said Fluid's head-on bid against management was bound to cause some friction. Thus his and his colleagues' decision to leave and purchase their own business, which will produce similar products on a smaller scale.

Fluid chairman and acting Mono Pumps MD George Coucourakis said he believed the management resignations were not due to Fluid's involvement but because of unhappiness at the nature of Gallaher's withdrawal. He understood Peake's desire to branch out on his own.

He said Mono still had a management structure which was strong and contained great depth, a point with which Peake agreed, and the remaining management team was very excited and enthusiatic about the company's future.

He stressed Gallaher's withdrawal from SA was not politically motivated, as the company had decided to get out of the pumps sector worldwide.

COMMENT

Not so model

THE Ford disinvestment is not turning out to be the model withdrawal the company hoped for when it negotiated the donation of 24% of its equity to an employee trust fund. Now the workers want the money instead.

The objective was to turn Ford into Samcor without the bitterness and strife which marked the disinvestment transformation of General Motors into Delta. The aims were certainly noble; the results are more likely to prompt future disinvestors to hand over everything to hard-nosed SA managements and let them deal with the workers.

GM was subjected to a lengthy strike by workers who complained they had not been consulted on the terms of the disinvestment. But Delta is now up and running under local management, while Samcor has had an eight-day strike because workers are disputing the employee trust deal accepted by their union after five months of consultation. That dispute is far from over; workers at Samcor's Pretoria plant are trying to fire their union shop stewards and replace them with a new committee to renegotiate the future of the equity Ford left them.

Fine worker phrases about not wanting to be mini-capitalists and remaining committed to the upliftment of the community sit ill with demands for the trust to be liquidated and the proceeds paid out to the workers. The trust will be controlled by Samcor workers, but the dividend proceeds are intended for welfare and development projects in their communities. Numsa secretary Fred Sauls said last year that this was the only basis on which the union could accept the deal, because of worker resistance to the income being distributed to them personally.

This is now exactly what the workers are demanding. They see potential pay-outs of R40 000 per person. Never mind Cosatu policy that the wealth of disinvesting companies must remain the property of the people for the benefit of all — give us the cash and let the community look after itself.

It is a saintly individual who will deny undreamed-of personal wealth for the communal good. Perhaps Ford thought they were dealing with saints; perhaps Cosatu still believes that saintly disinvestments are possible.

Other foreign managements contemplating disinvestment are likely to be less charitable. They will be less inclined to try to ensure the continuation of social programmes after their departure, either from humanitarian considerations or for domestic political approval in their own countries. They will sell their assets to those more interested in the creation of wealth than its redistribution.

And, even if the Samcor employee trust survives the present onslaught, Cosatu unions are less likely to be consulted on the disinvestment they continue to propagate.

New attempt planned for 1989

IBM sanctions-bid leader to try again

(280) Star 2814188

The Star Bureau

WASHINGTON — An IBM employee who led an abortive effort this week to end the corporation's computer sales to South Africa has given notice that he will try again next year for the severing of all IBM links with the Republic.

Electronics engineer Mr James Leas said he submitted an improved resolution for the next annual general meeting after stockholders overwhelmingly rejected his bid in Richmond, Virginia, on Monday.

United States church groups advocating disinvestment and five IBM employees representing black employee organisations joined Mr Leas in Monday's attempt.

Mr Leas's promptness and tenacity largely illustrate that of the rest of the highly organised and co-ordinated disinvestment and pro-sanctions movement in the US, which has determinedly increased its efforts against US businesses operating in South Africa in spite of widespread corporate rebuffs in "shareholder season" each year.

Mr Leas noted in his resolution for 1989 that two members of IBM's board, former chairman Mr Frank Cary and lawyer Mr William Coleman, had been members of the US Secretary of State's panel of distinguished Americans advising him on the South African issue.

Mr Leas said the committee had called for comprehensive, multi-lateral sanctions against South Africa if it remained instransigent.

"South Africa has remained instransigent."

TRAGEDY

"In the view of the Cary-Coleman committee, a human tragedy of potentially immense proportion threatens to unfold in South Africa. Action is therefore urgently needed," he said.

IBM had become a model of inequality and an active worker for the status quo in South Africa.

IBM would also be hurt little by a halt in equipment sales to South Africa. By selling technology almost exlusively to whites, "IBM can only help perpetuate white rule".

On Monday, shareholders voted resoundingly against stopping sales and services to the newly created, independent Information Services Management (Pty) Ltd, which became IBM's exclusive representative in South Africa when the company pulled out last year.

Possible job loss a dilemma for sanctions lobby

ELSABÉ WESSELS



● EID

THE dilemma facing the pro-sanctions lobby was the prospect of individual workers losing their jobs, two visiting West German MPs said at a Press conference in Johannesburg yesterday.

Green Party MPs Willie Hoss and Ursula Eid arrived in SA this week to speak to anti-apartheid groups to gain information to back their party's call at home for full comprehensive sanctions against SA and press for disinvestment of West German companies in SA.

Eid said their visit was prompted by the February 24 and subsequent restriction of anti-apartheid organisations.

Hoss and Eid, who have been speaking to labour union and church leaders, said there was at present not enough support in West Germany for the withdrawal of German firms from SA.

They added there was no possibility of economic sanctions against SA under the present West German government.

US companies unite to fight disinvestment

SIMON BARBER

WASHINGTON — Stung by the "sneak" passage of the Rangel double-taxation amendment last December, the largest US companies still left in SA have formed a new coalition to fight the total disinvestment Bill now before Congress.

An estimated 20 multinationals are understood to have each contributed $5 000 to the campaign's war chest, much of which will be spent on retaining an influential liberal Democrat to lobby the Senate.

The companies include: Mobil, Chevron, Caltex, Union Carbide, Dresser Industries, Johnson and Johnson, Combustion Engineering, Caterpillar and CBI Industries.

The effort is being co-ordinated by the

● To Page 2

US coalition formed to fight sanctions Bill

● From Page 1

Washington-based National Foreign Trade Council, which is circularising the 500 multinationals it represents to enlist their support.

The circular states that "given the politics of the issue in an American presidential election year, the companies in the coalition felt it was necessary to make an extraordinary effort to oppose new sanctions".

Pro-sanctions Bill opposed anti-blacks would aid SA

CITY/NATIONAL

April 29 1988

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — Some American congressmen and businessmen have banded together to push for new legislation to sweep aside a Bill killing most US-South African trade in six months and ordering complete disinvestment in a year.

Republican congressman Mr Dan Burton of Indiana produced a broad outline of the alternative Bill on Capitol Hill yesterday. It boosts US government and corporate aid to South Africa, aiming exclusively at black upliftment.

The Burton Bill would pump millions of dollars into improving black housing, social welfare and business enterprises and would further commit US businesses still in South Africa to spend more on black progress.

"Scorched-earth"

Mr Burton, a fervent anti-sanctions and disinvestment lawmaker, described a Bill created by liberal Democrats ordering American firms to withdraw from South Africa and effectively ending trade, as "a scorched-earth policy".

He said the sanctions Congress passed in 1986 had not worked and nor would the new, tighter measures.

"The real victims of the '86 sanctions were not white South Africans but the thousands of black workers who lost jobs."

The goal of the Bill's authors, Mr Burton charged, seemed to be to create an economic crisis in South Africa leading to an escalation of violence and repression.

Counter-offensive

Mr Burton has proposed that the US Government probes — and reports in 90 days — on how US foreign aid programmes can be geared to help black South Africans break down the Group Areas Act.

It is understood the Burton alternative has broad approval from US corporations trying to stay in South Africa. They are themselves on a diplomatic and political counter-offensive to try to diminish the present appetite in Congress for action against South Africa.

But the Bill faces an uncertain reception in the House of Representatives, which is dominated by Democrats eager for a tough stand against the South African Government.

US corporations are believed to be concentrating their lobbying efforts in the Senate, where they feel they have a better chance of success.

UK union boots out Clegg over boycott

By GARY RATHBONE

THE British Musicians' Union has expelled South African-based musician Johnny Clegg from its ranks, despite a letter from the United Democratic Front's cultural desk urging it not to do so.

Clegg, a founder member of the successful Juluka and a major force in the local music industry with his current band, Savuka, is regarded by the BMU as being in breach of the cultural boycott.

Despite the fact that he has lived in South Africa for most of his life, the union feels that, as a British citizen and a BMU member, Clegg is obliged to abide by the cultural boycott which bars foreign artists from performing in South Africa.

While the BMU has already made a statement to the media, neither Clegg nor his management have been informed about the union's intentions.

Roddy Quin, artist and repertoire director for Clegg's recording label EMI, said everyone concerned was still in the dark.

"I haven't received any official notification from the BMU and neither has Johnny or his management in France (where Clegg is currently performing), so there isn't much we can say or do at the moment.

"Savuka have a show booked in the UK on May 12 at the Hammersmith Odeon which, as far as I know, is going ahead as planned. I suppose we'll find out then just exactly what action the BMU are contemplating and how it will affect Johnny's status as a performer in Britain."

Quin said he was surprised at the BMU's decision. He said the union did not seem to be fully aware of the realities of the South African situation, particularly Clegg's involvement in the cultural struggle.

"Most organisations here will certainly disagree with the BMU's decision, considering what Johnny has done and what he stands for," he said.

SANCTIONS

Helen tells them

That marvellously descriptive Afrikaans word *tjoepstil* — meaning "quiet as a mouse" and used so often to deride the inability of political opponents to answer a challenge — summed up Nationalist MPs' reaction last week to Helen Suzman's stinging attack on their failure to campaign overseas against sanctions.

Her speech — one of the best in the Budget debate so far — followed goading by President P W Botha who tried to link the Progressive Federal Party (PFP) to sanctions campaigns. Painting what he obviously thought would be a difficult corner to get out of, he challenged the party to reject Archbishop Desmond Tutu's sanctions calls.



Suzman . . . goading the Nats

Suzman bounced back, not only with the unequivocal rejection that P W sought, but also with a challenge to the Nats to say just what they are doing to fight sanctions.

"I have just returned from the US where I spent two weeks and spoke against sanctions, disinvestment and divestment at one large school and four universities — two of which had student bodies of more than 30 000. I have been doing it for 10 years . . . it is not an easy thing to do these days"

Suzman challenged Nat MPs to go to the US and to try to get audiences on campuses and to talk against sanctions: "They will not even get a hearing, but let them try. Let them have the guts to try, and I do not believe a single one of them has done it, not even the minister of foreign affairs.

"What he does is to send a message via our representative at the UN to tell them to do their damnedest. Oh clever, so clever. I have news for him — they are taking his advice," Suzman said. She asked any Nat MP who has campaigned in the US against sanctions to stick up his or her hand. There was no response.

"I challenge members opposite, any one of them, to go overseas and do the same thing. I do not want to hear any more nonsense about this party's attitude towards sanctions and disinvestment from the State President or anybody else."

And she didn't.

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Republicans: some embargoes have backfired

Call to oppose new sanctions package

WASHINGTON — Three Republican members of the US House of Representatives yesterday asked colleagues to oppose a sanctions package against South Africa, saying it is a "scorched earth" policy which will hurt blacks.

The three are Mr Doug Bereuter, Mr Dan Burton and Mr William Broomfield.

They wrote a letter to members of the Democratic-controlled House of Foreign Affairs Committee as the panel prepared to vote on the sanctions package.

The package could impose tougher sanctions on South Africa such as prohibitions on all US investment on all imports from the Republic, excluding strategic minerals, and on US exports to South Africa, except donations to relieve human suffering.

Supporters of the bill say the sanctions are needed because the limited restrictions imposed on South Africa in 1986 have failed to reform the apartheid system of segregation.

The Republican members say the sanctions have backfired in some cases.

Tightening them will worsen the economic situation for blacks.

"Apartheid is breaking down despite, not because of, sanctions," they said in a three-page letter.

They claim the sanctions have hurt US interests and stricter bans will throw black South Africans out of work.

They cite a study by the New Jersey Division of Investment, which said New Jersey lost $365 million in pension funds because of divestment measures.

The Republicans' letter claimed that a study by the Congress of South African Trade Unions (Cosatu), estimated that 2 million more South Africans would be out of work by the year 2000 if sanctions are increased.

The three Republicans urged their colleagues to support their substitute measure which does not repeal the 1986 sanctions, but attempts to target US assistance to blacks.

Among other things, the substitute would provide housing loan guarantees to blacks and encourage US businesses to help the black business sector.

They said the substitute would lead to positive developments in the black community.

This is in contrast to the sanctions package, which "takes a total 'scorched earth' approach."— Sapa-AP

SPORTS BOYCOTT TIGHTENS

Now Spain turns the sports screw — total ban on SA players

by ROBERT HOUWING, Weekend Argus Reporter

THE international noose on South African sportsmen and women is suddenly being tightened on all fronts.

The latest is an immediate blanket ban by the Spanish government on all South African participation in any sport in that country.

And while pressures for South African sports peoples' exclusion from the world's sporting fields are mounting, so divisions at home among the controlling bodies of sport seem to be widening.

It has been reported that a new sports organisation is about to be formed in opposition to the non-racial South African Council on Sport (Sacos).

Olympic Games

The Spanish government's blanket ban is said to have been instituted to prevent any boycott of the 1992 Olympic Games in Barcelona.

This is how South Africa's ambassador in Spain, Mr David Louw, sees the moves in Madrid.

Mr Louw's warning to any South Africans travelling to Spain for professional sport is: "They will have to get a visa and state the real reason for their visit."

"A tourist visa will not be sufficient. Otherwise there is a strong possibility that they will be stopped from participating after paying all their expenses."

Yesterday, South African tennis player Kim Labuschagne, now resident in Houston, Texas, was pictured on the front page of Spanish newspapers as the first victim of the new crackdown. She was banned from the Elesse tournment in Barcelona.

Brian Mitchell

The Spanish ban comes after worldwide publicity following Brian Mitchell's retained welterweight boxing title in his televised fight against Jose Rivera in Madrid on Tuesday.

"It should never have taken place," Mr Innocencia Arias, Under-Secretary of the Spanish Foreign Ministry, said. "Multiple errors meant that we learnt too late to act"

In a significant move at home, it has been reported that a new anti-apartheid organisation, known as the National Sports Congress (NSC), will be launched in the next few weeks. It is thought to be a "breakaway" of disenchanted Sacos members.

A number of organisations, including trade unions, student bodies and church groups are said to be behind its formation. In a document released by the NSC, it said Sacos had failed in its 25 years of existence to make "meaningful inroads in black townships".

Zola Budd affair

Sacos chief Mr Frank van der Horst declined to comment yesterday on the likely breakaway. "I will do so once I have seen the document, to establish what this organisation is all about."

A series of actions against South African sportsmen and women in recent weeks have led to the belief that overseas pressure is rapidly increasing.

They include the controversial Zola Budd affair and the refusal of several International Rugby Board member-countries to allow their players to represent a World XV tour of the country this season.

The Scottish Rugby Union met yesterday to discuss whether to allow its players to participate in the proposed tour — already hampered by the decisions of Ireland, Wales and New Zealand to ban players from it.

The Scottish decision will be announced on Monday, but local rugby authorities are believed to be pessimistic about the chances of a green light being given.

In other recent developments, the International Amateur Athletic Federation has said it aims to close the door on South Africans, black or white, who change their nationality or run for another country.

"There will be no more passports of convenience, no more Zola Budds," the IAAF's Swedish vice-president, Dr Arne Ljungqvist, said.

Last week, the "Black Prince" of South African soccer, Jomo Sono, played in a World XI in Tokyo, in spite of intense pressure from the London-based South African Non-Racial Olympic Committee (Sanroc) to stop him.

The organisation said that no South Africans should be allowed to play because the country was banned by Fifa, the world controlling body.

■ SEE: Zola's righthand man, page 4

African sports heads called to talk apartheid

Weekend Argus Foreign Service

LONDON.— Sports leaders from black Africa are being called to talks with the International Olympic Committee to discuss apartheid.

The meeting in Lausanne, Switzerland, on June 21, will "re-affirm IOC policy on South Africa", which was expelled more than a decade ago because of its race policies.

Officially, the IOC says the meeting will be an exchange of views, but several committee members say they want to end African boycott threats which overshadow this summer's Seoul Olympics.

They surfaced after potential Olympic tennis players competed in Johannesburg and flared again recently over the eligibility of Britain's South African-born runner Zola Budd.

IAAF vice-president Arne Ljungqvist has said his organisation is standing by its threat to stop British athletes competing in Seoul unless the British Amateur Athletic Board complies with its recommendation to ban Budd for a year.

■ FORMER South African athlete Sydney Maree, once the 1 500 metre world record holder, has said he believes attempts to ban Budd are wrong.

Maree, now a US citizen, said this week: "I do not feel the world should do what they are doing to Budd. She has paid her dues. She deserves an opportunity to compete internationally like all of us. I feel very upset about what is going on."

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B/day 21/4/88

More jobs needed, says Assocom president

'Growth hit by sanctions'

SANCTIONS and disinvestment have placed a ceiling on SA's economic growth and hence its ability to create jobs for a burgeoning population, Assocom president Alec Rogoff said yesterday.

Rogoff told the SA Institute of International Affairs that a 3% economic growth rate was not enough to create jobs on a sufficient scale. The SA economy needed to grow at 5% to 6% if the country was to achieve both its economic and social goals.

Balance of payments constraints had slowed the economy. Thus external economic pressure had endan-

GRETA STEYN

gered the livelihood of a considerable number of the black population in both SA and southern Africa, he said.

Disinvestment had undermined the best strategies available for black advancement. Punitive measures against SA had affected a wide range of foreign-sponsored social programmes to assist blacks and reduced the influence of US corporations in SA. The Sullivan Code had ceased to be an instrument of upliftment.

In his view, the intensity of sanctions might ebb and flow, but the underlying pressure would remain.

"Although we are still far from universal mandatory sanctions, there will be continued efforts abroad to interfere with normal trading and financial relationships between SA and the outside world," he said.

SA had to remain internationally competitive, which meant prices of SA goods could not be allowed to rise too fast. "This puts a special onus on SA to get its inflation rate down, to reduce costs."

He called for business to exercise as much influence as it could to stave off, or modify, any further economic pressures which might be in the offing.

Nine new points of peril for SA

What should SA expect as the sanctions net tightens? In a speech yesterday to the Artisan Staff Association congress in Maritzburg, CARL NOFFKE, director of the Institute for American Studies at the Rand Afrikaans University, indentified nine likely areas of international action

AT THIS moment, the US Congress is preparing new legislation calling for more severe sanctions against SA.

We should not underestimate the dangers ahead. The legislation now in preparation calls for a virtual termination of meaningful trade links between the US and SA — the most notable exception from the list of products to be banned being certain South African metals and minerals.

At this crucial stage in the rapidly-expanding sanctions campaign, we must look ahead and project future tendencies. Rapidly-evolving new guidelines include the following:

☐ Impeding or restricting SA's exports, cutting off or reducing our crucial imports;

☐ Restricting, reducing and halting loan finance, including trade credits, impeding the transfer of technology and disrupting transport and communication links. Efforts are underway to make it more difficult for SA to acquire foreign loans. Banks are under pressure to tighten the current leeway allowed on rescheduling presently-owned debt;

☐ Plans for new international sanctions provide for the acceleration of efforts to prevent equipment and parts being supplied to South African companies which have taken over the businesses of overseas companies which left SA on account of disinvestmemt pressure.

In this respect we should be preparing ourselves for efforts to ban re-investment of profits of American companies within SA and for a ban on subsidiaries in third countries supplying products to SA;

☐ Pressure will be applied by the sanctions lobby on other countries to tighten their investment bans. Efforts are already in an advanced state to persuade EC countries, applying only a voluntary ban on new investments into SA, to adopt the severe US restrictions;

☐ EC countries and Japan are being encouraged to impose current US bans on certain South African products. These include food and agricultural products, uranium, coal, iron, steel and textiles;

☐ An international ban on machinery, technology services and oil is also being envisaged. Such a wide-ranging ban depends on the total support by the major industrial countries, Latin America and the oil-producing countries;

☐ As SA has successfully channelled trade via third countries, the sanctions lobby will concentrate on "middlemen," as well as areas of "unconventional trade";

☐ Overseas trade unions are being asked to refuse to handle products coming from SA or destined for our markets; and

☐ Finally, one can expect large-scale efforts to "harmonise" international aid programmes to the so-called Frontline states. The sanctions lobby believes such aid programmes would stimulate growth on such a vast scale that they would become economically independent from SA.

BLACK ELECTIONS ARE DUE NEXT YEAR

Sowetan 25/4/88

ELECTIONS for nine black regional "own affairs" councils are on the cards for next year.

SOWETAN Correspondent

And in the longer term Parliament as it is today could make way for a totally new legislative body which would include all groups.

According to senior National Party sources legislation is already being prepared to create the councils, mooted last week by President P W Botha.

The Government wants to put the regional council legislation and the National Council "great indaba" through during the current session of Parliament.

The councils are to be given the same powers as the existing white, coloured and Indian minister's councils but they will not form another wing of Parliament.

The powers will cover culture, health and local government.

Leaders of the regional authorities are likely to be delegated to the "great indaba" and to the proposed policy making body of the State President.

It is still not clear whether the two bodies could be created in tandem or whether the one would follow the other.

Life span

The proposed life span of the national council is however only two years.

The new system will lead to a massive proliferation of government bodies with departments such as education more than doubling in number.

The regional bodies are likely to have their boundaries based on the borders of the nine development regions and will be "black multi-ethnic."



PRESIDENT Botha . . . announced new structures last week.

Ban on SA ore may 'cripple' US

CAPE Times 30/4/88

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From SIMON BARBER

WASHINGTON. — The ban by the US Congress on South African uranium imports could cripple the US processing industry by the mid-1990s, according to an analysis by the Department of Commerce.

In the short term the analysis predicts a loss of about R600 million annually, rising to billions in the next decade as key customers such as Japan, Taiwan and Spain refuse to renew contracts with US facilities.

"Japanese utilities have contracted for 30 000 tons of South African uranium worth about R3 billion to be delivered between 1986 and 1995," the study notes.

"Assuming this cost represents approximately one-third of the final fuel cost to the utilities; another two-thirds, about R4 billion, representing conversion, enrichment and fabrication costs, is potentially lost to US facilities."

Meanwhile, hopes that the ban on SA uranium ore would help the moribund US mining industry have proved groundless.

US ore, priced in 1986 at about R20 a pound more than foreign supplies, has become profoundly uncompetitive.

● According to an unpublished assessment by the US Bureau of Mines, an embargo on South Africa's strategic minerals other than platinum and rhodium would cost the US more than $110 million (about R220 million) a year, but would be feasible.

However, a ban of South African platinum and rhodium would cause severe dislocations because alternative supplies are insufficient to meet US industrial demand.

The price tag on such a ban, the study estimated, would be $8,7 billion (about R17,4 billion) over the five years 1988-1992, or close to $1,8 billion annually.

Embargo

The 50-page report, which has been kept under wraps since January, is the US government's first detailed attempt to put a dollar value on a total cut-off of South African minerals.

It was requested by the State Department — though not even the sweeping sanctions legislation now under consideration includes such an embargo.

The figures take into account the increased cost of imports because of reduced supply, lower mineral consumption, the cost of developing low-grade domestic ores or high-cost secondary recovery, plus estimated trade pattern adjustment costs.

"There are sufficient world sources to South Africa for manganese, chromium, palladium, titanium and vanadium" to meet US demand and thus make an embargo on those materials thinkable.

Non-South African sources can meet between only 40 and 50% of US platinum and rhodium needs.

In the event of a total mineral embargo lasting five years, "domestic primary and secondary production expand and together satisfy about one-third of US platinum requirements, one-third of US rhodium requirements and more than one half of domestic palladium requirements".

In the shorter term, "US dependence on the Soviet Union for platinum increases from three to 30%, rhodium doubles from one-third to as high as two-thirds, and palladium from 33% to as high as 60% of total consumption requirements".

"Further, because the Soviet Union is a major producer of chromium, manganese and vanadium, US dependence on the Soviet Union for these material may also increase," the report said.

SOUTH AFRICAN LABOUR BULLETIN*

Address:
P.O. Box 31Ø73, Braamfontein 2Ø17

or
4 Melle House, 31 Melle Street, Braamfontein 2ØØ1

Phone:
(Ø11) 339 8133

Chairman:
Johann Maree

Editor:
Jon Lewis

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THE BOYCOTT BUSINESS

A green and gold passport to world hate and isolation

THE colour of the passport rather than the colour of the skin now determines boycott actions against South Africans abroad.

By DRIES VAN HEERDEN

Recent incidents seem to indicate that the international isolation of South Africa is beginning to hurt ordinary citizens irrespective of the hue of their skin or their political persuasion

The rest of the world has become an "equal opportunity" isolator of South Africans and there are no indications that they are going to let up in their campaign.

A quick rundown of events this week bears this out·

● In Britain, Bloemfontein-born Zola Budd's athletic life hangs by a thread because of her South African connections

● Across the Atlantic, Sydney Maree, born and bred in abject poverty in Atteridgeville, has been issued a similar warning from the International Amateur Athletic Federation· "We are investigating your South African links"

No matter that Maree is black, an American citizen and an accomplished competitor on the world's tracks for many a year

His South African birth is hanging like an albatross around his neck

● Somewhere in the Australian outback a local school refused to register 17-year-old Paarl schoolboy Gary Kroukamp, who is spending his year there as a Rotary exchange student

● And in Dublin the Irish Anti-Apartheid Movement has moved against a 60-strong choir from Daveyton scheduled to appear at a local music festival — presumably because accompanying Mayor Tom Mboya's political views are not to their liking

This was also the week that saw the isolationists move beyond the ridiculous to the absurd .

Zola is faced with a ban, but another local runner, Cassandra Mihailovic, becomes eligible to run for France.

All British water polo players have been summarily dunked because 12 of their mates toured South Africa and refused to own up

The Spanish Government is wringing its hands in regret because it found out "too late" that the World Boxing Association champion, Brian Mitchell, who trained and fought in Madrid, is actually a South African

It was Ulilspiegel, the famous German buffoon who once remarked "Everybody hates me but I am giving them enough reasons to"

In that sense the South African Government surely is the master of its own and its subjects' undoings

But, says RAU political scientist Professor Deon Geldenhuys, there are ample indications that the campaign to isolate the Republic has entered a new phase.

"They don't care whether you are for apartheid, against it, or in some cases even the victims of it Isolation has become colour blind," he says

Professor Geldenhuys, the author of several books and articles on South Africa's foreign relations, believes this puts the country on the level of other so-called pariah states like Taiwan, Chile, Israel and Paraguay.

These countries have been banned from various international bodies because of their internal policies but the actions have not reached down to the level of the ordinary people.

Their citizens are still relatively free to travel and they have not suffered the pangs of cultural and academic isolation.

South Africa remains in an invidious situation. The list of organisations from which it has been expelled and international actions taken against it grows longer every day.

● The Republic maintains diplomatic relations with a mere 16 percent of United Nations members. Malawi remains the only recognised African state with an ambassador in Pretoria

● South Africa has been kicked out of every UN agency with the exception of the International Monetary Fund and the General Agreement on Trades and Tariffs

● Professor Geldenhuys estimates that more than 85 percent of "international agreements" South Africa entered into in recent years were with the TBVC-states

● Since 1961 South African heads of state have paid only eight foreign visits — General Smuts in 1946 was the last one to visit the United States

The last major Western leader to visit this country was Mr Harold McMillan in 1960

● The Republic has not been a member of any military alliance since the Second World War

● The isolation on trade relations, foreign investment, the transfer of technology, sport, art and entertainment, tourism, foreign travel, international transport, postal and telecommunications, religion and the humanitarian field is growing day by day

Professor Geldenhuys notes, not without irony, that the Government's 1983 referendum campaign proclaimed boldly "A 'No' vote will only disillusion our friends and further isolate our country"

The Government got their "Yes" vote but the disillusionment and isolation is now stronger than ever.

Increased efforts by the Government to combat this isolation through internal reform has come to naught.

The Three Chamber Parliament, Rubicon, the National Council and now the proposed "Great Indaba" have come and gone with not an inkling of an indication that the trend towards isolation can be stemmed.

'Many would lose jobs' if countries ban tourists to SA

JOHANNESBURG. — If countries place a ban on foreign tourists visiting South Africa, many of the 250 000 people employed as a result of tourism would lose their jobs, the chairman of the South African Tourism Board, Mr Danie Hough, said at the Fedhasa International Conference in Madeira.

"This would directly result in a falling standard of living and an increase in unemployment."

In spite of the negative publicity which South Africa received from the international media, the growth figure for the tourist trade for 1987 was 14,2 percent compared to 1986.

However, he said the South African Tourism Board had already been forced to close its offices in Canada and Australia due to political pressure.

"The same may happen in America depending on the next move by congress regarding sanctions," Mr Hough said.

"In countries where we were forced to close our offices, we have instituted a desk system at head office in Pretoria where links are maintained with these countries and the promotion of tourism is continued through identified operators and wholesalers."

He said the system had been implemented with regard to the Australian, Canadian, South American and Spanish markets.

The South African Tourism Board has 13 offices overseas which promote South Africa as a tourist destination in the various countries in which they operate and 13 regional offices in South Africa.

Mr Hough said of importance to the industry was that 40 percent of tourists returned for at least a second visit.

"One of Satour's main objectives is to formulate a video project which will involve at least 50 000 South Africans promoting South Africa as a tourist destination to their friends and relatives overseas."

Other objectives include activating dormant South African clubs and friendship associations and establishing new ones, instituting an incentive scheme to involve returning overseas visitors to promote South Africa as a tourist destination and involving moderate groups overseas in the promotion of tourism.

"It is envisaged to invite some of the leaders of these groups to South Africa as guests of the South African Tourism Board."

Mr Hough said the Board planned to bring foreign journalists to South Africa as a way of generating favourable publicity.

On the issue of peak holiday periods, Mr Hough said although Satour was striving to have holiday periods scheduled by schools, universities and the industry scattered more evenly during the year, the task was an "insurmountable one".

However, he said it was time for private enterprise to come up with "innovative and new vision regarding the development of adequate infrastructure".

A joint Satour/Fedhasa committee was also reconsidering current registration and grading requirements for hotels, said Mr Hough.

"The committee's aim is to simplify the requirements for one-star hotels by having them meet certain basic standards only.

"They are also looking at ways and means to adjust the points system to bring our star categories more in line with those found overseas, as we feel that we perhaps have been too stringent in the past, thereby underselling our hotels abroad." — Sapa.

Tour ban on SA would 'cost many jobs'

Should countries place a ban on foreign tourists visiting South Africa, many of the 250 000 people employed as a result of tourism would lose their jobs, chairman of the South African Tourism Board Mr Danie Hough said today.

He told the Federated Hotels Association of South Africa (Fedhasa) conference in Madeira: "This would directly result in a falling standard of living and an increase in unemployment."

Despite the negative publicity which South Africa received from the international media, the growth figure for the tourist trade for 1987 was 14,2 percent compared with the figure in 1986.

Mr Hough said the board had already been forced to close its offices in Canada and Australia due to political pressure.

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"It is envisaged to invite some of the leaders of these groups to South Africa as guests of the South African Tourism Board."

Mr Hough said the board planned to bring foreign journalists to South Africa as a way of generating favourable publicity. — Sapa.

● How to play — Page 13
● See Money Market report on Page 10

Thomas Cook sells out

CHERILYN IRETON

THOMAS COOK'S disinvestment from SA follows a change in thinking on minority investments by the British travel group's new management team.

The group disclosed yesterday it is to sell its 29% stake in Thomas Cook Rennies to partner and major shareholder Rennies for an undisclosed sum.

The local operation, which has a 10-year contract to sell Thomas Cook travellers' cheques, will operate as Rennies Travel.

Rennies chairman Buddy Hawton says Thomas Cook, now owned by Midland Bank, took a policy decision earlier this year to get rid of its interests in minority investments worldwide.

"Politics were never mentioned as a motivating factor, but it is my personal view that continued involvement in SA would eventually place a strain on overseas shareholders."

Although the price paid by Rennies is being kept under wraps, Hawton says it was a fair deal. "We were not prepared to pay a significant premium for the business as we are expecting travel will become more difficult if the rand relegates against other currencies — as seems likely."

The biggest part of the price paid was dependent on Rennies' ongoing ability to sell travellers cheques, adds Hawton. To ensure this, performance guarantees have been provided.

Left moves closer to poll pact

Why the US will ignore advice on its Africa policy

Washington Letter by SIMON BARBER

WATCHING the Reagan Administration play out its last cards in Southern Africa brings nothing so much to mind as the final scene in Roman Polanski's "Chinatown"

The Faye Dunaway character has been shot dead at the steering wheel Her father is slobbering incestuously over her — their — daughter and is getting away with the murder of his son-in-law. Jack Nicholson's J J Gittes, the private detective who unwittingly made most of this possible, is led away by his assistants. One of them mutters the immortal epitaph "Come on, Jake. It's Chinatown"

When Chet Crocker leaves his office on the sixth floor of the State Department, at a guess next January, a similar parting line will be in order just before the credits roll and some enthusiastic new sucker arrives to star in "Africa — the Sequel"

Impenetrable

For Africa, especially the southern bit, really is the Chinatown of American foreign policy: an alien, impenetrable place where outside intentions go wrong in almost perfect proportion to their worthiness and where only the profoundest cynic (France comes to mind) has any real hope of staying consistently sane.

Let us sum up how Southern africa will probably look when the Reagan era ends What will Washington, in all its governmental branches, fiefdoms and ideological factions, have achieved over the the past eight years that Detective Gittes in "Chinatown" did not?

For all America's attempts, some high-minded, some less so, to cure the region's ills, Pretoria will be as truculent and as entrenched in its blossoming fascism as it was in the Sixties, perhaps more so. Mozambique, under increasingly simulated management, will be less a country than a charnel house with national borders

Barring a miracle, Namibia will be no closer to independence than its has been for a decade And in Angola, this week's talks in London notwithstanding, the war will be playing itself out in an interminable endgame, probably at historic levels of bloodshed

Is it conceivable that Crocker's successors will be able to do any better?

Guidelines

They could do worse (and if they are appointed by President Michael Dukakis, they almost certainly will) than to turn to the incomparably sober doyenne of Washington's Africanists, Dr Helen Kitchen, and her new study, "Some Guidelines in Africa for the Next President", published by the Centre for Strategic and International Studies

Dr Kitchen's excellent advice turns on one very simple idea — less is more — as expressed in 1985 by Noel Koch, the then principal Assistant Secretary for Defence for International Affairs

"We must not, in a fit of philanthropic fervour, seek to do more good for Africa than she can bear; we must not, in a rash miscalculation of the Soviet threat to US interests in Africa, overreact to that apparent threat, or doubt the capacity of Africans at length to deal directly with it themselves

"In the end, without ever confronting the Soviets directly in Africa, the Western democracies will prevail there by force of our values, by helping where help is needed and asked for, and by otherwise stepping back and letting Africa find her own destiny Which she will surely do, anyway, whatever policy we here may set, and however we may construe our interests there"

Rhetorical

If Dr Kitchen does have a fault, it is that in her attempt to have both candidacies read and digest her advice, she finds it difficult to call a spade and spade Which is one reason she had to summon Koch to deliver her most important counsel — leave the place alone, if you can possibly help it and particularly if you haven't specifically been invited — and why many of her other key points are phrased as rhetorical questions

Since, as well she knows, the wrong answers to her questions will lead to yet another Chinatown dénouement some four years hence, I trust she will not mind if I translate the fruit of her considerable wisdom into declarative sentences Thus translated, it comes out as follows.

The terms 'radical', 'moderate', 'anti-capitalist', 'pro-communist', 'freedom fighters', 'democratic', 'marxist' and 'terrorist', while bandied about in political rhetoric and unthinking media shorthand on both sides of the Atlantic, rarely mean in Africa what they mean in the West.

The reality distorted by words of this kind is that most African regimes and their oppositions (this in slightly amended form might also apply to South Africa) are still "largely preoccuppied with the distribution of privilege and power within the middle class elite that inherited" — or did not inherit — "power at the end of the colonial interlude"

The Soviet rethink of Africa as a theatre for superpower rivalry is genuine, though more complicated than is often portrayed In any event, US policy has been far too reactive to Soviet actions and far too slow to develop relations with African states when such relations are in US interests, commercial as well as political, regardless of the Soviet factor.

Purpose

In this regard, successive administrations have put excessive store on how African governments vote at the UN and in other international forums on non-African issues. The purpose of having relations with other states is not to ensure unswerving loyalty in the General Assembly or other public utterance, and the attempt to use aid and other such tools to buy such loyalty can only be counterproductive

Dr Kitchen asks one question that I will not attempt to answer for her. It is bold enough as it stands "To what extent should US policy toward Africa be influenced by the consideration that some 12% of US citizens are of African descent and that black Americans increasingly identify with the commitment of their ethnic kin to bring an end to privileged white minority rule in South Africa?"

This consideration has clearly been extremely influential and is the primary reason the US currently has in place the broadest sanctions of any of SA's major trading partners.

By raising it Dr Kitchen deftly suggests that the next president will be obliged to devote a lot more concern to domestic black aspirations if he is going to have any hope of having a Southern Africa policy he can call his own, much less one that escapes the deadening dialectic of the sanctions debate

Dr Kitchen herself evades the dialectic by refusing to confront the issue head on — again a wise manouevre — but rather dismissing it by insinuation

Reagan's successor, she says, must recognize that "conditions for negotiation do not exist on either side of the racial divide and the black majority lacks both the organizational cohesion and the military capability to launch a classic revolution".

Desperate

In other words, the two main purposes of sanctions as understood by their sponsors — blackmailing Pretoria into "genuine" negotiations or provoking revolution — are not currently achievable and are unlikely to be promoted by the desperate measures currently espoused by the democratic candidates

The next administration would be far wiser to recognize, however uncomfortably, that a stalemate exists and that Western energies would be much better spent keeping lines of communication open with all sides, the government and the ANC included, while helping the disenfranchised "prepare themselves for leadership roles in political, administrative, economic and other spheres of a port-apartheid society".

"Note should also be taken" — and this is a particularly nice point — "of recent Soviet counsel that the long-term interests of the forces for change in South Africa will not be served by actions calculated to demolish the infrastructure of the region's, indeed Africa's, most sophisticated economy"

Unfortunately, Mrs Establishment though she is, Dr Kitchen's advice will not be heeded Americans of all political persuasions are interventionists as heart. The Chinatown syndrome will continue



Chester Crocker and friend... If US policy on Africa continues to be dominated by US domestic politicking and reacting to Soviet initiatives, it may remain sadly like a Chinatown scenario.

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3/5/88

Cape Times, Tuesday, May 3, 198

Sanctions cost local fruit R30m annually

Political Staff

LOSSES in earnings incurred by the country's deciduous fruit industry as a result of sanctions and boycotts amount to about R30 million a year, according to information provided by Unifruco (previously the Deciduous Fruit Board).

Despite this the fortunes of this sector remain healthy, with exports this year totalling R730 million, some 11% up on the R660 million recorded during 1987, according to Unifruco assistant general manager, Mr Rheeder von Wielligh.

He said that although it was impossible to predict what further influence international political pressures were likely to have on the economy, the industry was optimistic of recording a similar performance during 1988/9.

Presenting a paper at a conference organized by Stellenbosch University's Business School in Bellville, Mr Von Wielligh said that although the fruit industry depended heavily on the export market, the domestic market was an important stabilizing factor, especially as 40% of fresh and dried fruit production was sold locally.

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Anti-SA sanctions Bill gains momentum in US

The Argus Foreign Service

WASHINGTON. — A US congressional panel has approved a Bill that would impose a near-total trade and investment embargo against South Africa.

Calling it an effort to avoid a bloodbath in South Africa, the House of Representatives Foreign Affairs Committee approved the Bill yesterday by 27 votes to 14.

The Bill, expected to be watered down in the final passage, prohibits American investment in South Africa; halts trade; penalises US oil corporations supplying South Africa, bans intelligence and military co-operation between the countries; appoints a senior State Department official to co-ordinate sanctions against South Africa; and recommends a reduction in South Africa's diplomatic posts in the US and a tightening of visas granted South Africans to enter the US

Three significant amendments were inserted. Wholly-owned black South African businesses are exempt from the US imports ban; US agricultural products are excluded from the prohibition on exports to South Africa; and Congress orders the Secretary of State within three months of the Bill becoming law to issue a detailed report describing "the extent to which the Government of South Africa has been involved in or has provided support for acts of international terrorism".

Arguing in support of his sponsorship of the terrorism amendment, Congressman Stephen Solarz cited current debate in the US over the recent murder and maiming of ANC members Dulcie September in Paris and Albie Sachs in Maputo; South African cross-border raids into neighbouring states, and South Africa's alleged support for the MNR.

Congressman Howard-Wolpe, chairman of the House's panel on Africa and pilot yesterday of the Bill's passage through the committee, said a bloodbath loomed. The Bill was the only non-violent option for the US to avert it.

Turning on businesses in South Africa, he said white-owned companies had for years profited from apartheid. Their advertising campaign in the US against sanctions and disinvestment was obscene, he said. South Africa was "one enormous slave plantation".

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Final vote for US Bill cutting ties with SA

280

Star 4/5/88

By Alan Dunn
The Star Bureau

WASHINGTON — Legislation to haul US companies out of South Africa and sever almost all trade between the countries has gathered momentum on Capitol Hill, and congressmen have passed it to the full House of Representatives.

Calling it an effort to avoid a bloodbath in South Africa, the House's foreign affairs committee easily approved the Bill yesterday by 27 votes to 14, paving the way in coming weeks for a final debate and vote on the floor of the House.

The Bill prohibits American investment in the Republic, halts trade with South Africa, penalises US oil corporations supplying South Africa, bans intelligence and military co-operation between the countries and appoints a senior State Department official to co-ordinate sanctions against South Africa.

It recommends a reduction in South Africa's diplomatic posts in the US and a tightening of visas granted South Africans to enter the US.

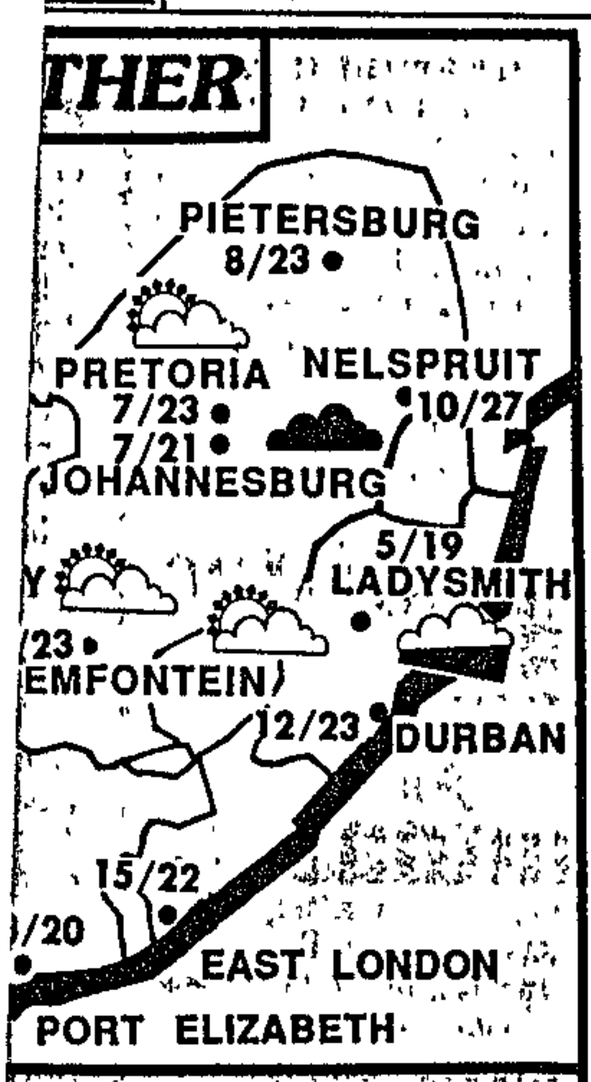
Certain significant amendments were inserted into the Bill at the foreign affairs committee's sitting yesterday.

They include that black South African businesses are exempt from the US imports ban and that US agricultural products are excluded from the prohibition on American exports to South Africa.

Congressman Mr Howard Wolpe, chairman of the House's panel on Africa said white-owned companies had for years profited from apartheid. He referred to SA as a "slave plantation".

The foreign affairs committee also rebuffed Republican efforts to allow the president to scratch specific sanctions if he could show they were costing American jobs.

Votes on the various amendments were cast yesterday largely on partisan lines, with the Democrat majority dominating the Republicans who mostly opposed disinvestment and more sanctions.



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Anti-SA Bill criticised by the US govt

WASHINGTON — Proposed legislation which would ban all US trade with an investment in SA was criticised yesterday by the US State Department.

A spokesman said: "We don't believe they (sanctions) have, or will, achieve their intended purpose and would in many respects be counter-productive."

He was reacting to a Bill passed on Tuesday by the house foreign affairs committee, which now heads for debate by the full house.

The spokesman said the trade sanctions against SA legislated in 1986 by Congress "have not led to significant positive changes in SA and we don't believe that additional ones are any more likely to succeed".

He said the administration had been lobbying Congress against the Bill and would continue to argue its position. — Sapa-AP.

● See Page 3

5.5.88 (280) b/day

US sanctions Bill set for approval

SIMON BARBER

WASHINGTON — The US House of Representatives now appears certain to adopt a potentially devastating disinvestment and sanctions Bill by early June.

The House Foreign Affairs Committee having adopted the package on Tuesday evening by an easy 27-14 margin, Republican opponents are hoping to delay a floor vote by appealing to other committee chairmen.

At least four other panels have jurisdiction over the Bill, including the ways and means, banking, armed services and intelligence committees.

Meanwhile, proponents of the measure are hoping that Archbishop Desmond Tutu, who is scheduled to make several well-publicised appearances in Washington next week, will speed the process.

In particular, they are hoping he will galvanise the Senate, which remains deeply divided over the need for further sanctions and would almost certainly not accept the House Bill as it stands.

The Foreign Affairs Committee modified the Bill adopted last month by Congressman Howard Wolpe's Africa sub-committee, to make it more broadly acceptable.

Changes included an amendment offered by farm-belt Congressman Doug Bereuter to exempt US food exports from the trade embargo and a proposal by liberal Republican Jim Leach to exempt imports from wholly black-owned SA companies.

As it now stands, the package includes:

- A total ban on any US investment in SA, including previously exempted black-owned businesses;
- A trade embargo exempting most mineral exports and with the above agricultural exception;
- Attempts to penalise foreign firms that continue trading with SA, particularly oil companies, which would be denied US government leases; and
- Calls for the administration to smash the De Beers Central Selling Organisation, to close SA consulates and to find ways of reducing SA's gold earnings.

Ford 'confusion' being resolved

ALAN FINE

CONFUSION over the Ford disinvestment deal was well on the way to resolution after discussions between management and employee representatives in Port Elizabeth and Pretoria, Samcor chairman Leslie Boyd said yesterday.

In breaking the company's silence on the mainly intra-union dispute, Boyd said the employee trust had been formally established last week in terms of the agreement between Anglo, Ford, Samcor and Numsa.

And it was publicly disclosed for the first time that a fourth trust fund — a $4,5m educational trust funded by Ford Canada — is to be set up. Plans for two community trusts in PE and Pretoria, to receive a total of $5m, have already been announced.

Boyd said MD Spencer Stirling had held a number of meetings with employee representatives and the latter now understood the liquidation of their 24% share of the equity was not an option. He believed the majority of employees, too, accepted it was no longer an issue.

It had been explained that certain of the trust's rules — such as the recipients of dividends earned — could be amended if this had the support of 75% of the employees and a simple majority of the trustees. Thus, if they so chose, they could ensure that the trust paid them dividends personally, channelling them into community projects.

Two lawyers and a Ford representative had been appointed as trustees to the employee trust.

DID 3/5/88

United States set to adopt sanctions, disinvestment bill

WASHINGTON — The United States House of Representatives now appears certain to adopt a potentially devastating disinvestment and sanctions bill by early June.

The foreign affairs committee adopted the package on Tuesday evening by an easy 27-14 margin.

Republican opponents are hoping to delay a floor vote by appealing to the turf consciousness of other committee chairmen.

At least four other panels have jurisdiction over the bill, including the ways and means, banking, armed services and intelligence committees.

Proponents of the measure, meanwhile, are hoping that the Archbishop of Cape Town, the Most Reverend Desmond Tutu — scheduled to make several well-publicised appearances in Washington next week — will speed up the process.

In particular, they are hoping he will galvanize the senate which remains deeply divided over the need for further sanctions and will almost certainly not accept the house bill as it stands.

The foreign affairs committee modified the Bill, adopted last month by a congressman Mr Howard Wolpe's Africa subcommittee, to make it more broadly acceptable. 5/5/88

Changes included an amendment to exempt US food exports from the trade embargo, and imports from wholly black-owned South African companies.

The panel also accepted a ban on US aid to "areas under the control" of the African National Congress, waivable by the president if the movement foreswore violence.

An alternative bill to promote black enterprise and provide loan guarantees to help blacks purchase homes in violation of the Group Areas Act was rejected on a voice vote.

After the state department's report on Renamo and the murder of Mrs Dulcie September, South African "state-sponsored terrorism" has become a popular theme.

The committee agreed to demand a state department report on the subject. 237 280

As it now stands, the package includes:

- A total ban on any US investment in South Africa, including previously exempted black-owned businesses.
- A trade embargo exempting most mineral exports with the above agricultural exception.
- Attempts to penalise foreign firms that continue trading with South Africa, particularly oil companies who would be denied US government leases.
- Calls for the administration to smash the De Beers central selling organisation, to close South African consulates and to find ways of reducing South Africa's gold earnings. — DDC

FOCUS ON THE SPORTS BOYCOTT



Black football fans: Freer to step onto the field, but there are barriers to moving beyond
Picture: JOHN PERLMAN

Even a sacred cow can be asked to step aside

Some oddities of the South African sports scene: Matthews Temane breaks a world record. Does his picture appear in full colour on front pages? Pop-group Hotline is welcome in Harare, but soccer star Jomo Sono would not be. Banning cricketer Basil d'Oliviera was not political but banning Zola Budd is. *Just what are the issues behind the sports boycott?*

By JOHN PERLMAN

WE shall have to guess what proud words Isaiah Stein had for his Cape Town-born son Brian whose two goals clinched a thrilling Littlewoods cup final for Luton Town at Wembley Stadium, London on Sunday

Stein senior is a listed person. He cannot be quoted in South Africa, not even on football. He fled District Six in the early 1960s after his anti-apartheid activities led to house-arrest and banning, but the restriction on him was never lifted.

Now Zola Budd is someone we hear a lot from Barefoot and poignant, the sight of her sure can tug on the old heart-strings. But what about Stein at Wembley, a brilliant footballer who was driven from South Africa and never came back?

Whichever of these two images affects you most might depend on what you think of the sports boycott and, most likely, of other aspects of South African life

But no serious consideration of the thousands of South African sportsmen and sportswomen barred from international competition can ignore either situation

Leave aside for a moment the rights or wrongs of the International Amateur Athletics Federation decision to bar Budd for a year — perhaps they are simply trying to secure the first (nearly) boycott-free Olympic games in 16 years.

If South Africa were a democracy, Zola Budd would not be British. She would have no need to be

The sports boycott against South Africa was launched outside the country to pressurise the government to move away from apartheid.

Its initiators were South Africans More important those people, Sam Ramsamy, Chris de Broglio, Dennis Brutus and others who founded the South African Non-Racial Olympic Committee were all people who had been involved in sport.

The incidents that gave it crucial early impetus also arose on the sportsfields — the barring of Basil D' Oliveira, the restrictions arrogantly imposed on visiting All Black rugby teams.

> There is a feeling among many black sports people that they, victims of apartheid, also suffer from the boycott ... There is great antagonism between the NSL and Sacos

The contention that the boycott in general and the action taken against Budd in particular is a vindictive step by outsiders concerned with politics and not sport is facile

Certainly as the boycott has gathered strength, governments and agencies like the United Nations High Commission Against Apartheid have taken a larger role in applying it.

That is hardly surprising — any political lobby worth its salt soon realises that it is governments that make decisions (an example local sports bodies pleading impotence would do well to note)

But to then deduce that there is no support for the boycott from either athletes or sports fans is nonsense

No amount of exposes of "plots" behind the demonstrations against the 1981 Springbok tour to New Zealand could wish away the huge numbers of people that marched against apartheid. No simple explanation can change the fact that Welsh flyhalf Jonathan Davies, a player much admired in this country, declared he would never come here 12 months before anyone asked him to.

Zola Budd fell foul of a gut-level rejection of South Africa, but in addition to that she trod on British political sensitivities. Britain's immigration laws are a source of great bitterness for some, particularly families who have come to the country from the ex-colonies.

Some like Budd's British teammate, Ghanaian-born sprinter Ernest Obeng, waited 12 years for citizenship The undue haste with which Zola was draped in a Union Jack did not go down well

Some sports people do change their minds. But what English cricketer Ian Botham is now saying to justify his shift should not be celebrated as a sign that the South African sport situation has changed (as it doubtless will). It says more about the pliability of Botham's mind

He says he will come here provided certain things are done — mixed teams, integrated seating

That South African cricket did these things years ago, and made sure everyone knew about it makes one suspicious. He is after all, (rather pompously) making demands that he must know have already been met

Someone should tell him, and ask whether these are the real issues

There are aggrieved sports administrators in this country who will say that they are, and that South African sport has done everything asked of it.

Certainly integration has come a long way and the ugliness of whites-only teams and seats has in many areas been removed There are still, in narrow sporting terms, things to be done — South Africa's 20 000 amateur boxers, for instance, are still divided into racially-separate organisations.

But deep flaws remain that nobody in the sports establishment seems to like talking about. On one level, they are obvious

Take Natal for example The 330 000 African people who live in the townships of Umlazi and Lamontville share six soccer fields, seven tennis courts, and two swimming pools

The 212 000 whites living under the Durban municipality share 146 soccer venues (more than one field at each) and 15 swimming pools.

In Pietermaritzburg, 11 567 white schoolchildren share 32 cricket fields and 65 net facilities Some 13 600 Indian and coloured children share one field and five nets There are no cricket facilities for African children

But there are also more subtle signs that the society's divisions are still mirrored in sport. When Matthews Temane blazed round a 21,1km course in East London and shattered the world's best time for the half-marathon, this feat, the first world record since Zola's in 1984, did not make the page lead in a single major Sunday newspaper.

But more telling was the reaction thereafter. No one it would seem, was remotely interested in who this record-breaking South African was — was he married, was he in love, what was his favourite food?

Was this because the facts of the life of a single black mineworker, whose family could not afford to come and watch him run were unpleasant (or boring)? Was it that pictures of the world's best relaxing at home don't really work when home is a room shared with seven other miners?

White South Africa has learned to treat black athletes like Temane as sportsmen It has some way to go in learning to look at them as people.

The sports boycott is in place, irreversibly, and it is working all the time Sometimes it ticks over without much prompting. The world's fastest marathon time was set in Rotterdam last week and not in Boston, simply because Belayneh Dinsamo and his Ethiopian teammates withdrew from the US event to avoid competing against a South African runner

As it turned out Mark Plaatjes, surely the first South African to plead for political asylum while in possession of Springbok colours, did not run in Boston.

But the boycott is also being directed with a keen eye for the gap. Three weeks after the South African Open tennis tournament's greatest coup in years, securing the entry of Wimbledon champion Pat Cash, the International Tennis Federation stepped in to deal it its severest blow



Zola Budd

For ITF president Phillipe Chatrier, securing permanent status at the games has been a personal mission. Thus when African members of the International Olympic Committee said they would block tennis's application if links with South Africa continued, Chatrier stripped the Open of "super series" status This meant that it no longer counted for maximum points on the Grand Prix circuit which, by Cash's own admission, was the only reason he came here

Yet while the sports boycott hits at people like Cash it undoubtedly also affects sportsmen like Temane Anyone who loves sport can only see the wasting of the potential of thousands of our sportspeople as a tragedy

It is, like the numbing of countless young brains by Bantu education, one of the prices this country has had to pay for its government's policies

One of the boycott's original intentions was to deprive white South Africans of "comfort and joy", to make them think about the way their sport and their country was run.

It has had some effect in the first — changes *have* been made in sport, largely because of the boycott that was often condemned in the same breath But in the second? White people — in increasing numbers — vote the same government into power

It is not surprising then that so many white sports administrators say there is nothing they can do about politics and look to set up sports bodies that keep a moral (if not always financial) distance from the state

If their understanding can stretch no further than this, their attempts to roll back the sports boycott stand no chance of success

But that does not make the boycott a sacred cow that cannot be reassessed and restructured It is not immutable — musicians, artists and actors in the country have shown convincingly if incompletely that a boycott does not have to be a blanket

It is perhaps in its effect on black sportspeople that the the boycott needs creative consideration,

The boycott has mass support, expressed through major organisations like the Congress of South African Trade Unions and (when it was allowed to) the United Democratic Front

But for sportsmen and women, the ground on which they play (and in some cases work) is shifting all the time, and it is here that the boycott and its aims are showing signs of strain

The strain is least evident in the South African Council on Sport which for the past 15 years has taken a consistently political stand

Sacos has been centrally concerned with sport, building up well-organised grass-roots organisation in 24 sports, a fact its detractors have wilfully ignored It has from time to time taken tentative steps to use international contacts to its advantage.

> White South Africa has learnt to treat black athletes like Matthews Temane as sportsmen.
> It has some way to go in learning to look at them as people

Yet it must be said that there are many black sportspeople, particularly Africans, who do not play their sport under Sacos control In some cases, like that of the National Soccer League, the relationship of these bodies to Sacos and its affiliates is antagonistic

There is a strong feeling among many black sportspeople that they, who are victims of apartheid, are also suffering from the boycott.

The NSL for instance accepts the moratorium on tours But when top footballer Jomo Sono returned from playing an Aids benefit game in Tokyo and slammed Ramsamy for trying to stop him, they were fully in agreement.

"Why does Robert Mugabe welcome Johnny Clegg and Hotline to Zimbabwe and refuse to let me come and play in his backyard?" Sono said.

The answers are not straightforward, but answers must be found

Many people were not and are not part of the organisations that have developed and fought for the boycott.

That does not mean they oppose it. But if they experience the principle as frustrating and nothing else, they may become unwilling partners of people who believe it should be lifted altogether

Should popular organisations be leaving the Ace Ntsoelengoes, Matthews Temanes and Simon Skosanas to the big businesses sponsoring sport and to the SABC, condemning them because they haven't stuck to principle?

After all, one of the luxuries of power is being able to select what you hear When black sportsmen and women complain about being oppressed by apartheid *and* the sports boycott, they may find they have willing cheerleaders for the second complaint among people responsible for the first.

Doubling imports

On the surface, the latest American trade report for the first full year of economic sanctions against SA would argue that the embargo is not working very well. But a closer look points up a suspicion that perhaps there are unintended consequences, not all to the good.

The US commerce department reports that, despite a sluggish South African economy and a wildly swinging dollar-rand exchange rate, American exports to SA rose from $1 158,3m in 1986 to $1 281,2m in 1987. Imports from SA were sharply lower, as might be expected, down from a near record $2 476,2m in 1986 to $1 399,0m last year.

Thus, on the surface, SA managed a minuscule but praiseworthy trade surplus with America, and things could have been worse. Indeed, things may be worse already, for there are clear signals that buyers on both sides have been over-ordering important goods in the last 12 months. The implication is that importers on both sides of the Atlantic expect an eventual total embargo of supplies from one another, and are busy stockpiling inventories to see them through until alternative sources of supply can be arranged.

It is in the area of imports of strategic minerals from SA that the disparity in trade trends from last year and the year before is the most clearly seen. American users of South African hard metals have nearly doubled intakes, well beyond any increase in actual use for US products.

According to the commerce data that tracked the decline in overall American purchases from SA, more than half of all US trade orders of South African goods — a full $727,8m worth — comes from imports of platinum group metals, a volume almost unchanged from 1986. The next largest import item, which accounts for more than 5,3% of imports, is ferrochrome which nearly doubled its import flow last year. Other products which have kept their market share or increased sales, despite the shrinkage of American demand, include ferromanganese and chromes, wood pulp and nickel.

South Africans, in turn, appear more interested in stockpiling high technology, motors and transport equipment — which may be harder to find elsewhere in the world if a total embargo is enacted by the US government later this year. Orders are less concentrated, as might be expected.

The largest purchase order from South African buyers was in the area of digital computer units, which accounted for 5,4% of all imports — a record $69m order. Aeroplanes were the next highest item — 71 of them against 13 in 1986 — for $38m. Mechanical shovels ($50m), trucks, tractors and motor parts all scored impressive gains.

While the commerce survey of US-SA trade took notice of the 1986 sanctions and the threats of new pressures, the agency's assessment of trade and investment prospects in SA was unusually upbeat. The official Reagan administration line is that "new South African economic initiatives" toward privatisation and development of black markets and entrepreneurship offer the US investor and exporter attractive — and legally plausible — opportunities.

"In 1985 black consumer spending amounted to over $7bn or roughly 55% of total consumer spending in SA. Over the long term, consumer spending among blacks is likely to continue to increase faster than that of whites.

"This trend has spurred increases in the housing industry and shopping centre development. Some central business districts have been opened to all races, while a slow pruning of inhibiting commercial regulations has improved the prospects of success for new black entrepeneurs. Attractive opportunities exist in the black community for educational products and services, dry cleaning, shoe repair, industrial cleaning and security services.

"Franchising has made substantial progress in SA and offers excellent opportunities for entering the non-white market. Some interesting possibilities for American franchisers are auto parts and service, quick printing, haircare products, cosmetics, employment, staff training, industrial catering and plant maintenance," the commerce assessment maintains.

Perhaps the best thing to be said about the 1987 trade figures is that they offer little comfort to the US congressional anti-South African forces. ■

SANCTIONS — 2

Changing attitude

Unless government can give Margaret Thatcher something positive with which to justify her strong anti-sanctions approach, she may soon be lost as an active ally. That's the warning from Stellenbosch philosophy professor Willie Esterhuyse.

Speaking at a seminar organised by the university's business school, Esterhuyse — widely regarded as a top political analyst — says he had been told personally by a Thatcher aide that unless she can show dividends for her anti-sanctions stance, there is a good chance that she will change from an active anti-sanctions campaigner to "a more passive" position. "That is to say, an attitude of: 'I did what I could'," says Esterhuyse.

He says the main challenges to Thatcher's stance would come at the pending Commonwealth leaders' conference, and at her scheduled meeting with British church leaders. Esterhuyse says another factor contributing to pressure on government to produce more evidence of its willingness to change is the ANC's announced aim to publish its own constitutional blueprint for SA. If this happens, and government has nothing of its own to offer as an alternative, Western pressure is likely to increase even more.

However, Esterhuyse expects little change on the political scene over the coming two to three years. The shadow of the Conservative Party will continue to dominate white politics and retard major reform moves. Black politics will continue to be dominated by divisions.

Within black political groups he expects a move away from the attitude of "all or nothing" to one of "at least something." This change may lead to greater socio-economic development and short-term social stability in the black areas.

Esterhuyse believes that in the coming two to three years certain church leaders will increasingly take over the role of spokesmen for the socio-economic rights of blacks, filled up to now by trade union leaders.

He says businessmen will have to do far more to make contact with these church leaders, particularly in the light of the ANC's stated aim of forging ties with the churches.

US must take a moral stand on SA — Tutu

SEWANEE, Tennessee. — The Archbishop of Cape Town, the Most Rev Desmond Tutu, said here that the United States must take a moral stand, not just a political one, to help end South Africa's policies of racial separation.

"Apartheid is going to end," Archbishop Tutu said on Thursday during a visit to the University of the South, a small Episcopal liberal arts school about 128km south-east of Nashville.

"What we are trying to say to the people of the United States, and especially to its government, is it's a question of moral choice. Are you going to be on the side of the oppressor or are you going to be on the side of justice, on the side of the victim?"

Archbishop Tutu praised Congress's legislative sanctions against the South African government.

The House Foreign Affairs Committee approved a bill on Tuesday that would bar all US investment in South Africa and impose a near-total trade embargo against the country.

But the archbishop said the Reagan administration was still dragging its feet.

"We're going to be free, and all we're saying is we'll remember who helped us in the process," he said.

The archbishop began a three-week visit to the United States on April 23.

More than 1 100 students, church and school officials and alumni packed the 81-year-old All Saints' Chapel to hear Archbishop Tutu address the university board of trustees' convocation after he was awarded an honorary Doctor of Divinity degree.

Archbishop Tutu said he was grateful that the university had established an annual scholarship in his name for a student from South Africa.

"Only those who have been victims of oppression and injustice know how all of that can instil self-doubt and self-hate that gnaws away at the vitals of a person, so that you begin to doubt that you are a child of God," he said. — Sapa-AP

Plan to top R6-million golf circuit

JOHANNESBURG. — South African golf, rocked by the Spanish government's ban on all South Africans competing in that country, yesterday bounced back with plans for a R6-million Super Circuit going through most of the year.

A Spanish Foreign Ministry spokesman yesterday confirmed the ban.

PGA executive director Mr Jimmy Hemphill said the Sunshine Circuit this summer would be worth about R3 million and prize-money on the winter tour totalled close on R1 million, with more to come.

He expects prize-money to reach R6 million "in the not too distant future", with tournaments most of the year.

"The top players could go off to the US and Europe for the majors and other top events, but there would be enough on offer in this country to keep the pros happy.

"In addition, with the all-exempt tours in the US and Europe, there are hundreds of really good players who are without a tour card and just looking for somewhere to play.

"I am sure, especially if we can get the help of TV, that we can really build up our circuits. It will take a lot of work and more staff, but we are going to have to roll our sleeves up and get down to it."

While Mr Hemphill was optimistic about the long-term future, he was shocked by the Spanish government decision.

The immediate concern was next week's Spanish Open at Pedrena.

More important, however, was the Volvo Masters, in Valderrana in October. Apart from the big tournament prize-money, Volvo, the European tour sponsors, were also putting up bonuses for the top 15 players of which the top player would get R50 000. This money would count for the order of merit money list, he said. — Sapa-Reuter

Bid to ban SA golfers rejected

CHEPSTOW, Wales. — The organizers of the European golf tour yesterday rejected a request by Spanish tournament officials to bar South African players from next week's $374 000 Spanish Open championships at Pedrena.

Tour executive director Mr Ken Schofield said he wanted to know whether the organizers of the event had the backing of the Spanish government.

"At the moment I am withdrawing nobody, and the South Africans are still in the tournament," Mr Schofield said.

Spain is reportedly making the moves to try to stop black boycotts of the 1992 Barcelona Olympic Games.

South African golfers on the European Tour include John Bland, Jeff Hawkes and Wayne Westner. Two others, Mark McNulty and Tony Johnstone, have Zimbabwean passports and Hugh Baiocchi an Italian. — Sapa-AP

Senate will scuttle SA sanctions legislation

DESPITE easy passage this week through the House Foreign Affairs Committee, congressional sources continued to predict this week that the drastic new South Africa sanctions legislation would not see the light of day in the Senate. "Even the most pro-sanctions people are not trying to push a house clone on us," one Senate aide said.

"There is no way the Republicans over here will support disinvestment or any more trade cut offs, and the Democrats need them to override any presidential veto."

Foreign policy aides to Democratic and Republican Senators have been trying for weeks to formulate a bipartisan Bill, so far without luck.

"The Democrats came up with a Bill involving selective disinvestment and we said we're not interested," a Republican Senate aide involved in the negotiations said.

Failure

The aide added that if the Democrats introduced a Bill calling for disinvestment or anything stopping an exchange of intelligence with Pretoria, the Republicans would make sure "26 different committees" would demand to look at the legislation, thereby ensuring its demise.

Another congressional source cautioned against reading too much into this week's rapid progress of the House Bill, an amalgam of several initiatives introduced in the House.

By PATRICIA CHENEY
Washington

"Even some Congressmen who might have some qualms about its effect on American jobs went with it because it was a political freebie. They know the Senate won't have it."

"They were hoping the House hearings and rapid movement through committee would create some momentum. It hasn't."

"By almost every standard, the sanctions imposed on South Africa in 1986 have been a failure," a Wall Street Journal editorial declared this week.

The editorial also pointed out that sanctions have so far cost the US coal industry $250-million (R542,5-million) in 1986 and 1987 and resulted in the loss of between 3 000 and 7 000 mining jobs here.

Disinvestment, it stated, has cost New Jersey pensioners $32,5-million (R70,5-million) in brokerage fees and dollars $330-million (R716,1-million) in lower stock earnings in the two years since its divestment in August 1985, the editorial said.

Senate aides predicted their heavily toned-down version of the Bill would be ready in about two weeks.

ST Times 280 8/5/88

Dukakis promises 'tougher sanctions' if elected

By PATRICIA CHENEY
Washington

WITHIN striking distance of winning the Democratic nomination, Massachusetts Governor Michael Dukakis has yet to detail what policy he intends to follow towards South Africa should he win in November.

Ever eager to explain his solutions to domestic problems, Dukakis has earned a reputation, seized upon by challenger Jesse Jackson, for being weak on foreign policy.

After repeated requests to the Dukakis campaign to provide details of the candidate's thoughts on South Africa, the Sunday Times finally received a one-page position paper long on rhetoric and short on details.

"I believe America can play a meaningful role in promoting the cause of peace and human rights in Southern Africa," Dukakis states in the paper.

"But we must make our opposition to apartheid crystal clear. And we must take firm measures to demonstrate the depth of our concerns for the future of the entire region."

To achieve this, a President Dukakis intends to:

● Promote democracy and human rights in South Africa by strongly asserting US support for rapid and peaceful change.

● Encourage the development of non-racial leadership committed to peaceful transition to political and social equality.

● Toughen sanctions against SA and "seek multilateral agreement with our allies for a more comprehensive trade embargo".

● Support the holding of internationally-sponsored, all-party negotiations for the abolition of apartheid and the creation of a constitutional, non-racial democracy committed to respect for the political and economic rights of all South Africans — talks that include the African National Congress.

● Call for the immediate release of Nelson Mandela, Walter Sisulu and other political prisoners, and for the unbanning of the ANC.

● Strongly support international efforts to pressure South Africa to withdraw from Namibia, and to bring about free elections in that state.

What Dukakis has said on foreign policy issues generally is usually to the left of his party and the pundits are predicting Vice President George Bush will make political hay of it.

"He has said enough to allow the Republicans to paint him as an isolationist, whose belief in multilateral diplomacy and legal solutions makes him little more than a one-man United Nations, and a somewhat simple-minded one at that," was the judgement of the Economist magazine.

"Much about the manager from Massachusetts who would be President is reminiscent of the manager from Georgia who became President:

"A combination of intelligence and arrogance, cautiousness and self-righteousness, technocracy and naivety makes him look like an unsmiling Jimmy Carter."

ARGUS 9/5/88

(8) (80) (80)

UK in row with EC over SA aid funds

The Argus Foreign Service

LONDON. — A major row is looming behind the scenes in the European Community over its response to the South African Government's crackdown on anti-apartheid organisations.

Many of the organisations are funded by the EC's special programme for the victims of apartheid, which amounts to about R50-million a year. Britain is increasingly taking a position on the issue which isolates it from its community partners.

Intense private discussions have been going on in London and Brussels ahead of the EC Foreign Ministers' meeting later this month, reports Victoria Brittain of the Guardian.

Those involved are the South African recipients of the EC's money, experts from EC member states and European non-governmental agencies working in South Africa.

COLLAPSE LIKELY

She says the likely collapse of the EC special programme because of impending South African legislation, announced in February, will again bring the issue of comprehensive economic sanctions to the forefront of the EC agenda.

Britain is arguing that EC funding should be channelled through the British Embassy in South Africa rather than church-based bodies and the Kagiso Trust.

Organisations it would prefer to fund include Inkatha, World Vision and the South African Operation Hunger.

According to officials in Brussels "the British Government's attempts to hold up or block projects represents a serious threat to the programme".

'Torrid time if Democrats win

By ANTHONY JOHNSON
Political Correspondent

SOUTH AFRICA would be in for a "very torrid time indeed" if the Democrats won the US presidential elections in November, veteran PFP MP Mrs Helen Suzman said yesterday.

All the existing pressures against South Africa would be increased if Massachusetts governor and Democratic front-runner Mr Michael Dukakis became the next US president, Mrs Suzman said during the Foreign Affairs budget vote in Parliament.

"Dukakis has already gone public on his support for sanctions. Jesse Jackson, and the black caucus, will see that he implements his undertaking.

"The US will certainly use its considerable influence to ensure that similar steps are taken by South Africa's other trading partners, by threatening boycotts against their imports into the US."

Mrs Suzman said the existing sanctions imposed by the European Economic Community and the Commonwealth would be extended and Japan would be "forced to reconsider" its present attitude towards trade with South Africa.

"Neither the Thatcher nor the Kohl regimes are likely to last for ever, and are already under considerable pressure to change their policies towards SA."

Mrs Suzman said she believed "the intelligent adult attitude" SA should adopt before "total isolation", would be to help the country's few remaining allies "by at least refraining from provocative actions that provide such potent ammunition for the pro-sanctions lobby".

She said the government should stop threatening to close the "alternative" press.

"They should also desist from raids on neighbouring countries, and very helpful to the anti-sanctions lobby would be positive actions like the release of Mandela, granting clemency to the Sharpeville Six, lifting the state of emergency and so returning South Africa to the rule of law."

Star 10/5/88

Sanctions crunch coming for BER

250

By Sven Lünsche

South Africa will feel the pinch of financial and trade sanctions significantly for the first time in the coming months, the Bureau for Economic Research at Stellenbosch University (BER) has predicted.

Commenting on the results of the BER's latest study of trends across a broad spectrum of trade and industry, director Dr Ockie Stuart says a full economic upswing cannot be achieved without substantial foreign investments.

"We are now experiencing some of the typical signs of an economic cyclical upswing in its mature phase, but many traditional signs of a genuine upwsing are not showing up. This is a worrisome trend since it is a situation that is symptomatic of a fortress economy," he says.

"Unemployment is still rising and fixed investment has in recent months not come on stream at all, other than in housing. "It seems realistic to expect that once again the balance of payments will damp down economic growth, contributing to a lowering of living standards and further increases in unemployment," Dr Stuart says.

While relations with the international community over the 12 months were not expeced to worsen dramatically, sanctions already in force would start to make their impacts felt in the coming months.

"This will be compounded by the negative effects of a general slowdown in the world economy, resulting in a twofold inhibition of growth for South African merchandise exports."

On a more positive note, Dr Stuart says consumers are generally in a better financial situation than they were two years ago. "In 1987, for the first time in the 1980s, consumers' disposable income rose in real terms by 3,2 percent, compared with 1986, and we expect disposable income to be again above the inflation rate in 1988 and the first half of 1989. However, all the signs are that the spending party by consumers — private consumption expenditure is likely to be 4,1 percent this year — will taper off towards the summer, with expenditure on durable goods showing a substantial fall in 1989 and services also tapering off markedly."

US 'walking away from its problems'

Star 10/5/86 By Neil Lurssen 250

WASHINGTON — The US Secretary of State, Mr George Shultz, has decried a tendency in the United States to put up barriers or walk away from problems like apartheid in South Africa.

"We see, very often, a kind of withdrawal instinct," he told members of the US Foreign Service at a meeting here.

Mr Shultz said the problem of apartheid provided a good example.

"We have another Bill probably headed this way that is basically designed to cause American companies not to be able to trade or to be present or to do business in South Africa.

"The instinct of it is to say we don't like apartheid, therefore let's throw up our hands and leave.

"That's not the American instinct of the old days."

Mr Shultz said the instinct should be to say that "Americans don't like apartheid and had their ideas about how things should change and ... people are going to darned well know where we stand".

American companies, he said, had put in place the kind of employer and employment practices in the areas of community affairs, health and education that were leading the way in South Africa.

"Yet there is this instinct to say we don't like it — and we don't — so rather than struggle and be in there, get up and leave," Mr Shultz said.

He was referring to a new package of economic sanctions and disinvestment measures approved by the House of Representatives Foreign Affairs Committee last week.

UN plan 'would bring chaos'

HOUSE OF ASSEMBLY — Most South Africans, regardless of colour, would not be prepared to pay the price of misery and chaos to avoid further international sanctions against South Africa, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday.

The price of chaos was inherent in the demands which members of the United Nations, including the United States and Canada, were making of South Africa if further sanctions were not to be applied, Mr Botha said in the debate on his budget vote.

The moral motivation of some of the major countries behind the sanctions moves was also questionable, he said.

"What respect must we have for the moral motivation of UN members like the US and Canada when they themselves have had decades to rectify the deplorable situations of their own black and Red Indian populations?"

In Canada unemployment among Red Indians was as high as 90 percent and estimates of their numbers in prison were as high as 70 percent. — Sapa.

Suzman calls for 'adult' attitude

Star 10/5/88 Political Staff (280)

The withdrawal of the Orderly Internal Politics Bill, which threatens foreign funding of anti-apartheid organisations, was just one of several positive, "adult" moves the Government could make in the face of the pro-sanctions Bills being considered by the US government.

Progressive Federal Party foreign affairs spokesman Helen Suzman warned the Government yesterday that 1988 might be the last year in a long time that South Africa could have dealings with a "relatively less hostile" US administration.

"If Dukakis and the Democrats win the elections in November, South Africa is in for a torrid time," she said, speaking in the House of Assembly during debate on the foreign affairs budget vote.

Calling for a "more adult" attitude, Mrs Suzman said the Orderly Internal Politics Bill should be withdrawn because "positive aid" by the US and other countries to anti-apartheid organisations was a "potent" anti-sanctions argument for those countries.

The Government should also cease its closure threats to the "alternative press"; drop all its plans to reverse the Supreme Court decision that Moutse not be incorporated into kwaNdebele; stop its "ridiculous appeal" against the decision to allow mixed bathing in Port Elizabeth; and stop harassing communities into forced removal, as at Oukasie.

"The Government should desist from the raids into neighbouring countries," Mrs Suzman said. Helpful to the anti-sanctions lobby would be positive actions like the release of Nelson Mandela, the granting of clemency to the Sharpeville Six and the lifting of the state of emergency to return South Africa to the rule of law.

Sanctions 'will hurt neighbouring states'

280 Star 10/5/88

By Esmaré van der Merwe

Leaders of southern African states were changing their minds about the value of the sanctions campaign against South Africa because "the experience of Africa" had proved economic punitive measures to be counter-productive, Inkatha president Mangosuthu Buthelezi said yesterday.

Speaking at a press conference at Jan Smuts Airport, the Chief Minister of kwaZulu said more world leaders were now realising that sanctions would affect South Africa's neighbouring countries negatively.

Chief Buthelezi spoke at the annual Lisbon Meeting in Portugal, organised by the German-based Friedrich Naumann Foundation.

He said some African statesmen at the congress had expressed concern about the "cleavage among the various players in the liberation struggle in South Africa".

Fortress economy trend worries Matie expert

Cape Times 10/5/88

Own Correspondent

JOHANNESBURG. — A warning that the impact of trade and financial sanctions would be felt in the coming months was given yesterday by the Bureau for Economic Research (BER) at Stellenbosch University.

It said relations with the international community over the next year were not expected to worsen dramatically, but the sanctions already in force would start to make their effects felt soon.

"This will be compounded by the negative effects of a general slowdown in the world economy, resulting in a two-fold inhibition of growth for South African merchandise exports," BER director Dr Ockie Stuart said.

"We are now experiencing some of the typical signs of an economic cyclical upswing in its mature phase, but many traditional signs of a genuine upswing are not showing up. This is a worrisome trend, since it is a situation that is symptomatic of a fortress economy."

On the political front, he said the government's continuation of the state of emergency might be beneficial in the short term but did not appear to be tenable in the longer term.

Commenting on the results of the BER's latest in-depth study of trends across a broad spectrum of trade and industry, Dr Stuart advised business people to start tightening their belts.

"We are riding relatively high on a vigorous wave of consumer activity at the moment, but businesses must prepare to start working harder for their profits.

"Unemployment is still rising and fixed investment has, in recent months, not come on stream at all, other than in housing. It seems realistic to expect that once again the balance of payments will damp down economic growth, contributing to a lowering of living standards and further increases in unemployment."

The narrowing of South Africa's trade surplus from more than R1 billion a month on average during 1987 to a level in the region of R550 million and R647 million in January and February respectively this year, gave cause for concern, Dr Stuart said.

A slow, orderly depreciation (6,3%) in the dollar/rand exchange rate was expected in 1988, which in turn implied a dollar/rand exchange rate of just below 45c by the year end. The rand would continue to fall against the American currency in early 1989 and was expacted to be around 42,5c by the middle of next year.

"It is important to realize that the dollar itself is expected to depreciate against other major currencies during this period. The rand will therefore depreciate even more sharply against, for example, the Deutschmark. The DM/rand exchange rate is expected to be about 69c by mid-1989," Dr Stuart said.

Cape Times 10/5/88

280 E B/day 10/5/88

Foreign 'invasion' is keeping US economy afloat

SIMON BARBER in Washington

DRUGS? The budget deficit? The trade deficit? The failure of sanctions to bring down apartheid? Such problems, say the Democrats, lie not in ourselves, or even in President Reagan's stars, but in foreigners.

Not all foreigners, mind. The Soviet Union is exempt under its new and beguiling management. The most vicious outbursts of xenophobia are reserved for America's allies, trading partners and impoverished neighbours to the south.

The sanctions legislation currently moving on autopilot through the House of Representatives is but a small example. One of its principal targets is any non-US company — Royal Dutch Shell and BP, for example — active in the South African energy sector. Unless they desist, such transgressors are to be denied Federal oil, coal and gas leases and turfed out of those they already hold.

Expanding on the Comprehensive Anti-Apartheid Act's attempt to bash Israel for its continued military ties with Pretoria, the sanctioneers now propose to hunt down and punish all foreign firms that do business in SA, on the theory that they are "taking advantage".

The threatened thuggery is constitutionally dubious, but this is no deterrent to the legislation's authors. They are even demanding that the State Department create a sort of commercial KGB to "lead and ordinate monitoring ... of other countries' trade and commercial flows with SA ... including economic relations which may violate this Act".

Woe betide any wily Oriental who might flout Congress's will, for the President shall be obliged to "limit the importation into the US of any product or service of the foreign person" and "restrict the foreign person from contracting with departments, agencies and instrumentalities of the US government".

The drug epidemic is a hot political item this year (Jesse Jackson has earned the label "mainstream" for exploiting it), but of course the problem has nothing to do with consumption or any other domestic pathology. Forget Nancy Reagan's (admittedly rather coy) "Just say no" campaign. That's no fun at all. Let's beat up the little brown men who grow the leaves.

"You want to talk about trade?" Congressman Lawrence Smith screamed in the general direction of Peru, Bolivia and Paraguay the other day. "You want to talk about bilateral loans. The hell with you — first we talk about drugs."

The Senate has even gone so far as to approve sanctions against Mexico, "America's number one drug dealer," halving its aid allotment and attempting to block its access to the International Monetary Fund. Bright move. Impoverishing the country further is really going to encourage it to shut off the flow of cocaine and heroin that have become one of its principal non-oil dollar-earners.

What makes the sanctions especially repulsive is that they are punishment for punishment's sake. Nobody seriously believes that they are going to staunch the flood of narcotics pouring across the Rio Grande.

But somebody has to suffer to demonstrate to voters that their Congress is doing something. And if somebody has to suffer, the attitude seems to be, much better that it be a Latin than some rich WASP with a habit.

God forbid that the American consumer be blamed for causing a few kilos of intrinsically worthless powder to fetch millions of dollars on the streets of American cities. He, poor fellow, has a disease.

Heaven forfend even that American makers of acetone and ether, key ingredients in cocaine production, be subject to export controls. A Bill to impose such controls lies dormant in a Congressional sub-committee because the chemical lobby won't have it.

Another great theme of 1988 is yet more jingoist: America is being bought up by foreigners. Not content with destroying our steel, car and basic electronics industries by "unfair competition," the line goes, little yellow men — as well as lots of white ones with strange accents — are now literally invading, swallowing our real estate, our corporations, even our banks. We have become a debtor nation. Our very sovereignty is at stake.

This is at least as ludicrous as blaming a Peruvian peasant for the country's cocaine addiction. The trouble, if there really is one, rests in America's insatiable appetite for imports.

The consumption has to be paid for somehow, and if that means putting assets on sale by letting the dollar drop, so be it. Foreigners can scarcely be blamed for taking advantage. Indeed, it would be back to the Thirties if they didn't.

But what makes this particular variety of xenophobia especially depressing is that the foreign "invasion" is actually doing far more than keeping the US economy afloat.

What the Democrats, and precious few Republicans for that matter, fail to understand is that the invasion, if we must call it that, is an extraordinary boon. America was built on trade deficits and will continue to be so long as the xenophobes do not adopt policies calculated to drive investment out.

Unfortunately, it is entirely plausible that they will adopt such policies (forcing foreign investors to register and disclose their investment is one small, but pernicious, example) because they are blind to the modern reality that capital no longer knows any boundary other that those that they themselves try to impose in the search of such statist fictions as "balanced trade".

Capital — nowadays little more than a burst of electrons on a telephone line — goes where it will be most amply rewarded and efficiently used The trillion-dollar American economy happens to be one of the most attractive destinations.

And once it has arrived, it does not matter much whose capital it is. Angry car workers may derive satisfaction from sledge-hammering a Honda, but the fact is that Honda is becoming an American company and will eventually be making more cars here than it ever did back home.

So what if the owners live in Tokyo. Their plant and their assets are in Ohio, creating new wealth and business opportunity in depressed mid-Western communities as much as in Japan.

Why, then, the resentment? What have these foreigners done except help the US to a staggeringly low 5,4% unemployment rate — 66 out of every 100 Americans, man and woman, eligible to work are employed — and rates of investment, industrial production and productivity that have been increasing more than twice as fast as those of the country's major trading partners?

Part of the answer is political. The Democrats have learnt that in order to win the presidency they cannot "blame America first," as Jeane Kirkpatrick put it in 1984. But because the politics of resentment is still their basic game, they and the establishment they represent must be able to blame someone, find some bogyman, some clear and present danger that the Reagan administration is doing nothing to confront.

So why not thrill bigots everywhere by stirring up a pogrom on the rest of the world?

Signs of genuine upswing missing

Sanctions will be felt soon, cautions BER

280 Bday 10/5/88

MICK COLLINS

'A WARNING that the impact of trade and financial sanctions would be felt in the coming months was given yesterday by the Bureau for Economic Research (BER) at Stellenbosch University.

It said relations with the international community over the next year were not expected to worsen dramatically, but the sanctions already in force would start to make their effects felt soon.

"This will be compounded by the negative effects of a general slowdown in the world economy, resulting in a two-fold inhibition of growth for South African merchandise exports," BER director Ockie Stuart said.

"We are now experiencing some of the typical signs of an economic cyclical upswing in its mature phase, but many traditional signs of a genuine upswing are not showing up. This is a worriesome trend, since it is a situation that is symptomatic of a fortress economy."

On the political front, he said government's continuation of the state of emergency might be beneficial in the short term but did not appear tenable in the longer term.

Commenting on the results of the BER's latest in-depth study of trends across a broad spectrum of trade and industry, Stuart advised business people to start tightening their belts.

"We are riding relatively high on a vigorous wave of consumer activity at the moment, but businesses must prepare to start working harder for their profits."

The narrowing of SA's trade surplus from over R1bn a month on average during 1987 to a current level in the region of R550m and R647m in January and February this year respectively gave cause for concern, Stuart said.

Sanctions politics can cut both ways, Congress warned

US tots up the cost

ARGUS 11/5/88

280 287

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — An American ban on importing South African strategic and critical minerals would cost the US economy $1,85-billion (R3,7-billion) a year, according to an official report.

Over a five-year period from 1988 to 1992, the cost would accumulate to $9,25-billion (R18,5-billion), leading to higher prices and reduced supplies in items like car parts for American consumers.

If South African production was disrupted rather than just embargoed by the US, the impact on American and other economies would be even greater, the study says.

And a US ban would substantially increase the country's dependence on the Soviet Union, it adds.

Head off

The report comes at a time when US commerce and industry is counting the costs of the anti-SA sanctions imposed by Congress in 1986, and trying to head off new trade and disinvestment curbs now passing through the House of Representatives.

The Wall Street Journal claimed in a recent editorial that sanction politics could cut both ways and that ... "before members of Congress throw more gasoline on the fires of South Africa they might want to examine the costs sanctions and disinvestment have imposed on the US."

Earlier US Government reports have estimated the cost of a three-year ban on SA chromium at $3,6-billion and of manganese at $1-billion.

Coal imports

Adding to their worry is a recent report by Wharton Econometrics that the US ban on South African coal imports cost the American coal industry $250-million in 1986 and 1987 alone.

And forming a backdrop to their concern are fears that South African anger over US sanctions would lead hotheads in the South African Government to demand a ban on strategic exports to the US.

The new report was prepared by analysts at the US Bureau of Mines at the request of the State Department. Its purpose is to guide the President and Congress who have the power to ban strategic and critical minerals from South Africa.

Its significance is that the present sanctions Bill would include bans on strategic minerals like platinum and chrome unless the President certified that they were essential for America's defence.

Price too high, Pik tells House

'Only Marxism can satisfy world'

Political Staff

Nothing short of a black Marxist regime in South Africa would satisfy the international community, **Foreign Affairs Minister Mr Pik Botha** said yesterday.

Speaking in the House of Assembly during debate on his budget vote yesterday, Mr Botha said an ordinary black government would not satisfy South Africa's critics or guarantee that the sanctions threat would be withdrawn.

Price too high

The Government had taken the sanctions threat seriously and had done everything possible to avoid punitive measures being imposed against this country, said Mr Botha.

"If we had to avoid sanctions the price we will have to pay will be too high," he said, referring to the demands made on South Africa by the outside world.

If South Africa were to respond to demands made by the US it would be destroyed, he said.



Foreign Minister Pik Botha . . . castigates 'arrogant' superpowers.

"While Africa is dying, the US Congress has the arrogance to seek to punish the one country in Africa where there is hope of development and a government which cares about its people," he said.

Aussie unions force out SA hypermarket

Star 11/5/88 (250)

By Melanie Gosling

Action by anti-apartheid trade unions has forced Pick 'n Pay to abandon its hypermarket venture in Australia.

Company chairman Mr Raymond Ackerman said yesterday that his company had been "tarred with the same brush as the apartheid regime" by the Australian trade unions.

"Members of international organisations, like the ANC and Swapo, linked arms with the unions and, no matter what we did or said, they would not back off.

"We told them that 45 percent of our management was black, we showed them videos of our staff-housing scheme, but nothing helped," Mr Ackerman said.

Vandals hit Shell garages

Star 11/5/88

THE HAGUE — Vandals cut pump lines and contaminated oil tanks with paint at four Shell petrol stations in the Netherlands to protest at the Anglo-Dutch Shell group's investments in South Africa, police said yesterday. (280)

Shell has come under increasing pressure from anti-apartheid activists to end its presence in South Africa where, critics say, it is supporting Pretoria's racial policies by maintaining investments worth R1 billion.

About 60 Shell stations have been vandalised in the Netherlands. Shell insists that by offering job opportunities to blacks it is trying to help end apartheid.

The latest attacks came a day before Shell is due to report its quarter-year profits at a shareholders meeting in The Hague.

Britain's Anti-Apartheid Movement (AAM) is stepping up pressure on Shell to cease trading in South Africa and will make renewed calls for a pullout at the company's annual general meeting today.

BROADER BASE

If Shell continues to trade in South Africa, the AAM has vowed to work for a broader-based boycott of Shell products in Britain and Europe.

Sanctions lobbyists have reported that in 1987, the first year of the Shell boycott in Britain, the company's share of the growing petrol market fell by 6,6 percent.

Shell's total market share fell from 19,7 percent to 18,4 percent over the year, the AAM reported.

A growing number of British local councils are refusing to do business with Shell, notably Sheffield Council, which has cancelled a Shell contract worth R7,2 million a year.

AAM president, Archbishop Trevor Huddleston, said yesterday that he had written to Shell urging a pullout from South Africa. — Sapa-Reuter, The Star Bureau.

Bid to tighten screws on SA

PORT LOUIS — Developing nations have renewed a call for talks with the European Community to press demands for tougher sanctions against South Africa.

The request was submitted to the two-day annual joint ministerial meeting of the 66-nation African, Caribbean and Pacific (ACP) group and the EC, which started yesterday.

An ACP resolution said members were "appalled" by evidence of Western support for Pretoria.

The ACP now requests a special meeting of Foreign Ministers to discuss southern Africa.

An EC official said there was no change in the EC position to limit action against Pretoria to existing measures. — Sapa-Reuter.

Telerate divests from SA

TELERATE, a subsidiary of US publisher Dow Jones & Co, has sold its SA operation to Altron and will withdraw from SA.

Altron bought the entire issued capital of Telerate's local arm, International Financial Information Network, for an undisclosed amount.

The operation is based in Johannesburg and offers customers a comprehensive financial service under the "Interfinet" and "Telerate" brand names.

Telerate's withdrawal comes ahead of proposed US legislation which could force all American companies that still have direct investments in SA to sell them and pull out of the country, reports Reuters.

HELENA PATTEN

The Bill proposing the new law was passed last week by the House of Representatives' Foreign Relations Committee and will soon be presented for approval by the full House and the Senate.

B'day 11/5/88.

● To Page 2

Altron benefits from US disinvestment

● From Page 1

About 140 US companies have disinvested from SA since the start of 1986, leaving 160 American companies still invested in the country.

Altron says Altech Electronic Systems is involved in the electronics and communications arena — and the newly acquired company fit together well. Product ranges are compatible and the acquisition is "a natural expansion for the company into the financial information market."

Altech plans to increase its stake in this field and will soon be announcing additional products to its range.

'Raw-deal' Zola to rest for a year

BLOEMFONTEIN. — Zola Budd who yesterday returned from London to her family's Bloemfontein home exhausted and dispirited, has said she has lost her love for athletics.

Last night her family closed ranks around the 21-year-old diminutive running star, holding a braai to celebrate her return.

A family reconciliation appeared on the cards as her father Frank, who has been a virtual outcast since Zola took up British citizenship four years ago, attended the family gathering.

Although weary from her long fight with International Amateur Athletics Federation and anti-apartheid activists, she was still able to send a defiant message to the IAAF: "They can carry on and do what they want — I've been dealt a raw deal, but I haven't given up."

Speaking from the Budd family's printing works in Bloemfontein just hours after returning to South African soil, apparently suffering from nervous exhaustion, the ever-controversial British athlete said she had finally given up hope of running in the Seoul Olympics — and hinted that she may not return to the international arena once recovered.

"I've realized there is no way of taking part in the Olympics.

"I've lost my love for athletics — it was my life. I used to feel at home running, that's what made me happy. All I want to do now is rest for at least a year and I am planning to study."

Asked whether the sale of her R460 000 Guildford home in Surrey was an indication that she would not be returning to Britian, Zola said the sale was a result of her financial difficulties caused by nearly a year out of competitive running.

Soon after her arrival in South Africa she was whisked away from Jan Smuts Airport before being driven to Bloemfontein by her brother Quinton.

Her immediate plans were to tan, rest, and visit friends.

Wearing blue jeans, white blouse and old running shoes without laces she burst out laughing when she was driven into Bloemfontein to be reunited with members of the family — most of whom only learned from yesterday's news bulletins that she was returning home.

Earlier yesterday, President of the Orange Free State Amateur Athletics Union, Mr Wally Labuschagne started crying when asked about Zola. And the man who discovered Zola, Bloem-

● A waif doomed to failure — Page 6

To page 3



BACK AT HOME . . . Zola Budd about to unpack h

From page 1

fontein coach Mr Pieter Labuschagne said he was bitterly disappointed for Zola and added that the Third World pressures had been too strong for her.

At one stage her doctor was so concerned about her deteriorating mental state, he ordered her mother Mrs Tossie Budd, to ensure no pills were left within her reach.

Mrs Budd, who has been visiting her daughter in England for the last three weeks and was yesterday supervising the removal of furniture from the Guildford home, the big move, the pressures on Zola had "just built up in her until she reached the stage where she didn't want to eat, she couldn't sleep and she didn't want to do anything.

"She used to love to play the piano — she enjoyed Mozart — but for the last few weeks she hasn't touched the piano. I tried to get her interested again in knitting as a form of therapy, as a way of keeping her calm, but she didn't want to know."

Tony Ward, British Amateur Athletics Board (BAAB) spokesman, commented: "What has happened is very sad. She has been hounded by controversy."

Sam Ramsamy, head of the London-based anti-apartheid group Sanroc which has campaigned against Budd, said that if Zola had denounced apartheid and genuinely cut all her links with South Africa "we would have accepted her, but she did neither".

Peter Hain, another leading anti-apartheid campaigner, welcomed Budd's decision: "She has tried to have it both ways — little Miss Apartheid back in South Africa, little Miss Innocent here."

Her former mentor and confidant Jannie Momberg, said Budd had made a "great mistake" in returning to South Africa, a move which indicated to him that she had been badly advised.

Her coach, John Bryant, said Zola had been foolish, naïve and unwise but more than anything she had been abused and badly advised.

● The Daily Telegraph in London said a succession of interested parties ensured that Zola's British adventure was always going to end in tears.

"It was entirely predictable that, bitter, confused and exhausted, Zola Budd should obey her most basic instinct and retreat to the staid farming community of Bloemfontein that shaped her character," it said.

Vandals protest against SA link

THE HAGUE — Vandals cut pump lines and contaminated oil tanks with paint at four Shell petrol stations in the Netherlands to protest against the Anglo-Dutch Shell group's investments in South Africa, police said here yesterday.

Police said two stations in The Hague and two others in Eindhoven were smeared with anti-apartheid graffiti.

Shell has come under increasing pressure from anti-apartheid activists to end its presence in South Africa, where critics say it is supporting Pretoria's racial policies by maintaining $500 million worth of investments.

Sixty Shell stations have been vandalised in the Netherlands.

The latest attacks came a day before Shell's quarter-year profits report at a shareholders' meeting in The Hague.

Anti-apartheid groups have bought shares of Shell stock in a move to allow activists, including the president of the South African National Union of Mineworkers, Mr James Motlatsi, to address the meeting. — Sapa-RNS

Now England slaps ban on SA rugby tour

Capt Times 11/5/88

Staff Reporter

THE Rugby Football Union, the English controlling body of the game, yesterday switched their commitment not to interfere with players under their control joining the World XV tour of South Africa in August and barred them from taking part.

With French players in danger of being banned by the new leftist government being formed in Paris, the Australian board are likely to be the only major rugby country not to block their five players from coming.

But South African Rugby Board president Dr Danie Craven said last night: "The tour will go on."

"We knew about the decision over the weekend. But it will not stop the tour from going on."

Dr Craven remained defiant that the SARB "will not embark on professional rugby".

However, top rugby players Carel du Plessis, Jannie Breedt, Johan Heunis and Burger Geldenhuys said last night that they were in favour of professional rugby.

Geldenhuys suggested that South African rugby administrators wait to see what the IRB does about the SARB's centenary celebrations next year before starting the professional game.

Commenting on the withdrawal of most of the major rugby playing nations and the effect this will have on the team, Dr Craven said: "Who is to rate players from South American countries as being less strong than those from the invited countries?"

"It is our (the SARB's) worries as to how we will replace the players," he said.

Dr Craven declined to say where the SARB was looking to find alternative players, but hinted that they would be of the same world-class standard as the unions which had withdrawn.

Commenting on the possibility of French players being banned by a new government in France, Dr Craven said he would consider that when it happened.

● England does an about-face
— Back Page



Dr Danie Craven



Carel du Plessis

'Little done to end US sanctions'

The Government had done little to meet the conditions cited in the 1986 United States Congress sanctions package for the possible future termination of sanctions, **Mr Ray Swart (PFP Berea)** said in the House of Assembly yesterday during the foreign affairs budget vote.

The relevent Congress clause for terminating sanctions stated that the Government should.

- Release all political prisoners including Nelson Mandela.
- Repeal the state of emergency and release all detainees.
- Unban democratic political parties and permit all South Africans to form political parties and participate in the political process.
- Repeal the Group Areas Act and Population Registration Act.
- Agree to enter into negotiation with representative members of the black majority without preconditions.

These were the conditions stated nearly two years ago but very few had been complied with, Mr Swart said.

"One asks what is the Minister (of Foreign Affairs, Mr Pik Botha) doing in regard to these matters.

"He might perceive that they reflect blatant injustices which exist inside South Africa and which we inside of South Africa ought to be attending to without any outside pressure." — Sapa.

American evangelists join lobby against SA sanctions

Paula Fray

A visiting group of American evangelists will leave Johannesburg today to join the anti-sanctions lobby after finding that "the infliction of economic pain ... has destabilised the black, Asian and coloured economy".

The five Americans, who have been in South Africa for 10 days, concluded that "99 percent of blacks were against sanctions".

The group members belong to National Religious Broadcasters (NRB) and represent broadcasters, owner-operators of radio and television stations, programme producers, retired Christian educators and missionaries.

With another five signatories, they have sent a letter detailing their findings to President Ronald Reagan, the vice-president, Mr George Bush, 535 members of the House of Representatives and Mr Michael Dukakis, who is running for the Democratic nomination as a presidential candidate in November.

The letter said the purpose of the independent fact-finding trip was to ascertain the reaction of black, white, coloured and Asian people to possible United States sanctions and disinvestment laws.

The group has offered to testify before the Senate Sub-Committee on South African Affairs.

The group leader, Mr David Hofer, said at a press conference in Johannesburg yesterday: "The average person in America is not for sanctions nor is the president or the vice president."

Mr Morgan Hodges, the executive director of a production company, said he had been in the country for nearly 10 days without experiencing racial problems.

He said two factors were still fuelling the sanctions lobby — the Group Areas Act and the Population Registration Act.

One group member, Mr Paul Raniseyer, the executive director of a satellite broadcasting network, met several clergymen during his brief stay.

He said some were for limited sanctions and it seemed "the Church here is polarised between the liberals and the conservatives".

The group did not meet any liberation theologians. Mr Hodges said "as a black clergyman I have always had problems with liberation theology".

Fears of SA retaliation

Sanctions could cost US R4-bn

Scarce info on illegal trading

By Alan Dunn,
The Star Bureau

WASHINGTON — A six-month US congressional probe into South Africa's trade links with America has turned up no evidence of large-scale efforts in the Republic to dodge US sanctions.

Noting a cloak of secrecy over South Africa's recent dealings and business affairs, and unproven claims of sanctions-busting, a new report circulating this week among senators and congressmen said: "Information on efforts to circumvent sanctions is scarce."

The report, prepared by Congress's investigations department, the General Accounting Office, was submitted to Senators Edward Kennedy and Lowell Weicker, both central figures in a drive among legislators on Capitol Hill for maximum measures against South Africa, who requested the study.

The investigators said: "We obtained conflicting views about whether South Africa was making significant efforts to engage in extensive circumvention of sanctions, but little evidence exists to support any of these views This is not surprising, given the nature of the activity."

Star 11/5/88

FRONTLINE STATES

The report said one pointer could be surging exports from southern Africa's so-called Frontline states. South Africa could re-label its own goods and ship them — as it shipped produce genuinely from neighbouring countries — from its own ports.

Another sign of sanctions-busting was the number of probes and convictions related to the US law which imposed sanctions in October 1986, the report said.

US Customs was investigating 20 cases of illegal imports into the US.

It was also investigating 28 cases of illegal US exports.

"Some experts believe that South Africa has no need to circumvent the sanctions because it is able to find new markets"

Also, erecting sanctions-busting machinery was an expensive task, a State Department offi-

By Neil Lurssen,
The Star Bureau

Washington

An American ban on imports of South African strategic and critical minerals will cost the US economy a whopping R4 billion a year, according to an official report to be issued here soon.

Over a five-year period from 1988 to 1992 the costs would accumulate to R19 billion, leading to higher prices and reduced supplies in items like car parts for American consumers.

If South African production is disrupted rather than just embargoed by the US, the impact on American and other economies will be even greater, the study says.

And a US ban will subtantially increase the country's dependence on the Soviet Union for supplies, it says.

The report comes at a time when US commerce and industry is counting the costs of the anti-SA sanctions imposed by Congress in 1986 and as it is trying to head off new trade and disinvestment curbs now passing through the House of Representatives.

"As always, the price won't be paid by members of Congress, but by others," the respected *Wall Street Journal* charged in a recent editorial.

Earlier US government reports have estimated the costs of a three-year ban on SA chrome at R10 billion and of manganese at R2 billion — scare numbers for American economists in view of the huge unfavourable imbalance in US foreign trade figures.

Adding to their worry is a recent report by Wharton Econometrica that the US ban on SA coal imports cost the American coal industry R300 million in 1986 and 1987 alone.

And forming a backdrop to their concern are fears that South African anger over US sanctions will lead "hotheads" in the SA Government to demand a ban on strategic exports to the US.

Trade journals here have noted that platinum prices rose this week because of fears of South African retaliation.

The new report was prepared by analysts at the US Bureau of Mines at the request of the State Department. Its purpose is to guide the President and Congress, who have the power to ban strategic and critical minerals from South Africa in terms of the 1986 legislation

The current sanctions Bill would include bans on strategic minerals like platinum and chrome unless the President certified that they were essential for America's defence

About 90 percent of the world's known platinum group metal reserves are found in South Africa with the Soviet Union holding about 9,5 percent.

Even where South Africa is not the producer, such as in cobalt, which is mined mainly in Zambia and Zaire, the US is dependent on South African transport, the report says A ban on cobalt shipped through South Africa would lead to substantial price increases, it warns.

● A leader in the US sanctions drive against South Africa, Senator Edward Kennedy, has signalled that he will again this year try to harness the Republic's major trading partners into se-

Supermarkets won't be open

The ever-faithful local cafes will be on hand to supply essentials for those who run out during the Ascension Day holiday tomorrow, but all the large supermarket chains will be closed.

OK Bazaars, Checkers and Pick 'n Pay will not do business.

Star on sale

The Star will be published tomorrow, Ascension Day

The newspaper will be available across much of the country as a morning newspaper.

Home deliveries will be made in the morning.

Boost for 'rebels'

England's about-turn on permission for five players to be available for the World tour of South Africa has strengthened the hand of those urging an immediate breakaway from the International Rugby Board

Apple imports cut

Star 11/5/88

280

The Star's Foreign News Service

BRUSSELS — South African apple imports by the European Community (EC) will be restricted this year with apples from all other southern hemisphere suppliers because France and Italy have large quantities of last year's crop in store.

Traders and consumer groups in Britain are to protest to their government.

Between now and the start of the home-grown season in the autumn, Britain normally imports thousands of tons of apples from the southern hemisphere and North America.

This year's imports into the EC from South Africa will be restricted to 166 000 tons, from Chile (142 000), New Zealand (115 000), Argentina (70 000), Australia (11 000) and others, including the United States and Canada, (17 500).

Irish anti-SA campaigner fired

Star 11/5/88 (280)

The Star's Foreign News Service

DUBLIN — One of the leaders of the 13-month anti-apartheid strike at Dunnes Stores in Dublin has been fired again.

This time it had nothing to do with her refusal to handle South African goods. Ms Karen Kearon, a check-out girl, lost her job because of discrepancies in her cash register returns.

Management said she had been given several warnings about repeated mistakes before being sacked.

Her union claimed that she had been the victim of "a continual campaign of harassment by management" because of the legacy of bitter feelings over the South African goods' strike, which had caused the firm acute embarrassment both at home and abroad.

The union is taking her case to Ireland's Employment Appeals Tribunal on the grounds of unfair dismissal.



Pik: SA unwilling to pay the price of avoiding sanctions

D|D 11/5/88

(280)

CAPE TOWN — The majority of South Africans, regardless of colour, would not be prepared to pay the price of misery and chaos in their country to avoid further international sanctions against South Africa.

The Minister of Foreign Affairs, Mr Pik Botha, said that the price of chaos was inherent in the demands United Nations members, including the United States and Canada, were making of South Africa if further sanctions were not to be applied.

"Give in on one thing and the next day it is something else," he said.

"Look at Zola Budd. Sport has been integrated here for years."

Mr Botha accused the super-powers of arrogance in attempting to force their will on other countries and questioned the moral motivation of countries like the US and Canada in imposing sanctions.

"What respect must we have for the moral motivation of the USA and Canada, when they themselves have had decades to rectify the deplorable situations of their own black and red



MR SWART

indian populations, who form only a very small proportion of their total populations.

"We admit our inadequacies and mistakes we have made, but we are moving forward."

Mr Botha said that the PFP MP for Houghton, Mrs Helen Suzman, was "completely naive" to think that the government's removal of certain laws would stop the momentum of the sanctions campaign against South Africa.

No government, even a PFP one, would be able to remain in power if it complied with the sanctioneers' demands.

"They will dump South Africa into misery, where even archbishops will not be able to be head of their churches," he said.

In reply, the PFP's foreign affairs spokesman, Mr Ray Swart, challenged Mr Botha to specify what the government had done to avert the threat of sanctions.

He said that the government had chosen sanctions and isolation rather than giving up white domination and had done little to meet the conditions cited in the 1986 United States Congress Sanctions Package.

The conditions of the package, Mr Swart added, were similar to those put forward by the Eminent Persons Group and also echoed the sentiments of many South Africans.

"The PFP has never suggested that South Africa should bow to outside pressure but at least we should be sensitive to some of the criticisms which are levelled at us and advice which is given to us," he said. — DDC-Sapa

Scarce info on illegal trading

By Alan Dunn, Star
The Star Bureau 11/5/86

WASHINGTON — A six-month US congressional probe into South Africa's trade links with America has turned up no evidence of large-scale efforts in the Republic to dodge US sanctions.

Noting a cloak of secrecy over South Africa's recent dealings and business affairs, and unproven claims of sanctions-busting, a new report circulating this week among senators and congressmen said: "Information on efforts to circumvent sanctions is scarce."

The report, prepared by Congress's investigations department, the General Accounting Office, was submitted to Senators Edward Kennedy and Lowell Weicker, both central figures in a drive among legislators on Capitol Hill for maximum measures against South Africa, who requested the study.

The investigators said: "We obtained conflicting views about whether South Africa was making significant efforts to engage in extensive circumvention of sanctions, but little evidence exists to support any of these views. This is not surprising, given the nature of the activity."

FRONTLINE STATES

The report said one pointer could be surging exports from southern Africa's so-called Frontline states. South Africa could re-label its own goods and ship them — as it shipped produce genuinely from neighbouring countries — from its own ports.

Another sign of sanctions-busting was the number of probes and convictions related to the US law which imposed sanctions in October 1986, the report said.

US Customs was investigating 20 cases of illegal imports into the US.

It was also investigating 28 cases of illegal US exports.

"Some experts believe that South Africa has no need to circumvent the sanctions because it is able to find new markets."

Also, erecting sanctions-busting machinery was an expensive task, a State Department official said.

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Swart clashes with Pik over SA sanctions

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11/2/86

Political Staff

CAPE TOWN — Government had chosen sanctions and isolation rather than give up white domination, PFP foreign affairs spokesman Ray Swart said yesterday.

Clashing with Foreign Minister Pik Botha in Parliament, he challenged him to say what government had done to avert the sanctions threat.

Botha had charged the superpowers with arrogance in trying to force their will on other countries and said the price to avoid sanctions was too high to pay.

Swart said: "The PFP has never suggested that SA should bow to outside pressure, but at least we should be sensitive to some of the criticisms which are levelled at us and advice which is given to us."

This was even more so when it came to SA's major trading partners and friends.

Sanctions and isolation were a reality and Botha had implied earlier in the debate on his budget vote that whatever he did, sanctions were inevitable. It had been a depressing admission of defeat.

Swart said: "We cannot agree there is no way out of our problems.

"What positive steps is he or government taking to assist those who are opposed to sanctions?"

Botha denied Swart's charges that government had done nothing to counter sanctions.

AAM protestors disrupt group's congress

LONDON — Chanting anti-apartheid demonstrators virtually hijacked the annual meeting of Shell International here yesterday.

In what turned out to be the biggest disruption by protestors of any meeting of a multi-national body in recent years, the chairman of Shell, Mr Peter Holmes, was embarrassed before 800 shareholders when he was reduced to passing resolutions over two dozen protestors singing "we shall overcome"

The meeting drew to an apparently early close after Anti-Apartheid Movement (AAM) shareholders, in the audience, dominated question time.

Jeering erupted from both camps as anti-apartheid protestors interjected while Mr Holmes,fielded hostile questions.

Mr Holmes devoted almost one-third of his annual statement to shareholders on the issue of its South African operations.

He said that more than two years of attempted boycotts of Shell products had had little effect on business

"We are not complacent, however. The issue is a serious one and I regret that anti-apartheid groups still make unwarranted and unfounded allegations about us."

He added that Shell employees "find these unjustified attacks deeply offensive".

"I do not believe that the proponents of disinvestment can point to a single change of attitude or policy resulting from these withdrawals which helps the process of fundamental political change."

He repeated the belief which Shell has stated in the past. that change in South Africa must come from within.

"Contrasting with the euphoria of two years ago, when it was thought that 'one more push' would end apartheid, the realisation has grown that the struggle may yet be a long one

"At the same time, doubts about disinvestment have also grown "

He told shareholders that Shell welcomed the growth of the black trade union movement and was concerned at the government's proposed amendments to current labour relations legislation.

Mr Holmes' speech was well received by Shell supporters and the meeting seemed to be going well until question time began

Demonstrators began to question Mr Holmes in quick succession

"How brutal has apartheid got to get before Shell withdraws from South Africa?" one speaker asked

Another asked about the role of Shell Oil South West Africa, demanding to know how the company could ensure that its product wasn't being supplied to South Africa's "war and military machine".

Mr Holmes said that, because of South Africa's secrecy laws, there was no way that Shell could know if their products were being used

He denied that Shell intended to help South Africa circumvent oil emgargoes by making ethanol from a 2 000 hectare sugar plantation bought in Natal last year.

The plantation was a forestry project, he said.

An official of the powerful United Mineworkers of America, Mr Joe Jurczak, said Shell had acted as a major union-buster in South Africa

"Repeatedly Shell has shown itself to be antagonistic to workers "

He asked why Shell continued to operate in South Africa when it was jeopardising its United States business since a Bill before congress would, if passed, deny oil companies maintaining links with South Africa the right to bid for lucrative fuel contracts in the US

Shell South Africa is only one per cent of the company's overall holdings compared to a US holding of 30 per cent

Mr Holmes answered the first question by saying that he did not agree that Shell was antagonistic to its black workers To the second, he replied that he wouldn't comment on a Bill which had not been enacted.

The meeting began to disintegrate when a leading AAM official, Mr Allan Brooks, stood up to complain about the exclusion of some members from the meeting.

He also questioned Shell's coal export policy and its South African industrial relations procedures

Mr Holmes answered quickly then called an end to the meeting

Protestors, carrying posters and balloons, gathered in the centre of the hall and sang "South Africa will be free" and "Shell sells apartheid coal".

They continued singing while Mr Holmes battled to pass four resolutions

Some of the audience, obviously intent on the singers, forgot to vote but the resolutions were passed anyway.

Jubilant AAM officials said later that their campaign against Shell was gaining strength.

However, a Shell International spokesman denied that the outcome of the meeting was an embarrassment for the company and said that it happened every year.

● The president of the National Union of Mineworkers, Mr James Motlatsi, has urged Shell to pull out of South Africa where it was "providing fuel for the racist government"

Speaking at a shareholders meeting in The Hague, Mr Motlatsi said he would ask the Congress of South African Trade Unions to pass a resolution boycotting Shell products — DDC

Tutu backs tougher sanctions

WASHINGTON — Archbishop Desmond Tutu yesterday called for support of legislation pending in the US Congress that would impose sweeping new economic sanctions against South Africa.

A bill approved by the House of Representatives Foreign Affairs Committee would cut off virtually all US-South African trade and require American companies to withdraw their investments in South Africa.

Archbishop Tutu rejected arguments by the Reagan administration that sanctions should not be imposed because they would hurt blacks and that prosperity in South Africa would eventually end apartheid

"I wish that were true," Archbishop Tutu said. "I have no evidence myself that economic prosperity has done anything to change the iniquitous system under which we live in South Africa.

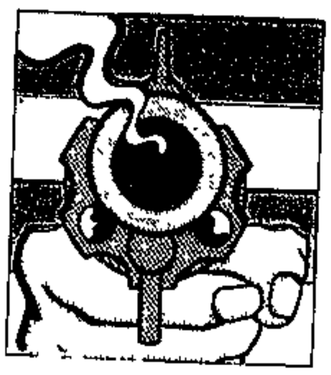
He said US adoption of new sanctions would send a signal to countries such as Japan, Britain and West Germany.

Simon Barber reports that Archbishop Tutu asserted that West Germany was reluctant to impose stronger sanctions on South Africa because "the Germans have not yet got out their systems the madness of Aryan superiority".

He ascribed Japan's similar reluctance to the fact that "the Japanese were allies of nazism" President Reagan, Prime Minister Margaret Thatcher and Chancellor Helmut Kohl "have decided that black South Africans are expendable", he alleged

LIFE WITH SANCTIONS

Make sense, not waves



Most businessmen, faced with the threat of sanctions, summon up their ingenuity and find new ways of doing business. With the country facing further sanctions, though, they have a right to expect more substance from a fatalistic government hell-bent on economic immolation.

One of the very worrying aspects of sanctions is that their reality and prospect appear to be summoning up a host of bitter-einder attitudes: a "do your damnedest" state of mind. We have become sadly familiar with that sort of misguided isolationist thinking. Like it or not this country is a part of the West and has to remain so to be even modestly prosperous.

Instead, all sort of economic folly is being paraded around, from those who threaten "counter-sanctions" (withholding gold, for example, from world markets — as if we could then eat it), to those who are so fond of cultivating the chips on their shoulders that they cannot even understand why sanctions were imposed upon us in the first place.

The rationale of sanctions is to get government to abandon apartheid and to clean up the face it presents to the world, which places it below Cuba, for example, in the human rights league. While censorship causes SA to recede from the front pages of the world — for a while — it takes only some new folly from Pretoria to put it back into the public eye The latest sanctions package — against the evidence that such measures do not work and are, in fact, counter-productive — is a case in point. It is nasty and pointless and government appears to be clasping it with glee to its bosom. Something is wrong there.

In 1986, the US Congress passed the far-reaching Comprehensive Anti-Apartheid Act (CAAA) Now congress is considering a Bill which would amend the CAAA to make it *considerably* more harsh and punitive (see **box**) The Bill, already approved by the House Foreign Affairs Committee, would seek to bar the holding or making of any US investment in SA and imposes a near total trade embargo.

The Bill would also require the American president to impose at least one of a set of penalties on "foreign persons" who take "significant commercial advantage" of American sanctions or of the comparable sanctions of another industrialised nation. The penalties comprise a limit on imports into the US by the foreign person and a bar on being able to contract with the American government and its agencies. Although informed opinion has it that the chances of this Bill reaching the Senate in this form are negligible and that it might well be found unconstitutional, this is no reason for complacency.

The tide in favour of sanctions is so strong that there certainly will be many more efforts to reduce economic ties with SA, in the US and elsewhere — if not this year, then next.

In this state of near siege, it has to be remembered that the world's attitudes to SA are not writ in stone. What is called for is an effective government strategy to counter sanctions and channel world opinion in more constructive directions. This requires subtlety. As British Ambassador Robin Renwick has noted· "The argument for sanctions is not born of stupidity or malevolence, or simply a desire to do damage to SA, but of frustration."

It is worth repeating here *why* the policy of sanctions is becoming increasingly discredited. Firstly, even if it were believed that causing sufficient economic pain to SA would bring forth the desired political reforms, a policy which liberated people into an economic desert would still be morally dubious. It was, after all, Allan Boesak — of all people — who said last year that he would not support a "long drawn-out disinvestment that goes on over five, six, seven years and in the end leaves us with an economy that is a wasteland."

Secondly, the causal link, upon which any advocacy of sanctions must rest — that rising *economic* pain will lead to *political* reforms — remains entirely unproven. There is compelling evidence to the contrary.

Of course, the economic effects of sanctions can be very serious (a brief glance at the volume of trade conducted with our major partners will make this clear). And there is yet another reason for opposing sanctions: no person of goodwill who is familiar with our population growth rate could support a policy which impedes economic growth. According to a recent report, South African GDP has grown by only 4,6% over the last five years, while the population has grown by 13% over the same period. JCI economist Ronny Bethlehem has estimated that low-intensity sanctions would lead to an extra 2m being unemployed by the year 2000. Without sanctions, the African share of total income would continue to rise from the 1985 level of 29% to 36% by 2000. With sanctions, the share would fall to under 20%.

Finally, many would agree that the increasing economic empowerment of black people is the most important development going on in the country now. As black consumer power grows, it will become increasingly difficult and costly to ignore political demands. To impede this process makes no sense for opponents of apartheid

The entire sanctions campaign, in fact, rests upon what Paul Johnson has described as the "political fallacy — the assumption that all economic and social problems are susceptible to political solution " The African experience has shown that Kwame Nkrumah had things the wrong way round when he said "the local and economic development of Africa will come only within the political kingdom . . ." The South East Asian experience suggests that those who attend first to economics stand a better chance of later getting their politics right

Our own government has for long been a victim of the "political fallacy." But recent encouraging signs of a change of mind makes its behaviour over sanctions especially foolhardy. How else does one explain Pik Botha's comments this week, when he said most South Africans would not be prepared to accept "misery and chaos" to avoid further sanctions: "What

Continued on page 32

The way to go

South Africa's exports (Rbn)
Vulnerable to embargo

	1983	1984	1985
Coal	1,21	1,75	3,13
Iron & Steel	0,85	1,10	2,06
Manganese, metal & ore	0,12	0,24	0,36
Copper	0,33	0,31	0,47
Aluminium	0,17	0,20	0,26
Asbestos	0,14	0,11	0,13
Nickel	0,14	0,18	0,32
Fluorspar	0,03	0,05	0,06
Fruit, fresh & preserved	0,36	0,53	0,43
Sugar	0,15	0,19	0,28
Maize	0,18	0,01	0,11
Chemicals	0,43	0,67	8,93
Textiles & textile articles	0,53	0,77	1,04
Machinery & transport equipment	0,41	0,48	0,89
Total, including others	7,58	9,87	15,26
as % of total exports	36,7	38,7	42,0
Total exports	20,65	25,53	36,31

Difficult to embargo

	1983	1984	1985
Gold	9,93	11,68	15,48
Diamonds	1,26	1,34	2,16
Platinum	1,00	1,20	1,50
Chrome	0,30	0,59	0,77
Wool	0,34	0,49	0,54
Pulp & paper	0,24	0,36	0,62
Total	13,07	15,66	21,05
as % of total exports	63,3	61,3	58,0

Sources Commissioner for Customs and Excise
South African Reserve Bank
Industry sources

THE TURN OF THE SANCTIONS SCREW

The proposed Bill to intensify the Comprehensive Anti-Apartheid Act of 1987 (CAAA) wraps together a series of extreme proposals in the US House of Representatives.

The Bill prohibits all direct or indirect American investment in SA or any export or import trade. The import of any strategic mineral, which the president certifies to congress is not available (in the quantities essential for the economy or defence of the US) from "alternative reliable suppliers," and certifies further that the needs in question "cannot be met in a timely manner by improved manufacturing processes, conservation, recycling, and economical substitution," would be exempted.

The prohibition is specifically stated to include uranium hexafluoride that has been manufactured from South African uranium or uranium oxide, and fish or seafood purchased from a ship owned by a South African or of South African registry, purchased from a South African, processed in whole or in part by a South African ship or person, or stored in or shipped from SA.

A second exemption permits the continued sale of South African publications to America.

The prohibition on exports states that no goods or technology subject to the jurisdiction of the US may be exported, or re-exported to SA and no goods or technology may be exported, or re-exported to SA by any person subject to the jurisdiction of the US. Goods "that are the direct product of technology of US origin" are included.

A further savings clause exempts goods that are "the direct product of technology of US origin" exported under a written agreement entered into before April 14 1988, exported within the period of one year from the date of enactment of the present amendment to the CAAA.

The prohibition on exports exempts:

☐ Publications;

☐ Donations of articles intended to relieve human suffering, like food, clothing, and medicines and medical supplies "intended strictly for medical purposes", and

☐ Economic assistance or human rights programmes for disadvantaged South Africans, South African blacks or other non-white South Africans or for victims of apartheid (awarded under various US laws), as well as contributions to charitable organisations in SA.

All these prohibitions take effect 180 days after enactment.

In regard to loans by Americans, the term is defined to mean any transfer or extension of funds or credit on the basis of an obligation to repay (or any assumption or guarantee of the obligation of another to repay) an extension of funds or credit, including:

☐ Overdrafts;

☐ Currency swaps;

☐ The purchase of debt or equity securities issued by the South African government or a "South African entity" after the date of enactment;

☐ The purchase of a loan made by another person;

☐ The sale of financial assets subject to an agreement to repurchase;

☐ A renewal or re-financing whereby funds or credits are transferred or extended to the government of SA or a South African entity;

☐ Short-term trade financing;

☐ Sales on open account where they are normal business practice; and

☐ Rescheduling of existing loans.

An important exemption excludes from the prohibition loans for which an agreement was entered into before April 20 1988, so long as the loan "is maintained under the terms in effect on such date."

The term "investment in SA" is defined to mean a commitment of funds or other assets (in order to earn a financial return) to a South African entity. The definition includes a loan or other extension of credit made to a South African entity; or security given for the debts of an entity; the beneficial ownership or control of a share or interest in a South African entity; or of a bond or other debt instrument issued by a SA entity.

The definition of "person subject to the jurisdiction of the US" is now extended to include any person, wherever located, who is a citizen or resident of the US; any person actually within the US; any corporation organised under the laws of the US; and US-controlled entities like partnerships.

A person affected by these prohibitions may apply to the president for a one-time waiver, to be granted only for "good cause" and for not more than 180 days from the date the amending Act takes effect. The waiver may not exempt anyone from the effects of the 1986 Act.

The Bill sets up a procedure for negotiations with trade unions or other workers' groups by South African concerns in which American companies must divest. Apart from issues like pension benefits, the negotiations should include the acquisition of the terminated business by the workers or their organisations.

Yet another set of prohibitions bars the supply of crude oil or refined petroleum products to SA. The bar applies to transport on a vessel of US registry or on a vessel owned, directly or indirectly, by a US person. And no agency of the US shall award a lease or permit for the exploitation of coal, gas or oil in the US to foreign firms which have or acquire any South African investment; or export, directly or indirectly, any crude oil or refined petroleum products to SA. And there is to be a complete bar on nuclear co-operation.

The president is directed to "confer" with the other industrialised countries to reach co-operative agreements on joint sanctions, and to push for sanctions by the UN. He is also required to impose at least one of a set of penalties on "foreign persons" who take "significant commercial advantage" of American sanctions or of the comparable sanctions of another industrialised nation. The penalties comprise a limit on imports into the US (including services) by the foreign person, and a bar on contracts with Washington.

The Bill establishes (within the Department of State) an Office of South African Sanctions to monitor implementation of the amended CAAA, and to furnish detailed statistics. The office will be required to make annual reports (starting next February), and an amount of US$500 000 a year is appropriated for its establishment. There will also be an "Inter-Agency Co-ordinating Committee on SA," to comprise Federal Cabinet members under the Secretary of State.

The president is also required — by not later than April 1 1989 — to submit to congress a report on the programme to reduce dependence on the importation of strategic minerals from SA.

The Bill states that it is the "sense of congress" that the president should direct the Attorney Generel to conduct an investigation of the South African-controlled international diamond cartel in terms of anti-trust laws.

The president is also directed (within 180 days), in consultation with other industrialised nations and international financial institutions, to study possible actions by the US to reduce SA's earnings from gold, but the president must consider the possible international and domestic consequences, and must evaluate "mechanisms to minimise any adverse effects" on the American gold industry. Purely political provisions include restrictions on South African consular representation in America, and a tightly restrictive policy on visas.

The proposal also exempts black-owned businesses in SA from the US ban on agricultural imports.

Double-tax advantages for American companies operating in SA are allowed if they contribute 15% of their payroll to supporting black private enterprise in SA or social action for disadvantaged South Africans

An alternative (Republican) measure proposed as a discussion draft steers away from any intensification of sanctions.



Von Schirnding (l), Pik Botha ... at loggerheads on image

political conversion to one man, one vote. But if Pretoria is true to its pronouncements on the importance of enhancing the country's economic performance, it needs also to avoid a fatalistic view on sanctions.

Three things are necessary. One is that our few friends abroad be given reason to continue their support. That is at least as important to us as avoiding a Conservative Party majority in parliament. Only government can do that through the sensible application of domestic policy, particularly when security suggests to the frightened that this should be at the expense of civil liberties. And that takes courage.

Another is that economic policy be rethought. We need now, a streamlined economy, highly responsive to the optimum allocation of resources by markets, so that every ounce of sustainable growth is squeezed out of it Simply put, that means stamping out inflation and all forms of protections — especially tariffs — must go. There must be no artificial impediments to international competition

The third is an enhanced diplomatic initiative, casting a net far wider than our string of embassies and consulates. The fact that last year SA lost two of its most effective ambassadors (both because they felt betrayed by Pretoria) and now has a corps of inexperienced 40-year-olds plus Koornhof in our most important embassy is a sad indictment of our diplomatic initiative.

The fact is that the anti-sanctions campaign is being conducted almost exclusively by the PFP and SA Foundation — the liberals and the businessmen Government, with its smug fatalism, is doing its damnedest to foster economic immolation. That attitude of mind, above all else, is what has to change. ■

Finnish ice hockey players in SA

P10 12/5/88

280

HELSINKI — Finnish ice hockey players have arrived in South Africa despite official protests that they could jeopardise Finland's participation in the Seoul Olympics, the Finnish news agency said yesterday.

A Finnish ice hockey association official said last week that seven players had promised to abandon a planned trip to South Africa as they were about to fly out from Luxembourg to Nairobi.

But at least three of them went on to South Africa and were traced to a hotel in Durban, the agency said. It was unable to confirm that they planned to play in South Africa.

The Finnish Government and national sports authorities said last week they feared that African countries could boycott the Olympic Games this summer if Finland took part after its athletes had been involved in sports in South Africa.

Sports officials said Finland's participation was not directly at risk but the country would be intensely embarrassed if African nations threatened to boycott the games.

The Finnish ice hockey association has denied involvement in the incident and said players under its control could be banned from the sport if they played in South Africa.

Finnish television reports disclosed plans for the trip a week ago and said the team consisted of players from Finland's two top divisions who would play in South Africa as a "Finnish team".

Finland has no sports links with South Africa because of its apartheid policy and has signed international agreements banning any sports exchange with the country or participation in any contest against South Africans. — Sapa-RNS

Call to probe alleged arms embargo-busting

Star 12/1/1985

The Star's Foreign News Service 280

BONN — West German Social Democrats have renewed their criticism of the Kiel State Prosecutor's decision not to investigate allegations that West German companies — one of them State-owned — are secretly helping South Africa to break the strict arms-export embargo.

Mr Norbert Gansel, a member of the investigating committee, said yesterday the decision was suspect because it came one day after elections which shifted rule from the Conservatives to the Social Democrats.

Mr Gansel said newly elected Prime Minister Bjorn Engholm was prepared to press for a further investigation.

Tutu blesses US Bill on sanctions

The Star Bureau

WASHINGTON — Archbishop Desmond Tutu has endorsed a US Bill forcing American disinvestment from South Africa and ending almost all trade presently under consideration in Congress. Star 12/9/88

He urged congressmen in an appearance on Capitol Hill on Tuesday to vote for the legislation when it reaches the House of Representatives, probably next month.

"If Americans want a place in history, then they should support this sanctions Bill," he said.

His backing lends the Bill considerable impetus in Congress where the clergyman is respected and regarded fondly by many lawmakers

The timing of his approval, given at a public address in the House Foreign Affairs Committee room, means a tremendous boost for the Bill's passage in the House.

The pro-sanctions lobby believes his blessing gives it a stamp of authenticity.

It was "critically urgent" that Americans make a moral decision, he said, noting that any changes that had taken place in South Africa had occurred through pressure. (250)

NO PROSPERITY

Turning on South African and American businessmen, Archbishop Tutu spoke of a surge of altruism in the Republic where those whites who had for years benefited from apartheid without so much as a squeak, were suddenly concerned about black people.

Businessmen were not going to act against the system "until they are hit where it hurts the most".

They were enjoying the present set-up, he said, in spite of protestations to the contrary and pretended impotence.

He had not seen any evidence that economic prosperity in the Republic had done anything to relieve black suffering He also said he had never had to justify his support for economic sanctions to black congregations, only white worshippers

"I want to know what the South African Government still has to do so that the world would be filled with so much revulsion and outrage that it would move heaven and earth to rid the world of the scourge of apartheid — just as it did the scourge of Nazism," he said.

Report warns against mineral boycott

Star 12/5/50

US stands to lose billions over ban

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By Neil Lurssen
Te Star Bureau

WASHINGTON — An American ban on imports of South African strategic and critical minerals will cost the US economy a whopping R4 billion a year, according to an official report to be issued in Washington soon.

Over a five-year period from 1988 to 1992 the costs would accumulate to R19 billion, leading to higher prices and reduced supplies in items such as car parts for American consumers.

If South African production is disrupted rather than just embargoed by the US, the impact on American and other economies would be even greater, the study says.

The report comes at a time when US commerce and industry is counting the costs of the anti-SA sanctions imposed by Congress in 1986 and as it is trying to head off new trade and disinvestment curbs now passing through the House of Representatives.

"As always, the price won't be paid by members of Congress, but by others," the respected *Wall Street Journal* charged in a recent editorial.

Earlier US government reports have estimated the costs of a three-year ban on SA chrome at R10 billion and of manganese at R2 billion.

Adding to their worry is a recent report that the US ban on SA coal imports cost the American coal industry R300 million in 1986 and 1987 alone.

HOTHEADS

And forming a backdrop to their concern are fears that South African anger over US sanctions will lead "hotheads" in the SA Government to demand a ban on strategic exports to the US.

Americantrade journals have noted that platinum prices rose this week because of fears of South African retaliation.

The new report was prepared by analysts at the US Bureau of Mines at the request of the State Department. Its purpose is to guide the President and Congress, who have the power to ban South African strategic and critical minerals in terms of the 1986 legislation.

The current sanctions Bill would include bans on strategic minerals such as platinum and chrome unless the President certified that they were essential for America's defence.

About 90 percent of the world's known platinum-group metal reserves are found in South Africa with the Soviet Union holding about 9,5 percent. The US and Canada, together, have less than 1 percent of the reserves.

Even where South Africa is not the producer, such as in cobalt, which is mined mainly in Zambia and Zaire, the US is dependent on South African transport, the report says. A ban on cobalt shipped through South Africa would lead to substantial price increases, it warns.

● A leader in the US sanctions drive against South Africa, Senator Edward Kennedy, has signalled that he will try again this year to harness South Africa's major trading partners into severing their trade ties.

... who have the power to ban South ... veiling their trade ties.

Protests as 95 percent of Shell shareholders vote to stay in SA

THE HAGUE — A Shell oil shareholders meeting yesterday voted overwhelmingly in favour of continuing the company's operations in South Africa, despite criticism that the company is not doing enough to end apartheid.

Approximately 95,5 percent of the votes cast at the annual shareholders' meeting of the Royal Dutch Petroleum Company, Shell's Dutch wing, supported the Shell management's view that the Dutch-British multinational should not withdraw its South African interests.

Strong criticism of the company's South African presence was voiced before the vote by American and South African labour union officials.

ANTI-APARTHEID SLOGANS

Outside the Dutch Congress Centre, where the meeting was held, a few dozen demonstrators waved banners and shouted anti-apartheid and anti-Shell slogans. There were no arrests.

Royal Dutch Petroleum owns 60 percent of the Royal Dutch Shell Group of companies, with Shell Transport and Trading Company of Great Britain owning the remaining 40 percent.

Of the 437 441 share votes cast at the Dutch meeting, 418 132 backed the Shell management, which has consistently argued that withdrawal from South Africa would only hurt the black majority. There were 19 309 votes against.

The vote does not represent a formal statement by the company's shareholders, but is only "an opinion poll" by the up to 800 shareholders attending the meeting, said Mr Dirk de Bruyne, chairman of Royal Dutch's Board of Supervisors.

The company has always refused to take a formal shareholders' vote on the South African issue, arguing that only a small minority of shareholders ever attend the meetings. Royal Dutch has issued more than 286 million shares.

Mr John Banovic, international secretary-treasurer of the United Mine Workers of America, told the Royal Dutch shareholders that "Shell has shown itself an enemy of the black workers in South Africa".

Mr James Motlatsi, president of SA's National Union of Mineworkers, charged that "your company is supplying fuel to the South African ... defence forces to go into the townships to kill innocent women and children". — Sapa-AP.

Big German stores bar SA produce

BONN — Two big West Germany department store chains said yesterday they had stopped selling South African fruit and vegetables.

A spokesman for Hertie Waren und Kaufhaus GmbH said her company had bowed to pressure from consumer organisations and employees.

Cologne-based Kaufhof AG would say only that its move was the result of an internal decision.

US pull-out leaves APV untroubled

Finance Staff

A long-standing agreement in which APV manufactured under licence Philadelphia gearboxes for the South African mining industry has been cancelled for political and economic reasons, says Ken Dutton, APV's mixing division manager. Star 12/5/88

He says APV, a major process engineering company, is geared up to turn international sanctions to the advantage of local industry in the wake of the cancellation. (280)

Gearboxes are vital components in huge mixers used in separation processes on gold mines.

"I am not dismayed," says Mr Dutton.

"The US withdrawal brings added strength to local industry. Under the terms of the old agreement, we could only manufacture Philadelphia products.

"Now we can make many other types of mixing equipment, which are available to us from other companies in the APV group's international operations."

Future mixers will be manufactured to similar specifications of the Philadelphia products.

"This will mean a much greater selection of locally produced equipment will be available and will make the market more competitive," he says.

DID 13/5/88 (280)

Dukakis backs new sanctions Bill

WASHINGTON — The Democratic presidential front-runner, Mr Michael Dukakis, yesterday met with Archbishop Desmond Tutu, and said he supported new legislation which would apply tougher sanctions on South Africa.

With Archbishop Desmond Tutu lending his support, senate opponents of South Africa's apartheid government prepared to introduce legislation yesterday that would virtually cut off economic ties between the United States and South Africa.

Mr Dukakis met with Archbishop Tutu before beginning a round of meetings with congressional leaders.

"It's time to change our policy, and I assure you if all goes well there will be a fundamental change. This country has got to lead in human rights," Mr Dukakis said.

The archbishop replied: "We know we would have very powerful friends in the White House if we had a Democrat occupying the White House."

Mr Dukakis praised Archbishop Tutu for his courage and leadership.

When asked if he supports new legislation proposed in congress that would strengthen economic sanctions against South Africa, Mr Dukakis said, "Yes I do, very strongly."

A Democratic Senator, Mr Edward Kennedy, yesterday planned to introduce a measure that would require US companies to shed their investments in South Africa within a year, and ban trade in everything but strategic minerals and agricultural products.

"It is time for Congress to take action again," Mr Kennedy said. "So long as apartheid continues, American business has no business doing business with South Africa."

A similar Bill is pending in the House of Representatives. — Sapa-AP

White House rejects Tutu's criticism of its SA policy

WASHINGTON — The White House yesterday rejected Archbishop Desmond Tutu's stinging criticism of US policy towards apartheid, saying political pressure not sanctions, was the best way to promote change.

White House spokesman, Mr Marlin Fitzwater, said the archbishop "attacked President Reagan" and other anti-sanctions western leaders, "all on the same basis — I reject that entirely. The government rejects that, and I know the president does."

"It's simply not true," Mr Fitzwater said when asked to respond to Archbishop Tutu's criticism the policies of the Reagan administration, Britain and West Germany.

Earlier yesterday, appearing in Washington with Democratic presidential candidate, Mr Michael Dukakis, the archbishop said: "Apartheid remains firmly in place, protected, aided and abetted by the Reagan administration, by (the British Prime Minister, Mrs Margaret) Thatcher, by (the West German) Chancellor,(Mr Helmut) Kohl."

"They have decided that black people's lives are expendable. These people are perhaps not racists. Their rhetoric against apartheid is eloquent, but they are (apartheid's) most effective and most powerful allies."

Archbishop Tutu wants the three countries to reverse their opposition to economic and other sanctions against his country.

Mr Fitzwater said the administration remained strongly opposed to new sanctions

"We believe in putti political pressure South Africa to chan their policy," he sai "As we have said ma times before — apa heid is outrageous — must be stopped."

He added: "Our e perience with sanctio has been that it hur the people most that w are trying to help, ar has little impact on for ing change in the go ernmemt."

Two years ago Co gress passed legislatic over President Reagan veto restricting new U Investment in Sou Africa and barring ir ports of certain comm dities. — Sapa-RNS

See also page 11

Senators predict tough US sanctions

Star Tues 13/5/88

WASHINGTON. — A group of senators yesterday predicted that the Senate will pass legislation virtually to end economic ties between the United States and South Africa and step up pressure on Pretoria to abandon its apartheid policies.

"The US has indulged the apartheid regime for 40 years," said Democratic Senator Edward M Kennedy, the primary sponsor of a bill to impose harsher sanctions "It is time to chart another course."

The bill, similar to one pending on the House of Representatives calendar, would force US businesses to divest their holdings in South Africa within a year and ban most trade with that country.

While supporters of the sanctions are optimistic about House passage, the bill's ultimate fate is unclear in the Senate, in part because moderate Republicans who were key to the passage of limited sanctions in 1986 are reluctant to go along with harsher measures.

President Ronald Reagan opposes the sanctions and a presidential veto is likely if Congress passes the bill. It would be difficult to enlist in the Senate the two-thirds support needed to override a veto.

A congressional study issued this week showed that South Africa's exports to 24 countries that report trading data to the International Monetary Fund decreased by 7% and imports plummeted by 31% from 1982 through the first half of 1987. — Sapa-AP

SOWETAN, Friday, May 1

TUTU SUPPORTS A BLOCKBUSTER

280

US Bill aims to cut off all trade ties with SA

Sowetan 13/5/88

WASHINGTON — With Archbishop Desmond Tutu lending his support, Senate opponents of South Africa's apartheid government prepared to introduce legislation yesterday that would virtually cut off economic ties between the United States and Pretoria.

The Bill, similar to one pending on the House of Representatives calendar, would force US businesses to divest their holdings in South Africa within a year and would ban most trade with that country.

"It is time for congress to take action again," said Sen Edward M Kennedy, a sponsor of the Senate Bill "so long as apartheid continues, American business has no business doing business with South Africa."

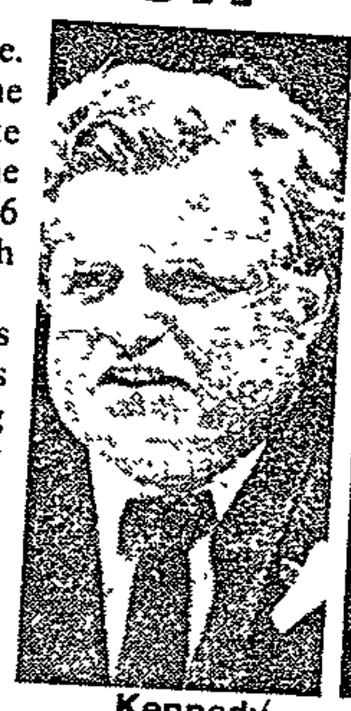
Tutu, the Anglican leader who holds a 1984 Nobel Laureate for his fight against racism, held a series of appearances and meetings on Wednesday to press his message that the longstanding US policy of diplomatic pressure on South Africa has failed to produce substantial reforms.

He urged support for new and tougher economic sanctions.

Supporters of the sanctions are optimistic about the Bill's passage. But the Bill's fate is unclear in the Senate, in part because moderate Republicans who were key to the passage of limited sanctions in 1986 are reluctant to go along with harsher measures.

A congressional study issued this week showed South Africa's exports to 24 countries which report trading data to the International Monetary Fund decreased by 7 percent and imports plummeted by 31 percent from 1982 through the first half of 1987.

The declines came while overall trade was rising substantially.



Kennedy



Tutu

THE ECONOMY

Go well, go Shell - if the Bill passes

THE Total Disinvestment Bill currently under scrutiny in the United States House of Representatives has added a new urgency to the sanctions issue.

If it were to be passed in its current form, the Bill would sever trade links between America and South Africa. It would deny federal oil leases to foreign companies who also supply South Africa. And it would empower the president to take retaliatory action against other foreign companies who try to step into the vacuum created by US sanctions.

The American Chamber of Commerce, which represents the major American multinationals in South Africa, took the Bill so seriously that it sent a five-member delegation to the US last month to lobby against the proposed sanctions package.

According to the Chamber's executive director, Adrian Botha, there are 150 to 160 American companies still trading in South Africa, with total assets of just under a billion dollars.

Sources in the oil industry said if America denied federal leases to oil companies who supply South Africa, it would force them to pull out of South Africa.

They said multinational oil companies' markets in South Africa were negligible compared with those in America. Royal Dutch Shell, for example, derives five percent of its earnings from Shell South Africa and 45 to 50 percent from its American subsidiary, Shell Oil.

The oil companies, so determined to stay in South Africa, might find the new American sanctions Bill changes their minds. JO-ANN BEKKER reports

Thus if the Bill was passed the departure of America's Caltex and Mobil would be followed by that of Shell and British Petroleum.

"In that sense the Bill is the deathknell of oil capitalism in South Africa," one source said.

Amcham's Botha believes this prognosis applies to other industries too, through the Bill's provision for retaliation against companies who take advantage of US disinvestment.

"This means, in short, that America can turn round to Toyota and BMW and say: you sell one more car and you can forget about our market," he said. "It is probably the most devastating clause because we do not have a single trading partner who would not be directly affected. For all of them America is definitely their biggest market."

Piroshaw Camay, general secretary of the National Council of Trade Unions, said he believed the trade union movement, which had pressed for foreign pressure, would welcome the Bill.

He said it would intensify the South African issue in the European community and would force South Eastern Asian countries such as Japan and Korea to re-assess their position.

Camay discounted fears that implementation of the Bill would result in massive unemployment. He predicted South African managements would take over companies. While it was likely that workers in marginal companies would lose their jobs as smaller companies folded, "I can't see it happening in the major companies".

Camay said he was disappointed that union demands that disinvesting companies re-direct their investments into the frontline states had not been heeded.

The Congress of South African Trade Unions was banned from engaging in non-union activities in March. It was specifically prohibited from calling for disinvestment. However, Cosatu called for comprehensive and mandatory sanctions at its second national congress in July. Demands by Cosatu affiliates that disinvesting companies negotiate the terms of withdrawal with their workers are included in the sanctions package.

The proposed Bill to intensify the Compehensive Anti-Apartheid Act of 1987, based on congressman Ron Dellum's Total Disinvestment Bill, has already passed its first station. On May 3 the House Foreign Affairs Committee adopted the package by a 27-14 margin.

Now it must be approved by the House of Representatives. From there it will go to the Senate, where it is likely to be modified. After a compromise is worked out by representatives of the Senate and House of Representatives, the Bill must be ratified by a joint vote of both the Senate and House. It then goes to the president for ratification or veto. If he vetoes it, it can be passed by a two thirds majority in the Senate or House of Representatives.

Some observers predict the Bill will sail through the various stages. But it might be delayed by the mid-year summer recess.

"I would say the Bill quite likely will be passed by the House of Representatives," Botha said, "but it is difficult to say whether it will get through the Senate. It is not improbable that the legislation will be passed by June. The urgency will be dictated by events on both sides of the Atlantic."

●Sapa reports from Washington that Senate opponents of South Africa's apartheid government prepared to introduce a Bill yesterday similar to the one before the House of Representatives. Senator Edward Kennedy, one of the Bill's sponsors, said "So long as apartheid continues, American business has no business doing business with South Africa".

The bill's fate is unclear in the Senate, in part because moderate Republicans who were the key to the passage of limited sanctions in 1986 are said to be reluctant to go along with stronger measures.

●In a disinvestment deal announced this week, US company Sterling Drug Inc sold South African subsidiary Sterling Drug(SA) to Tiger Oats subsidiary Adcock-Ingram for R52,5-million. This is the second disinvesting drug company bought by Tiger Oats, part of the Barlow Rand group, which last year bought high-technology drug company Merck.

Dukakis woos Tutu in anti-SA drive

Star 13/5/88 The Star Bureau

WASHINGTON — If the Democrats win the US presidential election in November, Archbishop Desmond Tutu will receive a much warmer official reception in Washington than he gets currently from the Reagan administration.

This became evident here yesterday when the black South African cleric had a meeting with Governor Michael Dukakis of Massachusetts, who is virtually assured of winning the Democratic Party's presidential nomination.

In Washington to consolidate congressional support for his campaign, Mr Dukakis took time off for a highly publicised meeting with the archbishop — who has become the darling of the anti-apartheid movement and liberal Democrats in America.

"If I am back in this community on a somewhat longer-term basis, there will be a fundamental change of policy towards South Africa," Mr Dukakis said.



Mr Michael Dukakis listens as Archbishop Desmond Tutu makes a point.

He has repeatedly stated on the campaign trail that he favours tougher economic sanctions against South Africa as a way of forcing the SA Government to abandon apartheid.

MrDukakis's rivals see it as an effort by him to score points with American liberals and blacks, among whom Archbishop Tutu is enormously popular

Asked if he endorsed the Dukakis campaign, Archbishop Tutu said his endorsement was not necessary but that if the Democrats won in November ... "we will have very, very powerful friends in the White House".

The Reagan administration has rejected Archbishop Tutu's calls here this week for new sanctions against South Africa.

Noting that there was universal repugnance among Americans for the apartheid system, the administration said it continued to oppose economic sanctions because efforts to cripple the SA economy would not promote a transition to non-racial democracy.

"To date, sanctions have only served to harden resistance in the SA Government to any outside advice and to reduce the already limited bargaining power of Government opponents."

● Democratic Party leaders of the anti-SA sanctions drive in the US senate are appealing to their Republican Party colleagues to help get a tough new Bill approved this year.

While the Bill virtually ends all trade between the two countries, it does allow US imports of strategic minerals essential to the defence of the US.

The Bill, if enacted, will "impose a trade embargo on SA by banning all exports to and imports except strategic minerals, require all Americans to shed all investments in SA, ban all new loans to South Africa, forbid Americans from assisting in the South African nuclear programme, stop all contact and co-operation between US and South African military and intelligence services, establish a special office in the State Department to implement the sanctions, direct the president to confer with other countries to adopt a common sanctions programme and take steps against any country that takes commercial advantage of US sanctions.

EC 'considering new sanctions'

Rap for SA on civil rights issue

The Star's Foreign News Service

PORT LOUIS — The European Community is considering new economic sanctions against South Africa, Mr Helmut Schaeffer, acting president of the EC's Council of Ministers, has disclosed.

Speaking in the Mauritian capital at the end of a two-day meeting with delegates from 66 associated African, Caribbean and Pacific states, he said the likelihood of new sanctions had been increased because of the "tremendously disappointing" lack of response by Pretoria to EC protests about laws which denied civil rights organisations outside financial support.

"This response is weakening the position of all those European Ministers who in the past have preferred positive action rather than sanctions," he said.

There has been no clear indication of what specific measures the EC will take, but they might include a ban on imports of South African coal. Other possibilities include a ban or reduction in South African flights to Europe and a demand for a reduction in the size of South African embassies.

● In Britain, Labour MPs have blocked a private Bill for a R122-million extension to the port of Immingham, which they said would be used to import large quantities of cheap South African coal.

Vote refused

The Star Bureau in London reports that after a 2½-hour debate in the Commons, the Speaker, Mr Bernard Weatherill, ruled that the Associated British Ports (No 2) Bill had not been sufficiently discussed and refused to allow a vote for its second reading.

The Bill's sponsor, Tory MP Mr Michael Brown, will now have to find other parliamentary time if it is to survive.

He warned that if Immingham were not expanded, larger ships would go to Rotterdam.

Mr Brown recently visited Richards Bay during a tour of bulk terminals around the world.

Democrats want support on tough US sanctions Bill

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — Democratic Party leaders of the anti-South African sanctions drive in the United States Senate are appealing to their Republican Party colleagues to help get a tough new Bill approved this year.

"We need Republican support to pass it and to implement it," said Senator Edward Kennedy.

He predicted that the Republicans would help because apartheid was a "moral issue" and because Republicans were as outraged as Democrats that the US economy supported South Africa's racial system.

While the Bill virtually ends all trade between the two countries, it does allow US imports of strategic minerals essential to the defence of the US.

Senator Kennedy was asked by a South African reporter how the Bill could be a convincing statement of moral outrage if it exempted those items that the US needed.

Retaliation fears

He conceded that the exemption was necessary if the Bill was to have a realistic chance of being approved.

Fears that the South African Government may retaliate by denying the US strategic minerals has become an issue here, with opponents of sanctions warning that the costs to the US could run to many billions of dollars.

If passed, the Bill will:

- Impose a trade embargo on SA by banning all exports and imports except strategic minerals;
- Require all Americans to shed all investments in SA;
- Ban all new loans to SA;
- Forbid Americans from helping South Africa's nuclear programme;
- Stop all contact and co-operation between US and SA military and intelligence services;
- Establish a special office in the State Department to implement the sanctions;
- Take steps against any country that takes commercial advantage of US sanctions against SA.

Analysts say that without strong Republican support the Bill may be vetoed by President Reagan, but that if Mr Mike Dukakis wins the presidential election in November, it could form the basis of the new administration's official policy toward South Africa.

The administration, responding to Archbishop Desmond Tutu's appeal here this week for the US to impose tough new sanctions, yesterday reaffirmed its opposition to punitive measures.

A spokesman said: "There is absolutely no evidence that they will help to achieve our objectives in that country."

DD 14/5/88

Church accused of indirectly funding apartheid

LONDON — Two church groups yesterday accused the Church of England of indirectly funding apartheid in South Africa and urged it to stop investing in companies with holdings there.

The accusation came in a report issued by End Loans to Southern Africa and Church Action on Namibia, and was endorsed by the Bishop of Oxford, the Right Reverend Richard Harries.

"The church should demonstrate its opposition to apartheid and the terrorism of that regime, by selling its own holdings in British companies with a heavy involvement in the country," the two church groups said in a statement.

"For example, the church is indirectly funding the apartheid war machine through its investments in Shell. This suggests that it gives tacit consent to the atrocities of the South African Government."

A spokesman for the Church of England's commissioners, who are responsible for investing its money to support the clergy, said he had not seen the report, but there were no plans to change investment policies.

The report said of 131 companies in which the Church of England had a shareholding of more than £1 million, 63 had investments in South Africa.

It said the companies included: The BOC Group Plc, Imperial Chemical Industries Plc, Shell Transport and Trading and Unilever.

The value of the commissioners' investments in the companies was £285,5 million at the end of 1986, it said.

The commissioners' spokesman said their policy was not to invest in any company that had more than a small stake in South Africa.

"The stake is something we judge by what percentage of a company's profits come from its South African involvement."

As charitable trustees, the commissioners were legally required to manage their assets efficiently, he said. — Sapa-RNS

US ban not stopping SAA

DURBAN — United States action to deny landing rights to South African Airway (SAA) has not prevented South African-based passengers from getting to the US.

Instead it has resulted in American airlines making agreements with SAA to fly their American-bound passengers from Europe.

At a function here this week to mark the 25th anniversary of the opening of Lufthansa's sales office, Lufthansa's general manager in Southern Africa, Mr Gerd Kemper, said that the 60 000 passengers wishing to reach the US had found a way to do so.

For a passenger booking a flight from South Africa to the US, via Europe, the trans-Atlantic trip would cost about R200, whereas someone flying from Europe could expect to pay R1 000.

Mr Kemper said that the German airline did not plan to withdraw its flights from this country.

Neither they, or the German Government, could support sanctions.

However, the decline of the rand against the deutschmark, especially marked in the last few days, was of concern for an airline that paid most of its expenses in hard currencies.

Mr Kemper said he thought that travel was habit-forming and that airlines had not yet reached saturation.

As incomes rose, more people used airlines for business or pleasure, he said. — DDC

Reagan to veto Trade Bill

WASHINGTON — President Ronald Reagan insisted at the weekend that he must veto a hotly disputed Trade Bill because it would cost more American jobs than it would save.

"It is unfortunate, but I have no choice but to send this back to the Senate," Reagan said in his weekly radio address, delivered from his weekend retreat at Camp David, Maryland.

Reagan has repeatedly threatened to veto the 1 000-page trade bill, which was delivered to the White House on Friday. He is expected to take the action sometime next week.

Reagan said he found "many positive aspects" in the bill, but also contended that some "would move us a step further toward protectionism, others would create new bureaucracies."

The core of the Bill would overhaul the system for imposing import curbs to retaliate against international trade violations and aid American industries threatened by increased foreign competition.

Reagan said his main objection centered on the Bill's mandatory requirements for US businesses to give advance notice for layoffs or plant closings.

Such disputes must be decided between labour and management, not government, Reagan said.

The Bill cleared the House of Representatives by a 312-107 margin, more than the two-thirds needed to override a presidential veto. But it passed the Senate by 63-36, three votes shy of the two-thirds needed. — Sapa-AP.

Sanctions flouted—Kennedy

Cape Times 16/5/88

From SIMON BARBER

WASHINGTON. — US banks appears to have slightly increased loans to SA in early 1987 in spite of bans on most forms of new US lending, according to a report by the General Accounting Office (GAO), a government research agency.

The report, commissioned by Senator Edward Kennedy, did not give precise figures, saying only that the exposure had increased from "just less than" $3bn in December 1986 to "just over" that figure in the first six months of last year.

"We have not been able to explain this small increase," the report concluded.

Kennedy, announcing that he planned to introduce in the Senate the sweeping sanctions legislation recently adopted by the house foreign relations committee, seized upon the discrepancy to charge that existing sanctions were being flouted.

The Senator has also seized on the modest increase in trade credits to SA — a form of lending not prohibited by the comprehensive Anti-Apartheid Act — between December 1986 and last September.

The report noted that "it is possible that SA is substituting trade credits for other forms of prohibited credits," but if so, the sums involved were marginal.

In 1983, US Government financial data showed that SA importers had received $123m in bank commercial letters of credit and $142m in non-bank trade credits.

Last year, the figures were down to $11m and $76m respectively.

In other areas, the GAO was unable to develop first hand evidence of widespread sanctions-busting.

"A State Department official said the South Africans would rather pay the smaller costs of discounting their products to develop new markets than creating more expensive sanctions-busting machinery," the report observed.

"Going even further, an economist and US embassy personnel in SA stated that SA has had no need to use sanctions-busting activities extensively because the sanctions have not had a substantial adverse effect on the economy."

The GAO reported that the US customs service has investigated 20 apparent violations of bans on SA steel, textiles and agricultural products involving transshipment through third countries. Thirteen cases remain open.

Customs is also investigating 28 cases of alleged illegal exports to SA, including 10 involving firearms, seven involving aircraft, parts and technical data and six involving computers and peripherals.

Thus far only one conviction has been obtained — an aircraft parts dealer who contracted with SA's naval attaché in Washington to provide military aircraft manuals. The dealer, George Posey, was jailed last year and the attaché, Captain Nicolaas Vorster, withdrawn.

Falling prices add to problems

SA coal trade hit hard by sanctions

280

Steven 16/5/88

By Michael Chester

The combination of sanctions and cut-throat competition on world markets cost South African coal mines almost R1 billion last year, according to new estimates by the Anglo American Corporation.

Mr Graham Boustred, chairman of the Amcoal network of collieries, discloses in an annual review that total export earnings plunged from R3,2 billion to R2,3 billion compared with 1986.

Exports shipped through the Richards Bay coal terminal dropped by 2,1 million tons as South Africa felt the impact of sanctions by the United States, France and Denmark in particular.

But the overall fall in total shipments was held at a relatively modest 6 percent — down to 42,6 million tons — as coal was re-routed to alternative overseas outlets.

Markets over-supplied

Unfortunately, the problems of running the sanctions gauntlet were compounded by a dramatic decline in world coal prices as markets became over-supplied in fierce international competition.

Mr Boustred confirms that significant quantities of coal had to be exported by South African producers at a loss as spot prices were driven below $20 a ton.

Fortunately, price levels had improved in recent months, and contract and spot coal prices were now in the range of $25 to $27 a ton.

The improvements stemmed from China's inability to meet its contractual deals in both Europe and the Far East.

"While current price levels can probably sustain established operations," says the Amcoal chairman, "prices will need to increase further to justify any new investment in export capacity."

Discussions were still in progress between the coal industry, SA Transport Services and the Government on increases in export rail rates, which had dented export earnings by a further R300 million.

While it was encouraging that Sats had agreed to maintain the current rates until April 1989, it was hoped that further relief could be negotiated.

Tutu in renewed call for US pressure against SA

ATLANTA — The Archbishop of Cape Town, the Most Reverend Desmond Tutu, yesterday renewed his call for increased United States pressure to end apartheid in South Africa.

"What must still happen?" to prompt the US Government to act, he asked repeatedly in a commencement address at the predominantly black Emory University.

"All the things you hold dear in this land are undermined, destroyed, held in small account (in South Africa)," he told the graduates.

Archbishop Tutu dismissed arguments that economic sanctions against South Africa only hurt black South Africans, questioning the motives of "those who suddenly decide they feel sorry for black people"

He also criticised US news coverage of South Africa, especially since Pretoria moved to limit coverage of protests.

"Media in this land, with a few notable exceptions, have shown extraordinary timidity," Archbishop Tutu said.

He said American readers did not see the news stories which appeared in South Africa detailing the injustices of apartheid.

Archbishop Tutu, winner of the 1984 Nobel Peace Prize, received an honorary doctor of divinity degree during the commencement programme. — Sapa-AP

OAU meeting: angry exchanges reported

Daily Dispatch Correspondent

HARARE — The fiftieth session of the liberation committee of the Organisation of African Unity (OAU) concluded here yesterday with outspoken appeals to the ANC and PAC to stop "politicking at the expense of working out a way to destroy apartheid".

Conference sources said angry exchanges marred much of the deliberations in the plenary meetings.

Diplomats behind the session's tightly closed doors report that there was disagreement between ANC and PAC over who is doing most to confront the South African authorites.

The conference has met against a background of unpaid dues by 39 OAU states, who now owe R34 million, while only four countries sent ministerial representatives to the meeting.

The president of the ANC, Mr Oliver Tambo, and the chairman of the PAC, Mr Johnson Mlambo, attended.

The strictest security was enforced because of the meeting's proximity to South Africa and following recent attacks on South African exiles abroad.

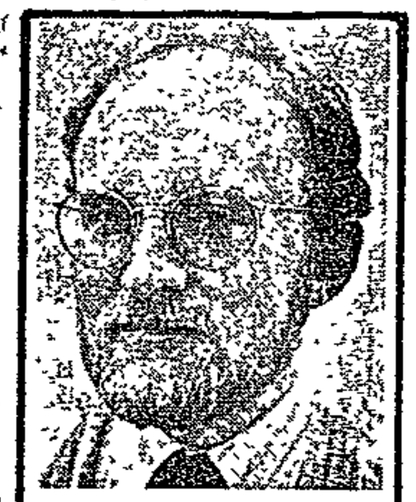
During the meeting, ANC leaders voiced their disquiet about the possibility of Angola's government being "outmanoevred" by South Africa in current talks aimed at ending the civil war.

The ANC fears Pretoria will exclude Swapo and the ANC's Umkhonto We Sizwe from Angola and Namibia.

A final communique urged support for sanctions, appealing specifically to the US, Britain and West Germany "to subordinate economic, commercial and stategic interests in favour of human dignity".

It called for a total embargo on the importation of gold products and on the supply of oil and bank facilities to SA.

Making plans for nothing to happen



SIMON BARBER writes from Washington

There was a robotic quality to Senator Edward Kennedy's announcement last week that he and the usual suspects were introducing in the Senate the sanctions package recently approved by the House foreign affairs committee.

The senior senator from Massachussets is renowned for giving a good speech But on this particular afternoon his eloquence seemed to have been rendered rigid by something he'd had for lunch Watery of eye, he had trouble focussing on his lines and fidgeted uncomfortably at the podium.

The usual suspects, among others "Republican" Senator Lowell Weicker, who lives in a strange political homeland quite independent of his party, Senate Africa subcommittee chairman Paul Simon and Senator Alan Cranston, the California cadaver, also appeared to be going through the paces as they took their turns for the cameras. These are people who emote a living, but on this occasion they were perfunctory at best

The reason is simple enough. This was a purely ritual exercise. What Cranston chose to call "full disinvestment and an all but total embargo" (thus redefining the phrase "all but" to mean "all except 80 per cent", the portion of US imports from SA to be left untouched) is not going to become law this year. That is not the plan.

The plan is for nothing to happen in 1988, but for its unhappening to be simulated in such a way that the Democrats will be able to say that the only reason that SA is not a paradise on earth is vice-president George Bush and his Republican party.

It works like this. Next month, at a guess on Thursday, June 16, the House of Representatives will pass the "all but" bill The Senate will then be "under pressure" to follow suit before it goes into recess for the party nominating conventions in July and August.

At which point, negotiations, already rocky, between Republican and Democratic senate staff members to construct a milder "bipartisan" alternative will break down Senate Democrats will go through the motions of trying to enact the House bill anyway but will allow themselves to be thwarted by the Republicans.

Either that, or the Democrats will succeed by the narrowest of margins in getting some form of legislation through in the certain calculation that President Reagan will veto it. A vicious but ultimately unsuccessful fight to override the veto is their dream outcome

This will give Michael Dukakis, the Democratic presidential candidate, the issue without completely taking southern Africa policy out his hands in the event that he wins. Which is exactly the way he and his advisers want it.

Not for nothing does the candidate keep reiterating that "working with Congress to end apartheid" will be "one of my first priorities" in the White House. Of course he supports the "all but" bill, he's got the Rev Jesse Jackson breathing down his neck, but read his lips we'll talk about it after I'm elected

Look at it this way. The mileage to be gained from SA does not derive from the ability to crow that, thanks to the profoundly moral and caring Democratic Party, sanctions have been imposed and the US is now "on the right side of history". It comes from being able to denounce the "racist" opposition for having kept the US on the wrong side.

As Jackson has so amply demonstrated, you win elections less by persuading voters to thrill at your past achievements than by getting them to resent your opponent. Accordingly, the theme this year is that Bush and the Republicans are venal and indifferent to the poor, weak, disenfranchised etc, rather than the ostensibly implausible claim that Dukakis would make a better president.

Come November 8, few voters are going to be saying to themselves "oh bliss was it in that dawn to be alive" when the Democrats imposed draconian sanctions on SA, because, unless they happen to be be one of the tiny number of Americans whom such sanctions might conceivably hurt, the passsage of the bill will have zero impact on them

What could have an impact in the polling booths is the message that it was Bush's boss who said "no that nice Archbishop Tutu", particularly as it fits neatly into the proposition that Republicans hate motherhood. Why, they are even against obliging employers to give their workers advanced warning of plant closures.

The reference here is to Reagan's reason for wanting to veto the Manhattan telephone book-sized trade bill the congress is preparing to present to him. No one actually believes that this is an especially wonderful piece of legislation. Indeed, it is about as corrupt as 535 election-minded congressmen and senators could make it. What matters, as far as the Democrats are concerned, is not its passage but, thanks to the ground upon which Reagan has chosen to fight it, its getting vetoed.

Always assuming that Reagan wants to be succeeded by another Republican (and there are moments when his behaviour suggests this may not be the case), the White House has marched straight into a trap of its own devising. With the sanctions bill, the Democrats are setting another.

Now it would be nice to report that Bush and his team are actively looking for a way of avoiding it, but they are not. The vice-president, while essentially a supporter of whatever it is the policy is now, seems scared stiff of the issue. When it is shot at him, he sits very quiet and still, like a possum. One gets the impression he would dearly love to have a superior tell him what to do

Doing nothing, or at best mouthing the tired old pieties about not wanting "to hurt those we are trying to help", is no answer, especially when Tutu the Authentic is running about endorsing not only Dukakis and the "all but" bill but cutting the telephone lines and breaking diplomatic relations into the bargain.

The Democrats are going to run big on SA, both because it is the cheapest, least controversial way of pleasing Jesse Jackson, but because, by its silence, the Bush campaign is admitting vulnerability.

The way to counter-attack is not through reason. If reason was a useful weapon in the domestic fracas over SA, Tutu would have been heckled out of the National Press Club for suggesting that West Germans opposed sanctions because "they have probably not yet got out of their system the madness of Aryan superiority"

Reason, as John Kane Berman pointed out to the House Africa subcommittee earlier this year, dictates that "the outside world cannot end apartheid". Trouble is, this is a worthless argument in what is an entirely abstract debate that has nothing to do with its stated subject. We are not talking about ending apartheid, we are talking about voting blocs.

To fight the Democrats on sanctions, candidate Bush needs to resort to the demagoguery of his opponents and frame a stirring alternative vision that promises (however spuriously) to accomplish what sanctions most assuredly cannot.

Let's have a Bush doctrine to support "a new kind of bloodless revolution" by promoting entrepreneurs and workers to seize individual power from the "abominable, statist apartheid regime". Let's have "bold initiatives" and "a clarion call" to face "the historic challenge". Having "sat too long on the sidelines", let's form "a new partnership" and "bear any burden" to "infiltrate the bastions of apartheid", etc

No one ever said politics is about truth or honesty, it's about power and getting elected, both of which depend on the artful deployment of words Right now the Democrats have the words to make sanctions seem like mom and apple pie.

To beat them, Bush must lie too. He must pretend that his administration will end apartheid even quicker than the Democrats.

Platinum sanctions 'not feasible'

From NEIL BEHRMANN
The Argus Foreign Service

LONDON. — The United States and South Africa will back down on threats of sanctions and counter-sanctions on strategic metals such as platinum.

This is the view of Johnson Matthey, agents of Rustenburg Platinum and one of the leading suppliers of platinum-group metals.

"Sanctions for both side are not feasible," says Mr Alan Austin, manager of platinum marketing at Johnson Matthey.

NO SUBSTITUTE

"There is no industrial substitute for the metal and South Africa desperately needs the export revenue," he says.

Demand for platinum is expected to exceed supply during the next three years, mainly because of large purchases by Japanese jewellers, motor manufacturers and investors, according to a report by Johnson Matthey .

An annual review on the metal by the international precious metals refiners and distributors, says Japanese imports last year surged by 72 percent to 1,67 million ounces, or 50 percent of total demand.

In 1986 Japanese imports were just over a million ounces.

"Demand from Japan continues to rocket," says Mr Geoffrey Robson, a co-author of the report He estimates that in the first four months of this year Japanese imports were around 835 000 ounces.

Attempt to promote US investment fails

D/D 18/5/88

Little interest in black SA businesses

(330) (280)

from SIMON BARBER

WASHINGTON — The United States commerce department has been forced to abandon a 13-day business development mission designed to promote American investment in black South Africa businesses.

The mission was due to arrive in Johannesburg yesterday, but despite heavy promotional efforts, the department managed to recruit only three wouldbe investors, too few to make the trip viable.

Contracted as the mission's chief organiser was Mr Bob Brown, the black US businessman who was the Reagan admnistration's first choice to replace Mr Herman Nickel at its ambassador to Pretoria in 1986.

The project's collapse was seen as a serious setback for the administration's effort to use a loophole in the comprehensive anti-apartheid act to promote black business as a positive alternative to sanctions.

A list of "investment opportunities" sent to US firms last December included "an established holding company — negotiating to buy the South African subsidiary of an American pharmaceutical firm — total investment required: $5 million".

Also on the list was the Africa Bank. "The bank wants loans from US sources and may be open to equity participation. Minimum investment: $4 million."

Mining was another possibility. "A family-owned business has a valuable mining concession it wants to develop. It seeks capital and assistance with international marketing. Minimum investment required: $1 million."

A commerce department official ascribed the mission's lack of takers to factors including the spate of government bannings in South Africa and congressional moves to enact new sanctions that would end waivers to the current new investment ban for black-owned South African businesses.

However, there has been no rush by US investors to take advantage of the waivers. The treasury department's office of foreign assets control has yet to issue any.

"It would take a courageous soul to invest," the official conceded. "It's not the fastest or easiest way to make a profit."

● Meanwhile, fears of South African retaliation against pending US trade sanctions legislation have surfaced in congressional debate and caused metals prices to soar.

But whether South Africa would retaliate by cutting off supplies of platinum and other key minerals is far from certain. Nor is it clear how badly such counter-sanctions would hurt the United States.

A disruption in South African strategic materials supplies would cost the United States almost $2 billion per year, according to a US Government study.

The most harm would come from the loss of platinum, the study said. South Africa supplies an estimated 60 to 80 per cent of the platinum and related metals used in the United States. The Soviet Union is the only other major supplier.

Reports of retaliation threats have helped boost platinum prices since early May from about $525 per ounce to $559 on Monday.

Prompting the potential South African trade halt is a US sanctions bill passed by the House of Representatives Foreign Affairs Committee on May 3 and introduced in the Senate last week.

The pending bill, aimed at South African apartheid policies, would prohibit most US business dealings with South Africa. US purchases of materials important to industry and defence would be exempt if South Africa was a predominant supplier.

South Africa has not officially threatened to retaliate against the pending bill.

Industry leaders in South Africa have said they doubt such a move would be made. Government officals have publicly said they oppose trade sanctions as a political weapon, while some are reported to have expressed private support for retaliation.

"Obviously South Africa always would look after its own interests," a South African embassy official in Washington, Mr Eli Bitzer said. — Sapa-RNS

Platinum shares lag behind as price of the metal soars

Star 18/5/89 (280)

By Teigue ne

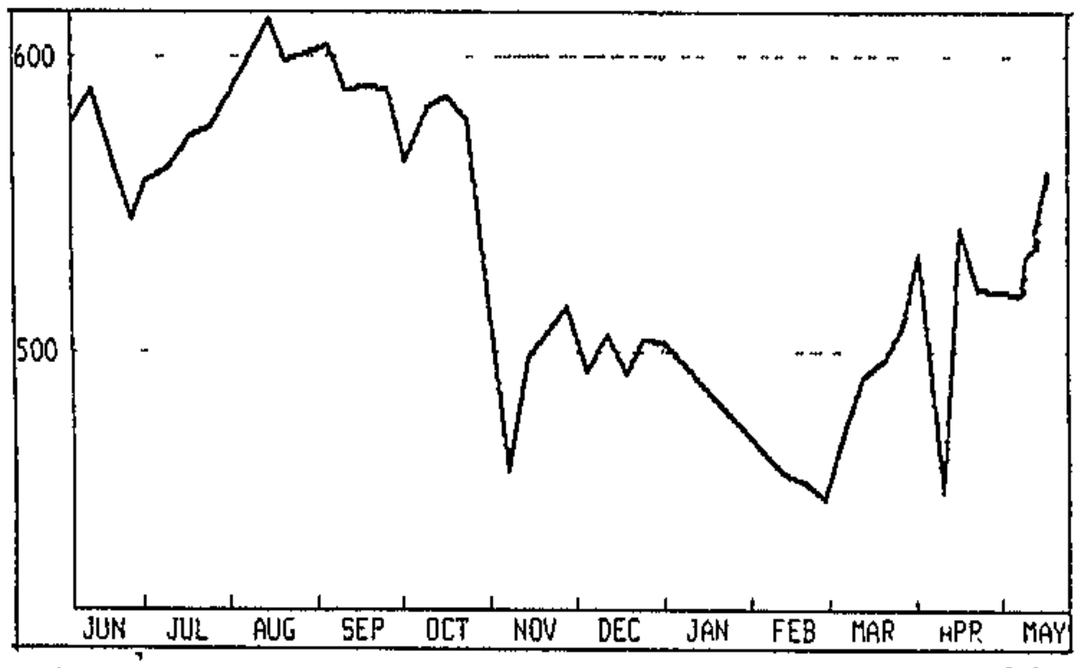
The sharp rise in the platinum price has confirmed the view of some analysts that the market for the metal is tight. But platinum shares have not risen commensurately with the metal.

The platinum price has risen $23 this week, to $555,50 from $532,50 on Friday. It has now risen 22,7 percent from its nadir of $452,50 on February 29, but the JSE's platinum index has risen 17,7 percent, from 1807 to 2127 in the same time.

Dr Kevin Kartun of brokers Simpson McKie said the metal price rise appeared to be due to the fear of counter sanctions by South Africa. While South Africans knew that this was highly unlikely, foreigners saw it as a serious possibility.

Stocking up could also be taking place to make provision for future disruptions in supplies from South Africa. Labour disruptions could be very damaging because the industry was labour intensive. Impala for instance, currently employed about 48 000 blacks and 2 000 whites."

He said conditions were excellent for the platinum mines because of increased metal prices and the decline of the rand. The high price for nickel, which was the platinum mines' second earner; was also a big boost. It has risen from $1,60/lb at the beginning of 1987 to about $7 currently.



This Simpson McKie graph shows the current strong rise (in dollars) in the platinum price.

Dr Kartun said the sharp rise in platinum emphasised the tight world supply situation, but he stressed that the platinum price was highly volatile.

The lower rise in platinum shares probably reflected the market's disbelief in the durability of the rises in the metal. In the past, severe cracks have often followed big rises.

Overseas investors might also be hesitant to buy platinum shares because of South Africa's image. The possibility of oversupply in the longer term might also be affecting investors' attitudes

Mr David Russel of J D Anderson said the platinum price rise was "not unexpected".

"The fundamentals of supply and demand are finally coming through," he said

He also rejected the possibility of countersanctions. He said Japanese purchases of platinum for jewellery and industrial uses had been so heavy recently that other countries were now scrambling for metal.

Platinum coins would constrict supply further. Australia's coin was projected to take off 100 000 ounces this year and 150 000 ounces a year thereafter, and Canada, Russia and many other countries would also be producing platinum coins.

The decline in Nymex stocks was significant, he said. Nymex stocks were a floating pool of inferior quality metal, generally from Russia, which had to be re-refined at considerable expense before it could be used.

It generally was not bought for use, but was a closed reserve. If it was bought for use, as had apparently happened recently, that indicated very tight supply

He pointed out that platinum producers were largely not receiving the spot price, but generally contracted to receive a price partially linked to it

He believed that platinum's rise would not be exponential, but that it would fluctuate because speculators were important players on the market. Yesterday's price rise, for instance, could not be ignored by speculators interested in profit-taking.

Both analysts said they were recommending purchase of platinum shares

Strike after disinvestment

WORKERS at a Durban-based pharmaceutical company are striking in a dispute arising from disinvestment by the company's former parent, Sterling Drug Inc. of the United States.

About 150 workers began the strike on Monday. They are members of the Chemical Workers Industrial Union, an affiliate of the Congress of South African Trade Unions.

The union's general secretary, Mr Rod Crompton, said yesterday that if the dispute is not settled, the union's 32 000 members might go on strike in support of the Sterling workers.

Voteless Tutu: apartheid the problem not sanctions

DLD 2015788

Political Correspondent

CAPE TOWN — Archbishop Desmond Tutu said last night he was tired of whites shedding "crocodile tears" about blacks suffering in South Africa as a result of his calls for international sanctions against the Republic.

Speaking on the occasion of his installation as the new chancellor of the University of the Western Cape, Archbishop Tutu said he would rejoice if apartheid could be destroyed without sanctions

"I am a little tired of the spurious white altruism about black suffering.

"What have these altruists done to stop the rape of District Six? What did they do to help the Noordhoek squatters? What are they doing to stop the agony of the people of Lawaaikamp in George?

"We are talking about blacks suffering now — in ghettoes created by apartheid as at Crossroads and in the impoverished Bantustan homelands.

"Let them spare us their crocodile tears," he said.

Archbishop Tutu said that when he supported sanctions "as our last non-violent strategy" he did so in his personal capacity and pointed out that he had opted for sanctions before he became Archbishop of Cape Town.

However, he emphasised that the problem facing South Africa was not sanctions but apartheid

He said that even if he were to be "liquidated", what he said about apartheid would remain true:

"It is filthy, it is vile, it is immoral, it is violent, it is evil, it is unchristian.

"Even if I am not there, even if I can be shown to be a scoundrel of the first water, it won't help to change the nature of apartheid."

If he had no constituency or credibility as the critics argued, Archbishop Tutu asked: "Precisely why are they scared of puny little me and I don't even have the vote, nogal? Makes you think."

Earlier, Archbishop Tutu said he found it paradoxical that given his opposition to working "within the system" he had now become "the titular head of what apartheid had spawned as that monstrosity — a bush ethnic college."

However, it was a "truly remarkable achievement" that the rector of the UWC, Professor Richard van der Ross, his colleagues and students had "turned the tables so completely that an apartheid institution should become the most potent academic institutional dissident".

Archbishop Tutu said a university should have a social conscience and take seriously the issues that affected the community it served, adding that "our community is concerned about liberation as its first priority".

However, while students had brought various issues to the fore through boycotts and demonstrations, a university required the kind of environment that was conducive to the pursuit of truth, learning, skill and expertise.

"We will fail and be left behind by others against whom we must compete if our university will constantly be disrupted by boycotts at the drop of a hat."

He said students were surely aware that they had a "sympathetic" rector, administration and staff, adding: "Surely there must be other less disruptive ways of making your point."

Archbishop Tutu said: "If we are not restrained and disciplined we will give delight to the enemies of our struggle who will gloat and gleefully point to our university, which has dedicated itself to our struggle, as degenerating into a third-rate institution where you don't know from one day to the next what the students are going to do."

Howe urges talks for ANC, govt

CAPE TIMES 18/5/88 280

Own Correspondent

LONDON. — The Foreign Secretary, Sir Geoffrey Howe, yesterday strongly urged the South African government and the African National Congress to begin negotiations and presented a forceful case against sanctions.

In a major foreign policy speech here, Sir Geoffrey urged Pretoria to take the lead and step up the pace of change, condemned the use of violence by both the government and anti-government opposition forces and launched a scathing attack on the South African right wing.

In an extensive and carefully thought-out speech at a lunch for the Royal Commonwealth Society, Sir Geoffrey presented an agenda for reform and a "message" to black and white alike.

He stressed that change was "inevitable".

"Avoid intellectual and political strait-jackets. Be ready to think the unthinkable. Negotiation, when it comes, will not take place to rigid pre-set formulae. Catch phrases such as 'transfer of power' and coded language such as 'group rights' will have to be set aside. Compromise means give as well as take."

In a message to white South Africans, the British diplomat said: "No change is simply not an option. Change is coming, and the sooner the white community as a whole can face that fact the better the chance of negotiating a settlement in which their concerns will be met" He added that he accepted that change may be a long time coming but "the South African government has to take the lead. Dialogue cannot take place against a backcloth of violence and repression".

Widening rift

In clear conflict with a statement made by Mrs Margaret Thatcher in which she denounced the IRA, the PLO and the ANC as terrorist organizations during the Commonwealth's heads-of-government conference in Vancouver, Sir Geoffrey said the British government would continue talking to opposition groups — including the ANC

His speech comes amid a widening rift with Mrs Thatcher over foreign office policy, and particularly on South Africa. Last week the Foreign Secretary sided with Chancellor Nigel Lawson in an increasingly bitter debate over the issue of exchange rate controls, and speculation is mounting that he may soon be out of the cabinet altogether.

In his speech, Sir Geoffrey returned constantly to the sanctions issue and Britain's attitude that they are counter-productive, would create economic stagnation and most hurt the frontline states and South African blacks.

He said opposition to sanctions does not mean support for apartheid. In a clearly intended barb, he said this was a myth "fostered, I regret to say, by some elements in the South African government".

The agenda for reform he presented includes:

- Lifting the state of emergency and press censorship;
- Revoking the February banning of 17 anti-apartheid organizations;
- Releasing Mr Nelson Mandela and other political prisoners;
- Unbanning the ANC and other political parties and allowing for resumption of normal political activity;
- Ending the destabilization of neighbouring states, and
- Dismantling apartheid legislation, beginning with the Group Areas Act

Sir Geoffrey urged Pretoria to negotiate with "genuine" black leaders, otherwise "they will find succeeding generations more radical and more unpalatable to them".

He also pleaded with the ANC and black South Africans to forswear violence.

Tutu asks US ministers to pray for "freedom fighters"

ATLANTA — Archbishop Desmond Tutu asked ministers here to "pray like crazy" for the safety of "black freedom fighters" in his country.

Archbishop Tutu and his wife met with black church leaders at the Southern Christian Leadership Conference (SCLC) headquarters when they were in Atlanta for Emory University's commencement, where the archbishop gave a speech and received an honorary degree.

The SCLC is a black civil rights organisation, founded by the slain civil rights leader Martin Luther King Jr.

Archbishop Tutu urged the ministers to carry on supporting economic sanctions against the South African Government as a way of ending apartheid.

"Don't let anybody kid you that sanctions don't make a difference. They are important to the victims of apartheid as well as the perpetrators.

"Part of the reason for sanctions is to make a statement. And I think people are sometimes unfair in wanting to assess the impact of sanctions after such a limited period of time," he said.

The meeting was hosted by the president of the SCLC, Mr Joseph Lowery, who apologised to Archbishop Tutu for not attending a memorial service in Cape Town in honour of King.

Mr Lowery said the South African Government had denied him a traveller's visa, and Archbishop Tutu replied: "That was a nice feather in your cap."

Asked if he was concerned about his safety while speaking out against apartheid, the archbishop said: "No one is exempt from the



ARCHBISHOP TUTU

machinations of those you oppose. There are going to be casualties in any struggle. But it's up to people like yourselves to pray like crazy on their behalf".

● Last week, Archbishop Tutu was confronted from an unsual corner during a private meeting with senators and the Democratic presidential candidate, Mr Michael Dukakis, on Capitol Hill.

The candidate's wife, Kitty, famous for her independent mind, challenged the archbiship on anti-semitic statements recently attributed to him by sanctions opponents.

Her husband, whom the archbishop later publicly endorsed for president, is said to have swiftly changed the subject.

Mrs Dukakis, who is Jewish, was apparently referring to questions raised by the Free Africa Coalition, an anti-sanctions group which staged a small protest during Archbishop Tutu's address to the National Press Club.

The coalition distributed flyers asking members of the audience to confront the archbishop with a speech he reportedly gave in 1984.

Archbishop Tutu is alleged to have declared, "in terms of the new testament, the Jews must suffer". "Therefore, we will put it into practice if we are in charge ... there will be no sympathy for Jews when the blacks take over."

When asked for the source of this charge, a spokesman for the coalition replied that the story had originally been published by the Jewish Times in Boston, Mr Dukakis' home town.

Archbishop Tutu appears to be worried by such accusations. — Sapa-AP

Chemical workers strike over pullout

By Adele Baleta

Employees of Sterling Drug in Durban are on strike in protest against the American holding company's refusal to negotiate a disinvestment settlement with the Chemical Workers' Industrial Union (CWIU), according to the union.

The general secretrary of the union, Mr Rod Crompton, said yesterday that workers began a legal strike on Monday because of their "frustration with Sterling's dishonest dealings with the union and the compnay's refusal to meet union demands".

Company comment was not available last night.

Barlow Rand's pharmaceutical subsidiary, Adcock Ingram, recently bought Sterling Drug for R52,5 million cash from Sterling Drug Inc, USA. The disinvestment followed the sale of Sterling's parent to US-based Kodak, which quit South Africa last year.

DLD 20/5/88

Demonstrators 'welcome' Archbishop Tutu back to SA

JOHANNESBURG — The Anglican Archbishop of Cape Town, the Most Reverend Desmond Tutu, slipped quietly back into South Africa after a month-long trip to Britain and the United States yesterday morning to be 'greeted' by demonstrations at both Jan Smuts International Airport, and later at the D. F. Malan Airport in Cape Town.

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Just before the Nobel peace prize laureate left for Cape Town, an Inkatha-affiliated conservative black trade union, the United Workers Union of South Africa, organised a demonstration of about 35 placard-carrying unemployed blacks at Jan Smuts.

"We oppose him because disinvestment and sanctions will increase unemployment in South Africa," a union official, Mr Simon Magagula, said.

"Do you want to see hungry blacks and violence in South Africa?" one placard read.

Archbishop Tutu ignored the demonstrators and his media officer, Mr John Allan, told the few representatives of the press waiting at Jan Smuts Airport that any comments the archbishop might wish to make would come at his installation as chancellor at the University of the Western Cape in Cape Town tonight.

At D. F. Malan, the archbishop was mobbed by about 20 placard-waving right-wing members of the National Student Federation (NSF), and also by cheering well-wishers from his own church.

A statement issued by the president of the NSF, Mr Philip Powell, said the protests were held to "demonstrate the rejection of South Africans of Archbishop Tutu's calls for further sanctions against South Africa".

One student, Mr Davie Kriel, said "we feel he doesn't represent the majority of South Africans in his call for sanctions"

Police told the students their demonstration was illegal, but did not intervene until the archbishop left when they collected the placards, one of which read "Sanctions kill the poor, not the rich".

During his visit to the US, Archbishop Tutu again called for disinvestment, told Americans to form a lobby to prevent the US Government from "collaborating with the South African Government" and announced that he would give up his collection of honorary degrees from universities which do not disinvest from South Africa within a year.

Addressing several thousand people in Harlem, New York, he said that the South African Government could not continue to "imprison people" and that it would "bite the dust".

He congratulated the US Congress for introducing legislative sanctions and in his address to the United Nations, Archbishop Tutu asked for help to create "a new South Africa".

In other speeches he said that whether South Africa's State President, Mr P W. Botha, liked it or not, he and Mr Botha were "brothers".

The archbishop's outspoken lobbying campaign for tougher sanctions against South Africa has sparked off vitriolic protests by his black opponents at home.

Archbishop Tutu acknowledges that sanctions could hurt South African blacks, whose unemployment rate is usually estimated at about 30 per cent, far more than whites.

But he says that blacks are prepared to pay this price in order to end apartheid.

Archbishop Tutu is already at odds with the South African Government because of his involvement in a church-state confrontation which came to a head after Pretoria cracked down on 17 anti-apartheid organisations in February. — Sapa-RNS

CANADA-SA RELATIONS

A channel to blacks

Canadian sanctions are being accompanied by a stream of money into SA — all aimed at black advancement.

The Canadian government, through the local embassy, is funding a number of educational and community projects. In the educational field alone over 60 organisations ranging from pre-school education to teacher upgrading are receiving support. Also keeping open Canadian links with SA is the newly formed Canadian Association for Black Business in SA (Cabbsa) which wants to work with aspiring black businessmen.

Cabbsa is the brainchild of the Canadian Export Association (CEA), a non-profit private-sector organisation made up of over 1 000 Canadian companies interested in developing business abroad. It plans to funnel R20m into the country over the next three to five years.

Canada adheres to the Commonwealth sanctions package. According to Embassy Counsellor Ed Willer, new Canadian investment to SA is not encouraged and those companies choosing to remain are asked to report under the Canadian Code of Conduct whose independent administrator's report is tabled in Parliament. The Canadian government, however, supports the CEA initiative and is even funding the project through the Canadian International Development Agency.

Cabbsa comprises Canadian firms and Canadian-linked companies doing business in SA (there are only six such companies left in SA and a further 80 who have links); the Get Ahead Foundation; the National African Federated Chamber of Commerce; the Wits University Centre for Development Business; and some black management consultants.

Cabbsa's intention is not to put funds directly into black hands by providing capital, says Massey-Ferguson director and Cabbsa chairman Denys Roquand. Instead, it sees a role for itself in helping establish a black manufacturing class and plans to offer training in practical business skills. One idea mooted by Roquand is to bring out retired Canadian businessmen to work with local black businessmen.

Another of Cabbsa's aims is to help blacks break into the field of foreign trade. "If we can find people making the right products we can use our contacts to help export to other African countries or even further abroad," says Roquand. But he acknowledges that a lot of ground needs to be covered to assist blacks to move into manufacturing. Panel beaters and upholsterers abound in the townships; manufacturing is limited to items like security gates and clothing.

Cabbsa will also be looking for talent for subcontracting work and potential suppliers. One Canadian company, Richards Bay Minerals, has already implemented an affirmative action buying policy and is buying services such as printwork from black entrepreneurs to the sum of R1,5m a year.

Other ways Cabbsa hopes to help are by providing black businessmen with raw materials from their affiliates and by looking for black distributors for consumer goods from Canadian firms.

Roquand readily admits that the motives behind the scheme are not entirely altruistic and are partly driven by the desire to keep open future market options with blacks. ■

Sanctions protest

BLACK opponents of Archbishop Desmond Tutu yesterday joined an increasingly strident chorus of protest against his campaign for tougher sanctions against Pretoria. Sowetan 20/5/88

Archbishop Tutu slipped quietly back into South Africa yesterday morning after a month-long overseas trip.

When the Nobel Prize laureate later left for Cape Town, a conservative black trade union, the United Workers' Union of South Africa, organised a demonstration by about 35 placard-carrying unemployed blacks at Jan Smuts Airport.

STERLING DRUG

Chemical reaction

As predicted in the *FM* (*Business* April 22), the purchase of Sterling Drug by local drug giant Adcock Ingram (AI) hasn't met with the approval of the Chemical Workers' Industrial Union (CWIU).

To mark the change of ownership, the Cosatu-affiliated union has begun strike action. Before Sterling sold out, the CWIU demanded guarantees on employment and wages, as well as a regular disclosure of profit from the new owners.

General secretary Rod Crompton accuses Sterling of dishonesty in its dealings with the union.

"They refused to admit they were planning to disinvest until after it happened. When we applied for a conciliation board to hear the dispute, Sterling SA opposed the application on the grounds they weren't disinvesting but the US company was."

Demands for negotiations to be held with a delegation from the US headquarters of Sterling, which was recently acquired by Kodak, went unanswered.

The new owners could have more than a few problems on their hands. AI is part of the Barlow Rand group, which has been embroiled in tussles with the union before. It is currently refusing to recognise CWIU stewards at Nampak Polyfoil and locked out 400 CWIU members at Plascon Paints.

A Barlows spokesman says there will be no loss of jobs or changes to conditions of employment as a result of the purchase. He adds: "In line with its philosophy of decentralised management, Barlows has no intention of interfering with the existing employment relationship between Sterling Drug and its employees."

Crompton, however, claims past experience shows Barlows does impose its industrial relations philosophy on its subsidiaries. "Nampak and Plascon are 'independent' companies but they presented the union with identical statements, implying a great deal of head office interference." ■

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P(D 21/5788

Motlana in Israel to express opposition to its ties with SA

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JERUSALEM — An anti-apartheid activist from Soweto arrived in Israel yesterday for a six-day visit and said he planned to express opposition to Israel's economic ties with South Africa

Israeli radio reported that the South African Embassy tried to block the visit by the Soweto leader, Dr Nthato Motlana, who was invited by the Israeli foreign ministry and trade union leaders

The press officer for the South African Embassy, Mr Tom Markram, said yesterday that the embassy had not tried to prevent Dr Motlana's visit and had in fact had "no knowledge" of the trip

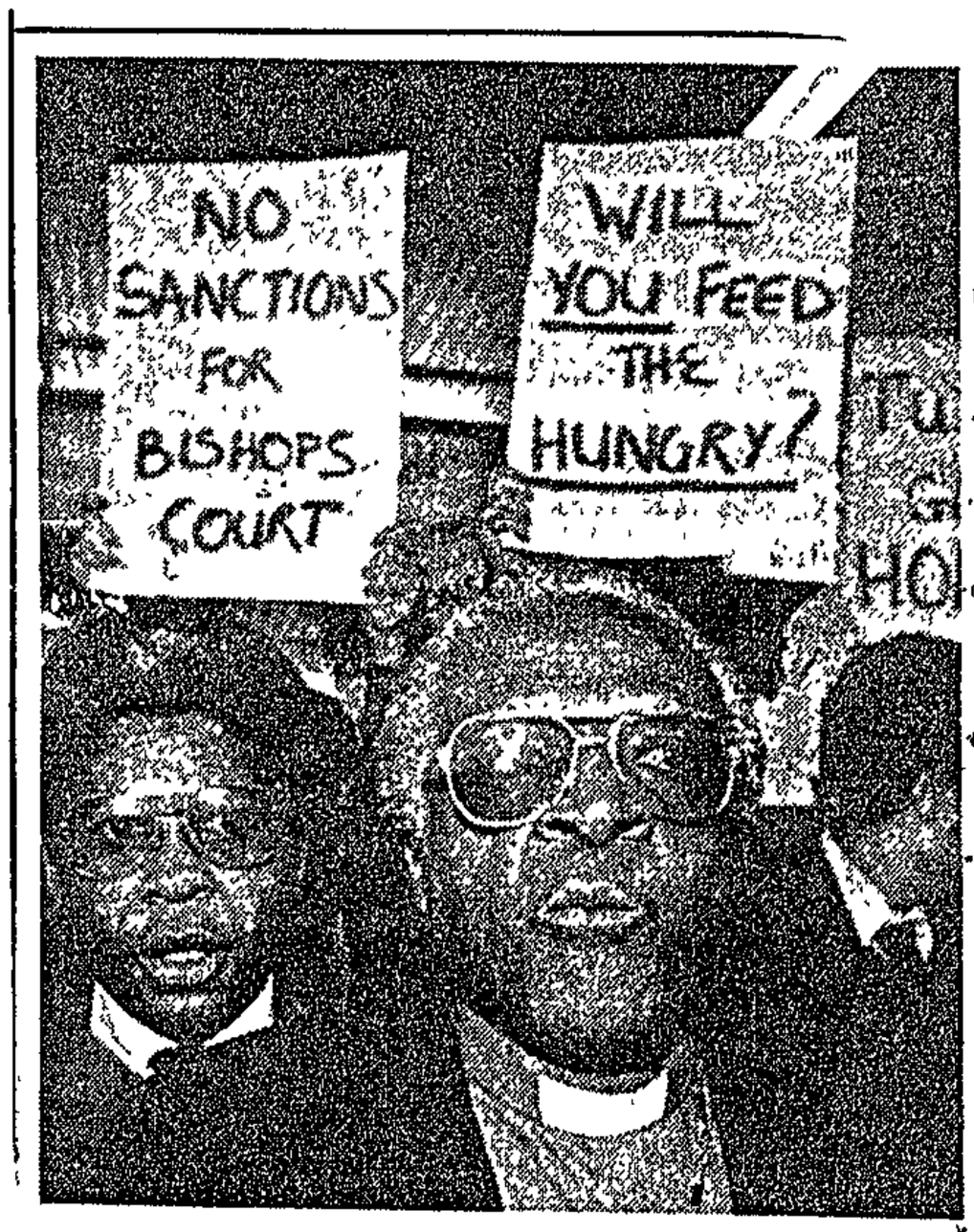
An Israeli foreign ministry spokesman said the South Africans were informed of the invitation, but "we received no approach whatsoever to prevent his (Dr Motlana's) trip"

"We place importance on this visit. Dr Motlana is one of the major black political leaders in South Africa and we think it is important to have an exchange of views," he said.

Dr Motlana, a member of a Soweto committee that works for black rights in the Johannesburg, fought for more than 25 years before he was granted a passport by South African officials in 1986 During that time, he was forced to turn down dozens of invitations to travel and speak abroad

He is to meet with President Chaim Herzog, trade union leaders and foreign ministry officials He said on arrival that he plans to express the opposition of black South Africans to continuing Israeli economic ties with South Africa.

Dr Motlana also said that he was anxious to get a first-hand look at the situation in the Israeli-occupied territories — Sapa-AP



Archbishop Desmond Tutu received a hostile reception at Cape Town's D F Malan Airport.

Give us an alternative to sanctions, challenges Tutu

CAPE TOWN — Archbishop Desmond Tutu said last night South Africa's main problem was apartheid, not sanctions.

Installed as Chancellor of the University of the Western Cape, he said he wanted apartheid destroyed.

"The onus is on those who oppose sanctions to provide us with a non-violent alternative," he said.

The Anglican prelate returned on Thursday from an overseas tour during which he reiterated his call for punitive measures against South Africa. He was given a hostile reception from demonstrators with placards opposing sanctions.

Hundreds of University of the Western Cape students gathered outside the main hall on campus last night with placards supporting the Archbishop.

The real sanctions bite yet to come

Star 21/6/88

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MONEY MATTERS

by Magnus Heystek



One gets the impression that the South African public has become fairly complacent about sanctions, regarding it as just another boring item on the 8 o'clock news.

"But we are beating sanctions — aren't we?" the public cries, pointing at the undoubted successes of Armscor on international armaments markets.

Do not be misled.

The sanctions snowball has only just begun and the worst is yet to come. If the proposed sanctions legislation, being prepared in the United States is approved by the Senate, South Africa will experience some of the most vicious peace-time measures ever taken against any country.

Japan, the Republic's biggest trading partner is coming under increasing pressure to cut or, at least reduce, its trade with South Africa. If a Democrat were to be in the White House at year-end, there is no doubt that America would increase this sort of pressure on South Africa's other trading partners.

There is no doubt this will have an effect on the local economy. Many local companies will already testify to lost and cancelled contracts on overseas markets.

But what does the economic scenario look like, bearing in mind the ever-increasing sanctions campaign?

Marketing consultant Mike Perry, of Perry and Associates, has come up with a creditable "sanctions life cycle" which gives some insight into the future.

Perry sees the sanctions life-cycle as having three phases. Phase 1 he calls the gathering storm, which is characterised by import substitution, export product and market diversification, import-exchange controls and re-sourcing of supplies.

Phase 2 is called the misleading boom and is characterised by domestic economic growth, job creation, an emerging capital shortage, accelerating inflation and increased taxes.

Phase 3, which is by far the longest phase, is a situation of permanent deterioration which has, as standard features, the attritional impact of sanctions, an increase in what is called the security impact, a deterioration of the fiscal position, an acute shortage of capital, an increase in emigration and a permanently high inflation.

If Perry is only remotely accurate in his assessment of the economic scenario, this obviously has ramifications for everyone living here — be they wealthy businessmen or salaried workers. It means an honest appraisal of the implications of sanctions.

Being an investor in South Africa has never been easy at the best of times, what with the gold price performing like a yo-yo, droughts, high inflation and other imponderables.

Now sanctions constitute another factor in that investment cauldron.

Stop strategic mineral sales to US, Derby-Lewis demands

Mr Clive Derby-Lewis, Conservative Party spokesman on economic affairs, demanded yesterday the suspension of strategic mineral sales to the United States.

"The time has come for South Africa to act in its own interests," he said in a statement issued in Pretoria.

The United States had declared economic war against South Africa by imposing economic sanctions, and "I appeal to the Minister of Economic Affairs, Mr Danie Steyn, to stand up to the Foreign Minister, Mr Pik Botha, and tell him to run his own department which, incidentally, he is mismanaging".

FACILITATING

Mr Derby-Lewis said that by declaring that South Africa was happy to provide its strategic minerals to the United States despite that country's sanction actions against Pretoria, Mr Botha was facilitating the US action against the country.

"He is advocating that South Africa takes no action against a country which is deliberately undermining the economy of South Africa at great cost to all of its inhabitants.



Mr Clive Derby-Lewis ... SA's interests paramount.

"The United States is cynically oblivious to the double standards inherent in the policy of normal trade with the communist bloc countries who have no record whatsoever of human rights beliefs."

Mr Derby-Lewis asked: "Why should South Africa kowtow to the US? South Africa holds the cards and the CP demands that the Government use them."

Describing South Africa as a political pawn in the US political game, he said the country must suspend strategic mineral sales to the US until after the presidential elections.

"Why can't we use our strengths to influence US politics the way they try to influence our politics?"

Mr Derby-Lewis said American presidential candidates must tell the people of the US what their attitudes were towards sanctions.

The CP believed the American people would not support sanctions against South Africa if SA "counter-sanctioned".

"Force the US to purchase their strategic minerals from the communist Soviet Union. If the NP government does not act urgently with regard to our strategic mineral deliveries to the US, SA voters must judge the NP by their deeds, not by the blustering statements of Foreign Minister Pik Botha," he said.

Taking the sanctions fight to Europe

Star 21/6/88



Encouraging Europe to invest in South Africa . . . IBC's Stefan von Goriany.
Picture by Hettie Zandman

MALCOLM FOTHERGILL

The hunt is on for five well informed businessmen with the charisma and public-speaking skills to turn the tide of anti-South African feeling in Europe.

Their task will be to persuade European businessmen not only to turn their backs on sanctions but to increase their companies' investments in South Africa.

The business ambassadors will be chosen during the next few weeks by Liechenstein-based International Business Contacts(Pty) Ltd to take part in a 12-day anti-sanctions tour of Europe beginning in late September.

They will visit Frankfurt/Main, Munich, Vienna, Milan and Zurich, delivering prepared speeches at seminars in the mornings and answering businessmen's questions in the afternoons.

IBC's Mr Stefan von Goriany says each member of the team will have to be an authority in his own field of business and should have a good overall knowledge of the Southern African situation.

"We don't want people who will make political statements. Nor do we want people who will fall into political traps.

"We want the accent firmly on South Africa as an investment opportunity.

"That's why we have aimed this initiative at the business community, not at the media."

The final subjects to be lectured on will be decided after the members of the team have been selected, but three areas stand out as being of prime importance, says Mr Von Goriany.

"These are investment in South Africa, labour practices and the reform programmes adopted by the Government."

IBC has written to each all the top companies asking for suggestions on who should go on the trip and for sponsorship.

It is asking for minimum contributions of DM10 000 (R12 500) to help meet total costs of DM212 500 (R255 000), or DM42 500 (R51 000) for each member of the team.

The final selection of the team members will be made not later than June 17. Applications should be in by the end of this month.

The trip has already won the backing of Johannesburg Stock Exchange executive president Mr Tony Norton and Anglovaal and First National Bank chairman Mr Basil Hersov.

For more details, telephone (011) 483-1470.

ROGOFF WARNS SANCTIONS DO HARM BUSINESS

23/6/88 MICK COLLINS 280

CONTRARY to the official line that sanctions and disinvestment have failed, the private sector is now repeatedly warning of the negative impact of any fresh foreign measures taken against SA.

Despite Reserve Bank Governor Gerhard de Kock's recent statement to foreign correspondents that, far from collapsing under the strain of sanctions and disinvestment, the economy is buoyant today, private sector sources say the impact of punitive measures will be felt more and more in the coming months.

Assocom president Alec Rogoff says the resilience of the SA economy in the face of these pressures is remarkable.

"Yet, when we evaluate the impact of sanctions and disinvestment it is clear that the predictions of those who warned against such actions have come true.

"It has resulted firstly in the weakening of the positive influence which the business community plays in the process of reform. While business in SA is still deeply committed to change ... a great deal of business energy is now devoted to ways and means of neutralising or evading sanctions."

Secondly, Rogoff says, it has encouraged further polarisation of attitudes in SA. It has promoted attitudes of defiance, rather than of reform.

"Thirdly, it has placed a ceiling on SA's economic growth and hence the ability to create jobs for a burgeoning black population."

The Bureau for Economic Research has also warned that SA will feel the pinch of financial and trade sanctions for the first time in the coming months.

Bureau director Ockie Stuart has already advised businessmen to start "tightening their belts".

Call for SA to curb mineral sales to US

PRETORIA — The Conservative Party spokesman on economic affairs, Mr Clive Derby-Lewis, yesterday demanded the suspension of strategic mineral sales to the United States.

"The time has come for South Africa to act in its own interests," he said in a statement issued last night.

The United States had declared economic war against South Africa by imposing economic sanctions, he said.

"I appeal to the Minister of Economic Affairs, Mr Danie Steyn, to stand up to the Foreign Minister, Mr Pik Botha, and tell him to run his own department."

Mr Derby-Lewis said that by declaring that South Africa was happy to sell its strategic minerals to the US in spite of that country's sanction actions against this country, Mr Botha was facilitating the US action against the country.

"He is advocating that South Africa takes no action against a country which is deliberately undermining the economy of South Africa at great cost to all of its inhabitants.

"The United States is cynically oblivious to the double standards inherent in their policy of normal trade with the communist bloc countries who have no record whatsoever of human rights beliefs."

He asked, "Why should South Africa kow-tow to the US? South Africa holds the cards and the CP demands that the government use them."

Describing South Africa as a political pawn in the US political game, he said the country must suspend strategic mineral sales to the US until after the presidential elections.

"Why can't we use our strengths to influence US politics the way they try to influence our politics?"

The CP believed the American people would not support sanctions against South Africa if South Africa "countersanctioned".

"Force the US to purchase their strategic minerals from the communist Soviet Union.

"If the NP government does not act urgently with regard to our strategic mineral deliveries to the US, South African voters must judge the NP by their deeds, not by the blustering statements of Pik Botha, and act accordingly when it comes to casting their vote in the October (municipal) elections." — Sapa

Attention turns to EL's roads

Daily Dispatch Reporter

EAST LONDON — Municipal capital expenditure had been confined to the city's new sewerage works for the past three years because the council wanted to finance one major project at a time, the town clerk, Mr Les Kumm, said.

He said this had come about as a result of state treasury curbs on capital expenditure, to help reduce inflation.

A firm of consultants had been appointed to undertake a survey of all roads and footpaths in East London for inclusion in a computerised data base which would form part of a pavement management system.

This was to enable the council to budget systematically over the next five years to repair or reconstruct all roads and footpaths that required attention.

"Based on a preliminary report by the consultants, funds have been provisionally included in the draft 1988/89 capital estimates for the first year of the programme.

"Should the council decide to discontinue the service of mowing the sidewalks, the staff at present employed thereon would be used to upgrade the maintenance of the parks and open spaces in East London and a considerable improvement could be expected," Mr Kumm said.



The guest speaker at the Border branch meeting of the SA Institute of International Affairs last night, Dr Denis Worrall, centre, with a committee member, Dr Franco Beltrame, left, and the chairman, Mr Jonathan Schewitz.

Black lobby affects US perceptions of SA — Worrall

DIP 24/6/88

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Daily Dispatch Reporter

EAST LONDON — The reason for the difference in attitudes of foreign countries to South Africa, with specific regard to sanctions and disinvestment, was the difference in experiences particular to them, Dr Denis Worrall said here last night.

Dr Worrall, leader of the Independent Party, was addressing the East London branch of the Institute of International Affairs on Perceptions of South Africa held by the United Kingdom and the United States.

The major difference in experiences of the UK and the US was the fact that the US had a black lobby and the UK did not have one of significance, he said.

According to British public opinion, the United Kingdom was "very sympathetic" and showed an attitude of "wanting things to go right" in South Africa, which was reflected in Britain's attitude to sanctions and future development here.

"The British people in particular have a sense of context in terms of which to interpret developments in South Africa. They have had a long experience with Africa and southern Africa in particular; they understand the problems of economic development in Africa."

He said it was very easy for the US, which had no real experience and understanding of South Africa, to base its attitudes on its own race relation experiences, which was "a highly moralistic experience".

South Africa did not have a moral problem, Dr Worrall said, but there was a moral dimension to "living with a society which is totally indefensible in terms of Western ideas".

In basing its perception of South Africa on these experiences, the US had "totally oversimplified the South African problem," and this oversimplification was encouraged by the government's banning of organisations and "do your damnedest" kind of philosophy.

Dr Worrall said the real dynamic of change in South Africa had been provided by the economy, and although he was critical of the government's handling of reform, he was "totally and utterly opposed" to punitive economic measures to influence the South African situation.

Dr Worrall said that although white South Africans in particular might be excused for thinking that the world was completely against them, given the attitude of the US Congress, the reaction of Archbishop Tutu's call for sanctions, the Zola Budd drama and the seeming spinelessness of the International Rugby Board's attitude toward an international tour of South Africa, it was a mistaken attitude, as he had found that many people, especially in the UK and Australia, wished South Africa well.

He said the sanctions debate ironically played into the hands of the National Party, by deflecting the debate away from internal issues, as when Mr Pik Botha had said the price of avoiding sanctions against South Africa was too high to pay and not even a black government in South Africa would satisfy the country's enemies.

"So the ratchet of white indifference to what the world cares and thinks is turned tight," Dr Worrall said



DIP 24/5/88

Van Zyl Slabbert appeals to world not to isolate SA

CAPE TOWN — The former leader of the opposition, Dr Frederick van Zyl Slabbert, appealed to the world yesterday not to isolate South Africa because of apartheid but to get involved in practical programmes to help the black majority.

In an interview, Dr Van Zyl Slabbert said the sanctions debate in the United States was becoming hysterical as the campaign for November's presidential election developed.

"There's a very simplistic assumption that economic consequences can be translated into desirable political objectives. There's no evidence to support that," he said.

Dr Slabbert heads an anti-apartheid think-tank, the Institute for a Democratic Alternative for South Africa.

Privileged whites would be the last to suffer the impact of legislation such as the almost total ban on trade with South Africa now being considered by the US Congress, he said.

Sanctions are intended to force Pretoria to scrap apartheid race discrimination, but South Africa says they will harm the black majority most.

Asked what the West should do, Dr Slabbert replied: "Get involved. Help blacks broaden their skills-base.

"Just teaching one kid to become literate is an alternative that is preferable (to sanctions)," he said.

He added that the West should draw a distinction between isolating the white-led government and isolating the country.

Dr Slabbert, who led a delegation of white South Africans in talks with leaders of the banned African National Congress (ANC) in Senegal last year, said he detected a pragmatic shift in the ANC policy.

The ANC would now be prepared for negotiations with the government if it showed firm evidence of goodwill. It also was more amenable to a multi-party democracy and was no longer intent on nationalising all industry if it gained power. — Sapa-RNS

DID 24/5/88

OAU declaration calls for unity in struggle against SA

ADDIS ABABA — African foreign ministers were putting the final touches to a declaration recommending sanctions against South Africa yesterday

The declaration will also call for unity between guerilla groups fighting apartheid and urge the UN Security Council to hold a special meeting on southern Africa.

The declaration, timed to mark the 25th anniversary of the Organisation of African Unity (OAU) tomorrow, will go to African heads of state meeting in the Ethiopian capital from Thursday

The OAU assistant secretary-general, Mr Yilma Tadesse, said the declaration would give priority to armed struggle against the South African Government by the main liberation movements

These were the African National Congress (ANC) and the Pan-Africanist Congress (PAC) in South Africa, and the South West Africa People's Organisation (Swapo) in Namibia

There were also calls for the ANC and PAC to re-unite

"They (the liberation movements) will have to step up the armed struggle and the OAU will try to do the best it can to help them," he said

In his report to the ministers on Sunday, the OAU Secretary General, Mr Ide Oumarou, suggested African states revive the idea of setting up a OAU defence force.

He proposed bilateral talks with frontline states on possible military assistance

He appealed for more member nations to send troops to southern Africa to help defend the frontline states against attack by South Africa.

"When the armed struggle gathers momentum, South Africa will be seeking scapegoats outside its frontiers for problems at home," he said

"It will no longer be the limited commando raids

"The frontline states are going to be constant targets for aggression.

"Unless member states are prepared to struggle side by side with their brothers in South Africa, just as Tanzania and Zimbabwe are doing in Mozambique, it is pointless to talk about the liberation of Namibia and South Africa." Mr Oumarou said

The OAU has often discussed proposals for a multi-national force to be stationed in southern Africa to help defend the frontline states and crush apartheid in South Africa

Until now such proposals have been coolly received by larger and more influential states in the organisation

Mr Oumarou accused the OAU's 50 members of complacency in the face of the South African military presence in Angola and attempts by South Africa to destabilise other frontline states

"The question of the collective security of Africa has been treated over the years with a certain amount of disinterest, and yet both real and potential threats to the security of the continent are there for all to see"

He reminded members of the OAU's 1976 Mauritius declaration, which stated that "an attack on any frontline state was to be regarded as an attack on the rest of Africa"

The OAU declaration, which will be formally adopted by this week's summit, is expected to highlight the organisation's successes and failures since its foundation in 1963, and map out a new strategy for the future

South Africa figured prominently in the draft declaration, which pointed to the OAU's inability to defeat apartheid in South Africa and bring independence to Namibia as the organisation's main failures

Mr Oumarou said the white minority government in South Africa had so far refused to dismantle racism in South Africa and give independence to Namibia because it had not seen any real need to change the status quo

South Africa's efforts to destabilise its black neighbours had so far destroyed $30 billion worth of infrastructure in the frontline states and claimed more than one million lives

Mr Tadesse said the OAU would again recommend that sanctions against South Africa should be comprehensive and mandatory

Delegates said the emphasis, however, would be on a short list of economic sanctions which opponents of a full trade embargo might agree to

These would include barring the sale of oil, the purchase of South African gold and all credits to the South African Government — Sapa-RNS

CAPE 80c (71c + 9c tax) (280) B/day 24/5/88 A TIMES MEDIA PUBLICATION



● HOWE

Howe rejects church leaders' sanctions package

LONDON — British Foreign Secretary Sir Geoffrey Howe yesterday rejected calls from SA church leaders to implement a sanctions package, including a ban on new lending and denying SAA landing rights in Europe.

The church leaders emerged from their 45-minute meeting with Howe saying they were deeply disappointed and depressed. They said the British government did not understand the dynamic in SA and approached the problem of ending apartheid as if it was dealing with a normal state of affairs.

MIKE ROBERTSON

The delegation consisted of SA Council of Churches general secretary the Rev Frank Chikane, Methodist Church in SA president the Rev Khoza Mgoja, the Archbishop of Durban, Archbishop Denis Hurley, the Bishop of Kroonstad, Bishop Hans Brenninkmeijer, and the Rev Beyers Naude, Kagiso Trust chairman.

They said the main purpose of their visit was to seek support from EC countries in opposing the Orderly Internal Politics Bill.

They said the Bill would make it impossible for the EC's package of positive measures to aid victims of apartheid, which is administered by the churches, to continue operating.

On their tour they will meet the Pope in Rome and, later, West German Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher, as well as EC Vice-President Lorenzo Natali.

A Foreign Office spokesman said Howe had listened with great sympathy and concern to the arguments put forward by the delegation.

It was agreed that all concerned wanted to end apartheid but differed on the means.

Howe, the spokesman said, reiterated that British policy remained one of using pressure and persuasion to end apartheid.



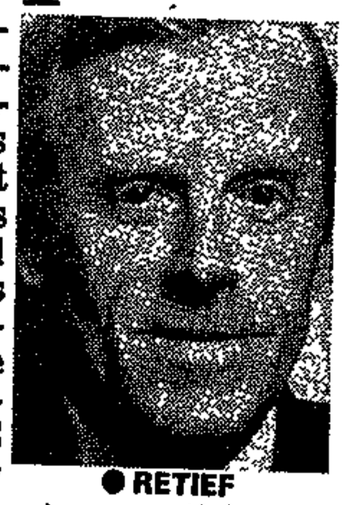
● CHIKANE

CP minerals ban proposal slated

280
B'days
24/5/88

REINIE BOOYSEN

JOHANNESBURG Consolidated Investments (JCI) MD Pat Retief has condemned CP proposals that SA retaliate against proposed US sanctions by imposing counter-sanctions on strategic minerals.



● RETIEF

Retief's condemnation follows yesterday's surge in the price of platinum to a seven-month high of $576,50 — $24 higher than Friday's close. Dealers cited fears that SA would become an unreliable supplier of platinum as the reason for the rise, reports Reuter.

Retief said any attempt to stop platinum supplies to the US would have to involve suspension of platinum sales to the rest of the world.

"The mere suggestion of platinum sanctions will encourage the US and other major consumers of platinum to search for alternative technologies to replace those which are presently dependant on SA platinum," said Retief.

JCI subsidiary Rustenburg Platinum is the world's largest platinum producer.

Retief says he "cannot understand how anyone can entertain such an irresponsible notion". He said such a move would destroy the SA platinum industry.

In a statement yesterday CP economic affairs spokesman Clive Derby-Lewis said "the time has come for SA to act in its own interests" by suspending strategic mineral sales to the US until after the presidential elections.

Retief supported SA Foreign Affairs Minister Pik Botha in his reassurance last week that government would not halt shipments of strategic minerals to the US.

Analysts said there were also fundamental reasons for the platinum price rise. Last week London-based Johnson Matthey suggested there could be a platinum shortage until the end of the decade.

Church leaders reject plea to ...

Own Correspondent

LONDON. — The British Foreign Secretary, Sir Geoffrey Howe, yesterday rejected calls from visiting South African church leaders to implement a sanctions package — including a ban on new lending and denying SAA landing rights in Europe.

The main purpose of the church mission was to seek support from European Economic Community (EEC) countries in opposing the South African government's Orderly Internal Politics Bill.

The bill includes various measures aimed at controlling foreign funding of South African anti-apartheid bodies, among them churches, and is being studied by a parliamentary committee.

If passed, it will cripple the EEC's package of positive measures to aid victims of apartheid, which is administered by South African churches.

Meet the Pope

The church leaders emerged from their 45-minute meeting with Sir Geoffrey saying they were deeply disappointed and depressed. The British government, they said, did not understand the dynamic in South Africa.

The delegation consists of the general-secretary of the SA Council of Churches, Rev Frank Chikane, the president of the Methodist Church, Dr Khoza Mgojo, the Archbishop of Durban, Archbishop Denis Hurley, the Bishop of Kroonstad, Bishop Hans Brenninkmeijer, and the chairman of Kagiso Trust, Dr Beyers Naude.

On their tour they will meet the Pope in Rome. They will also meet the West German Chancellor, Mr Helmut Kohl, the Foreign Minister, Mr Hans-Dietrich Genscher, and the EEC vice-president, Mr Lorenzo Natali.

A Foreign Office spokesman said Sir Geoffrey had listened with great sympathy and concern to the arguments put forward by the delegation, but had reiterated British policy of using pressure and persuasion to end apartheid.

Other calls by the church leaders which Sir Geoffrey rejected were that:

- Visa requirements be tightened for South African citizens visiting EEC countries.
- The staff of South African embassies and consulates in the 12 member states be reduced.
- Pressures on trade finance and communications be intensified.
- The importing of South African coal be embargoed.
- European banks be prevented from renewing loans and extending new ones to South Africa.
- That direct flights to South Africa be banned with South Africa being denied landing rights in Europe.

Dr Mgojo said the meeting had confirmed for him that the British had nothing tangible to offer to help end apartheid in South Africa.

"We will have to do it ourselves. It's going to be very difficult but church leaders are prepared to suffer."

Cape Times
24/5/88
280

UK rejects church sanctions call

LONDON — The British Foreign Secretary, Sir Geoffrey Howe, yesterday rejected calls from South African church leaders for tighter economic sanctions. 280

British policy, he said, remained one of using pressure and persuasion to end apartheid.

The church leaders had sought British support for a sanctions package which included a ban on new lending, and the removal of South African Airways' landing rights in Europe. DIP 24/5/88

They also sought support for their opposition to the Orderly Internal Politics Bill which they said would make it impossible for the European Economic Community's package of positive measures to aid victims of apartheid.

Sir Geoffrey told the delegation that Britain would continue to press the South African Government to stop the passage of the bill. — DDC

Full report page 17

Howe rejects new call for stricter sanctions

Daily Dispatch Correspondent

LONDON — British Foreign Secretary Sir Geoffrey Howe yesterday rejected calls from South African church leaders to implement a sanctions package including a ban on new lending, and denying South African Airways landing rights in Europe.

The church leaders emerged from their 45 minute meeting with Sir Geoffrey saying they were deeply disappointed and depressed

The British Government, they said, did not undestand the dynamic in South Africa and approached the problem of ending apartheid as if it was dealing with a normal state of affairs

The delegation consisted of South African Council of Churches general secretary, the Reverend Frank Chikane; President of the Methodist Church in South Africa, the Reverend Khoza Mgoja; the Archbishop of Durban, Archbishop Denis Hurley; the Bishop of Kroonstad, Bishop Hans Brenninkmeijer; and Chairman of the Kagiso Trust, the Reverend Beyers Naude.

They said the main purpose of their visit was to seek support from EEC countries in opposing the Orderly Internal Politics Bill

The Bill, they said, would make it impossible for the EEC's package of positive measures to aid victims of apartheid, which is administered by the churches, to continue operating.

On their tour they will meet with the Pope in Rome and later with West German Chancellor, Mr Helmut Kohl, and Foreign Minister, Mr Hans-Dietrich Genscher, as well as EEC's vice president, Mr Lorenzo Natali.

A Foreign Office spokesman said Sir Geoffrey had listened with great sympathy and concern to the arguments put forward by the delegation.

It was agreed that all concerned wanted to end apartheid but differed on the means.

Sir Geoffrey, the spokesman said, reiterated that British policy remained one of using pressure and persuasion to end apartheid.

The British Government, he told the delegation, would continue to press the South African Government to stop the passage of the Orderly Internal Politics Bill

The spokesman said the British Government intended to maintain links with all sides in South Africa and as such rejected one of the church leaders calls' for it to downgrade its mission in the country

Other calls by the church leaders which Sir Geoffrey rejected were that:

- Visa requirements be tightened for South African citizens visiting EEC countries;
- The staff of South African embassies and consulates in the 12 member states be reduced;
- Pressures on trade, finance and communications be intensified;
- The importing of South African coal be embargoed,
- European banks be prevented from renewing loans and extending new ones to South Africa, and
- That direct flights to South Africa be banned and SAA be denied landing rights in Europe.

All the members of the delegation agreed that if the Orderly Politics Bill became law the EEC programme could no longer continue.

Archbishop Hurley said. "The EEC programme and the Bill are totally incompatible. The Bill outlaws any project that works against apartheid. The EEC programme stands to do just that."

He warned that if the programme continued with funds going only to organisations approved by the South African Government, oppressed people would see it as financing "enemies of the struggle".

UK MPs call for increased action against SA

LONDON — Members of Parliament of all parties are calling on the British Government to take actions against South Africa if the Promotion of Orderly Politics Bill becomes law. P1023/5/83

The MPs, including Conservative member, Mr Ivor Stanbrook, Labour member, Mr Richard Caborn, and Social and Liberal Democrat member, Mr Simon Hughes, have signed a motion on the Commons Order Paper noting with concern "the continuing efforts by the South African Government to restrict peaceful opposition to apartheid in South Africa".

The Bill they say "will place further regulations on all acitivities of individuals and organisations, including the churches who oppose the apartheid system within South Africa, but also threatens to cut off external financial support to groups which peacefully oppose apartheid."

● African leaders in the Preferential Trade Area (PTA) economic group yesterday endorsed measures to cut trade with South Africa, and called for the preparation of a plan of action to make the sanctions effective, the Zimbabwean national news agency, reports.

They also encouraged all member-states to increase economic relations among them.

According to a communique they adopted at the end of a two-hour mini-summit, the leaders endorsed recommendations from their ministers calling for the "strengthening of economic sanctions against South Africa".

In the communique, read by the PTA Secretary General, Mr Bax Nomvete, they encouraged "all PTA states to diversify their trade away from South Africa taking advantage of the vast potential which existed within the PTA for the promotion of intra-regional trade".

This could be done by using the PTA clearing house more, and developing alternative transport routes. 280

This included road, rail, air and water transport. 46

● But, the foreign ministers of Transkei, Bophuthatswana, Venda and Ciskei said yesterday they "categorically reject" sanctions against South Africa as these would damage the economies of the region.

The ministers met the South African Minister of Foreign Affairs, Mr Pik Botha, in Paarl yesterday to discuss the economic situation in South Africa and security in the region.

● Mre than 30 Apostolic and Zionist Church ministers will march through the centre of Pretoria today to protest against international sanctions against South Africa.

The United Apostolic ministers' Council in Africa spokesman, Bishop M. Masiya, said in a statement yesterday the protest march would start at the corner of Paul Kruger and Pretorius Streets at 1 pm, skirt Church Square, and then continue along Paul Kruger Street to the Boulevard Hotel in Struben Street.

He said a media conference explaining why they did not support sanctions against South Africans would be held later at the hotel.—Sapa

Retief naive say CP members

CAPE TOWN — The Conservative Party yesterday lashed out at the managing director of Johannesburg Consolidated Investments, Mr Pat Retief, for daring to reject the party's call for a "counter-sanctions" ban on the sale of strategic minerals to the United States.

The CP's economic affairs and technology spokesman, Mr Clive Derby-Lewis, said Mr Retief's statement suggesting that a platinum blockade would merely encourage the US to seek alternative technologies or replacements illustrated the "naiveté" of some business leaders in South Africa.

Mr Derby-Lewis said that Mr Retief should understand that if white South Africa does not survive, his platinum industry will be nationalised by an ANC government.

It was obvious that Mr Retief was more interested in profits and shareholders' dividends than the people of South Africa, Mr Derby-Lewis added. —DDC

SA diamond sanctions 'unworkable'

ROBERT GENTLE

THE proposal to impose sanctions on SA diamond production would be unworkable as it was almost impossible to know the origin of diamonds once they reached international markets, leading analysts said yesterday.

Moreover, they said, a concerted sanctions drive would seriously disrupt those Third World economies which depended heavily on continued diamond trading with De Beers, whose Central Selling Organisation (CSO) controlled 80% of world production. In Botswana, for example, diamonds account for an estimated 75% of GNP.

Botswana has launched an appeal to have diamonds exempted from the trade embargo Bill now before the US House of Representatives. Besides being the Western world's major diamond producer in value terms, the country is inextricably linked to De Beers.

Its mines, which fall under Debswana, (De Beers Botswana Mining Company), produced 58% (13,2-million carats) of De Beers's annual production in 1987 which translated into foreign earnings of nearly $1bn.

De Beers and the Botswana government are equal partners in Debswana. The already close ties were cemented last year by the exchange by Debswana of part of the stock of diamonds accumulated during the depression of the early 1980s for a 5% shareholding in De Beers.

According to the 1987 De Beers annual report, the arrangements also entitle Debswana to representation on the boards of De Beers and the Diamond Trading Company.

CP calls Retief naive

CHRIS CAIRNRCROSS

CAPE TOWN — The Conservative Party yesterday lashed back at JCI MD Pat Retief for rejecting its call for a "counter sanctions" ban on the sale of strategic minerals to the US.

CP economic affairs and technology spokesman Clive Derby-Lewis said Retief's statement suggesting a platinum blockade would merely encourage the US to seek alternative technologies or replacements illustrated the "naiveté" of some business leaders.

Derby-Lewis asked: "How long does he think we will be able to survive if we don't take action now?"

He said Retief should understand that if white SA did not survive, his platinum industry would be nationalised by an ANC government.

"Surely he must realise that if it had been possible to find alternative technologies to replace those dependent on platinum, the US, in its obsession with SA's internal politics, would be using those technologies already."

Derby-Lewis said it was obvious Retief was more interested in profits and shareholders' dividends than the people of SA.

CAPE Times 25/5/88 280

Sanctions clash



David Penman

Staff Reporter

THE United Apostolic Ministers' Council in Africa, an inter-church organization claiming two million black members, yesterday condemned sanctions against South Africa.

And the foreign ministers of the TBVC homelands said they "categorically reject" sanctions as these would damage the regions' economies, causing "misery".

But support for sanctions came yesterday from Australian Archbishop David Penman, of Melbourne. Archbishop Penman, head of all the bishops in Victoria who arrived in Cape Town this week to visit Anglican Archbishop Desmond Tutu, said: "I have indicated our strong support for him (Archbishop Tutu)."

Archbishop Tutu declined to comment on the United Apostolic Ministers' Council and the TBVC foreign ministers' statements.

The Ministers' Council said it "wished to convey to capitals of the world its strongest protest" against the imposition of trade sanctions.

They were "counter-productive" and could jeopardise the livelihoods of 100 000 employees of American companies in SA, it said.

Today, 30 Apostolic and Zionist Church ministers will march in Pretoria in an anti-sanctions protest.

But Archbishop Penman said his church and the Hawke government in Australia were "largely in agreement on policy towards South Africa".

Botswana's appeal to US goes unheeded

Argus Africa News Service

GABORONE. — Botswana faces serious economic problems if the United States House of Representatives approves a trade embargo Bill against South Africa which includes an embargo on diamonds.

The Bill also calls on the President of the United States to conduct an anti-monopoly investigation of De Beers' Central Selling Organisation through which most diamonds produced worldwide are marketed.

Biggest producer

Botswana is now the world's biggest producer of diamonds and its economy is heavily dependent on the export of diamonds.

Last year Botswana's exports totalled R3 301-million of which R2 826-million came from diamonds.

In 1986 Botswana exported R1 383-million worth of diamonds, giving the country a surplus in the balance of payments of R708-million.

Reports from Washington said the Botswana government had sent the US House Africa sub-committee chairman, Mr Howard Wolpe, an urgent appeal to exempt diamonds from the trade embargo Bill now before the House of Representatives.

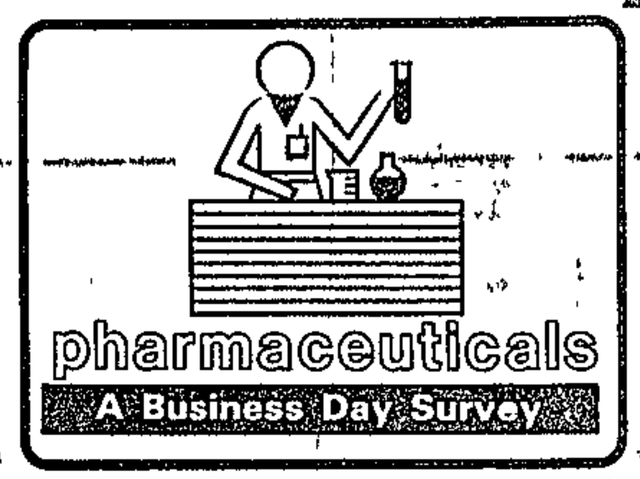
Not made known

The appeal was not heeded and was not made known to the full House foreign affairs committee when it adopted the legislation last month.

In the letter sent to Mr Wolpe the Botswana government pointed out that attacks on the South African diamond industry would probably end up damaging the industry worldwide because all diamonds "move in a single world market system.

"If a significant part of the market for this production were to be lost, the size of the loss would be out of all proportion to any compensatory assistance which might be offered," the Botswana's government letter is reported to have said.

Disinvestment: Industry is optimistic



LARGE-SCALE disinvestment on the part of international pharmaceutical companies could cripple the local industry in the long-term, yet manufacturers operating in SA remain optimistic about their future.

Their positive outlook is largely based on a conviction that drugs essential in saving life and health are unlikely to be affected by sanctions

And while a number of major US drug companies are disinvesting in the face of heavy pressure from American consumers, most of their European and British counterparts have confirmed their long-term commitment to SA.

"We were among the first companies to come under fire when Denmark imposed sanctions on SA," comments Richard Butt, acting general manager of Novo Pharmaceuticals — the biggest local manufacturer of insulin and basic anti-infectors.

"But we obtained a court ruling that confirmed that human lives must take priority over political philosophies

"As long as we have a market, Novo is in SA to stay — at least as far as life-preserving drugs are concerned"

"We are in the business of health care, not politics In any case, our parent company is based in Switzerland, which is politically neutral; I foresee no reason for us to withdraw," adds Roger Trythall, head of the pharmaceuitcal division at Sandoz Products

And according to George Hall, MD of chemical trader El Rogoff, the local pharmaceutical industry is strong enough to stand a far more severe battering than it is currently experiencing.

"The industry wouldn't crumble even if every multi-national drug company pulled out of SA," he declares

However, Roche general manager Jean Tanner is more cautious in his assessment of the situation

"In the short-term, disinvestment will have no dramatic effect But SA lacks the resources to develop its own technology in this field, over a longer period the local industry would feel the effects of diminished transfer of technology

"In some cases, the marketing agreements between disinvesting US companies and the management teams which have bought control of their South African operations are limited to products already registered in SA under an exclusive brand name

"Theoretically, this means that if a cure for Aids, or cancer, were discovered by the disinvesting company next year, it could be withheld from SA," says Tanner

However, Lovasz marketing manager Wolly Wolozinsky contends that, while the withdrawal of US-based drug companies could ultimately injure the industry, in many cases disinvestment has been more cosmetic than real

"In these cases, local management has bought control of the company but continues to manufacture its international parent's drugs under licence," he comments

With over 200 companies in operation in SA — many of them small — locally-owned businesses concentrating on the manufacture of generic drugs, the industry is both diversified and highly competitive

To an extent, say some industry representatives, disinvestment has served to rationalise the industry Mergers and takeovers have become the order of the day, but the general view is that this will benefit the industry rather than forcing up prices

By eliminating excess competition, spokesmen say, the remaining companies are improving their access to the available talent Pooled resources will lead to reduced costs overall — which, in turn, could result in a drop in drug prices

The opportunity to expand by taking over the SA-based operations of international companies could provide a valuable short-term boost to South African drug manufacturers, adds Roger Trythall, head of the pharmaceutical division at Sandoz Products SA

However, he questions whether local companies have the necessary management and marketing skill to absorb these operations

"I believe that in a few years time we will see a major shake-out in the industry," he predicts

By contrast, Tony Karis, MD at SA Druggists, does not expect disinvestment as it is currently taking place to have any effect on the local pharmaceutical industry

"Local companies have whatever expertise is needed, whether for the synthesis of raw materials or the marketing of the finished product," he says

"The total exclusion of SA from important new developments is morally unjustifiable, and would be rejected as such

"And, while disinvestment is regrettable, if it takes place it gives local companies an opportunity to grow either by acquisition or by introducing products equivalent to those that have been removed from the market."

According to Trythall, the greatest threat posed by disinvestment is the risk of losing medical and technical skills

"The industry must make a concerted effort to use these available skills to the full, and to keep them in the country," he says

He points out that the local standard of technology and training for clinical research matches that of the international community

"The facilities are available, but they are threatened by political circumstances The only solution is to encourage projects through medical schools and research centres wherever possible

"For example, Sandoz' policy is to carry out clinical research in its host countries wherever possible We are expanding our activities in this area in SA since both the skills and the technology are available — if the necessary facilities can only be persuaded to stay here."

'PROTECT INDUSTRY'

ONE of the biggest manufacturers of insulin and basic penicillins in SA, Novo Pharmaceuticals, is a subsidiary of an international Danish company

Some 90% of its products marketed locally are manufactured in SA

However, acting general manager Richard Butt has called on Government to protect the local pharmaceutical industry

"With sanctions and disinvestment posing a serious threat, it is vital that SA maximises the development of its pharmaceutical industry," he says

Providing a service

COMMUNITY service is an important aspect of the activities undertaken by both local and international pharmaceutical manufacturers operating in SA

A classic example is the Danish company Novo Pharmaceuticals, which contributes towards the fight against diabetes in rural areas

"We supply educational material published in three major Black languages, as well as donating educational equipment, such as video systems, to the rural clinics," says acting general manager Richard Butt

The company also offers a free 24-hour diabetic advisory service operating from Johannesburg, Cape Town and Durban

A similar service, for the supply of special drugs, is offered by Roche to doctors

"A number of our emergency drugs need very special storage conditions Instead of marketing them in the usual way, we store them ourselves," explains Jean Tanner, general manager of Roche SA

"For example, should a patient develop a fungal infection after a severe operation, we rush the drug to the hospital anywhere in SA, completely free"

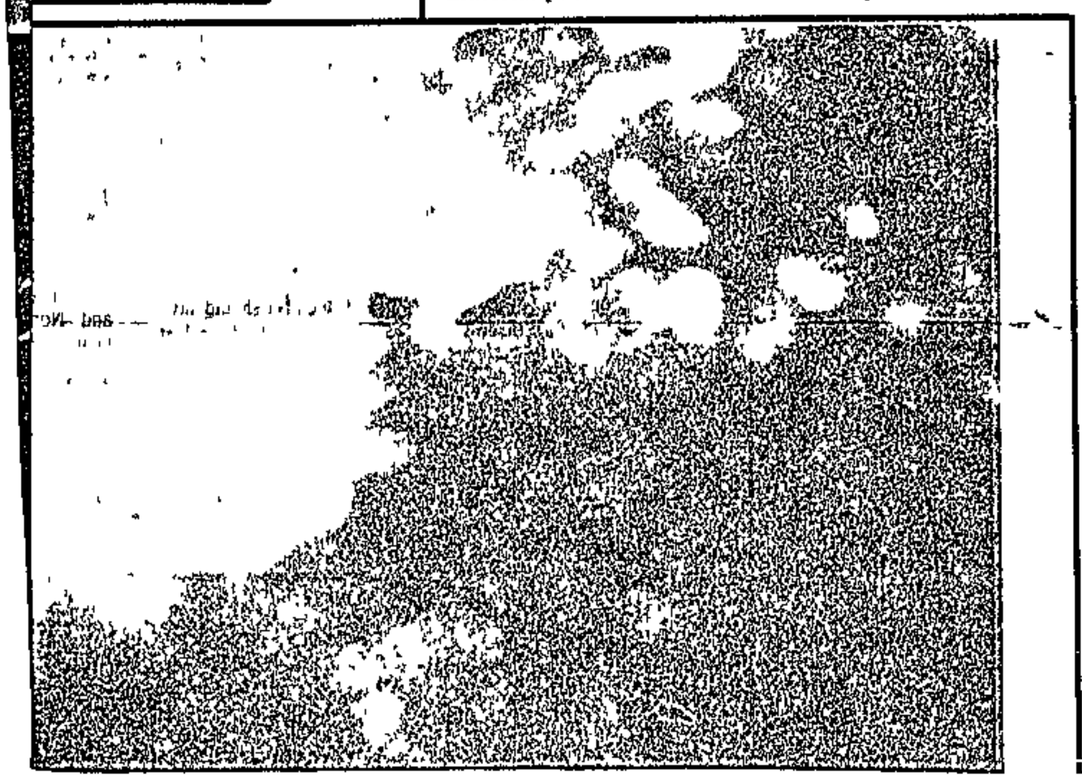
In addition, companies such as Cliniserve market a service designed for smaller independent hospitals and clinics

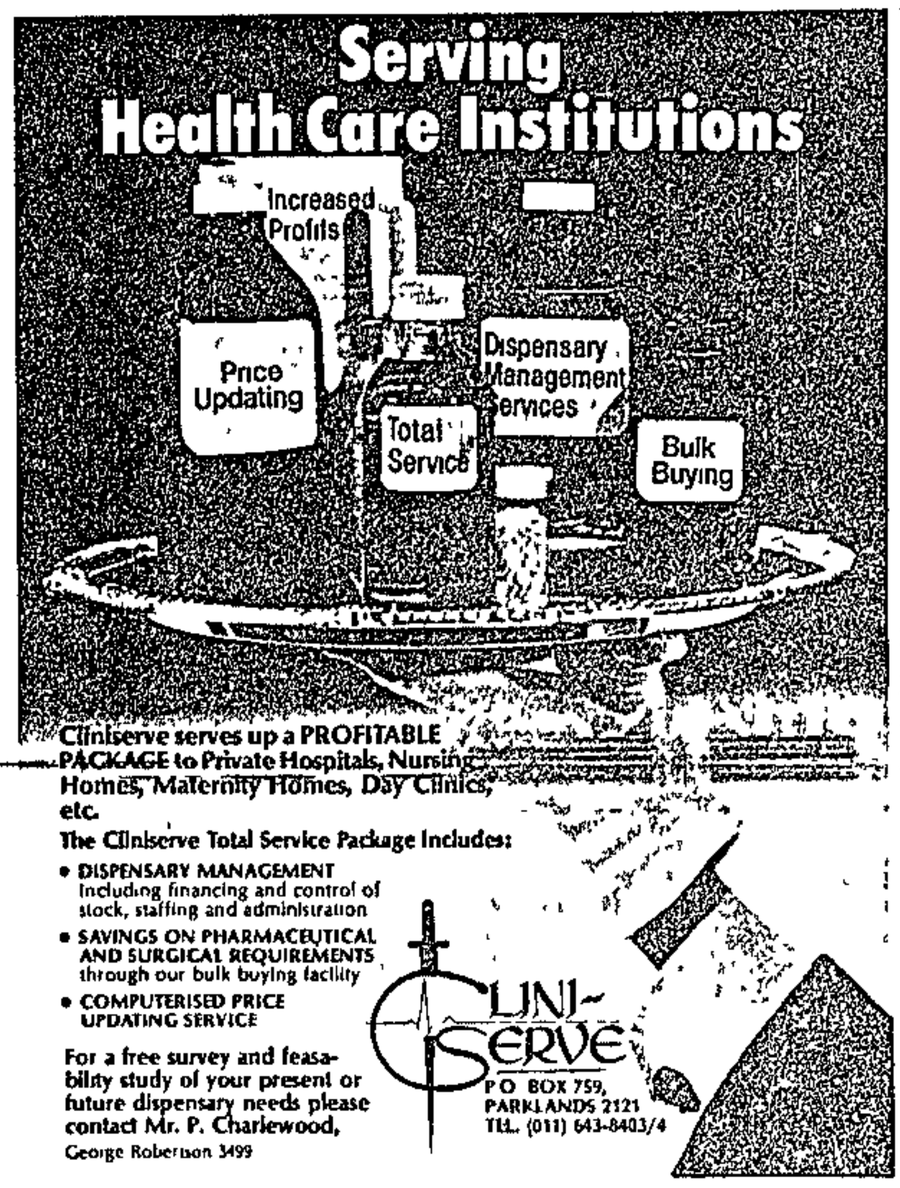
UNIQUE

"One of the problems unique to these hospitals is the difficulty of purchasing pharmaceutical and surgical items at competitive prices due to a lack of buying power

"In addition, small hospitals and clinics battle to maintain an up-to-date retail price list, and they also often lack the skills and information to decide whether it would be feasible to have a dispensary charge on the services

"We provide a variety of services to independent hospitals and clinics, including advice in regard to these issues," says Cliniserve s MD, Peter Charlewood





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WORLD

Africans endorse call to cut SA trade

ADDIS ABABA — African leaders in the preferential trade area (PTA) economic group yesterday endorsed measures to cut trade with SA and called for action to make the sanctions effective, it was reported.

They also encouraged all member states to increase economic relations among themselves.

The leaders endorsed recommendations from their ministers calling for "the strengthening of economic sanctions against SA".

PTA secretary general Bax Nomvete said they encouraged "all PTA states to diversify their trade away from SA taking advantage of the vast potential within the PTA for the promotion of intra-regional trade".

That could be done by using the PTA clearing house more and improving and developing alternative transport routes.

To facilitate implementation of the recommendations, a committee of leaders would be established to coordinate all activities aimed at making the sanctions effective.

The committee would be assisted by a committee of ministers and another of experts.

☐ The ministers also decided that the OAU would open an office in Washington to lobby anti-apartheid groups in the US. — Sapa-AP

IN BRIEF

US company to sell PCs in USSR

SUNNYVALE, California — Advanced Transducer Devices is to assemble and sell thousands of American-designed personal computers in the So-

Sanctions against SA diamonds 'unworkable'

Own Correspondent

JOHANNESBURG. — Leading analysts say that the proposal to implement sanctions against SA diamond production would be unworkable because once diamonds reach the international markets, it is virtually impossible to know their origin.

Moreover, they say a concerted sanctions drive would seriously disrupt a number of Third World economies which depend heavily on continued diamond trading with De Beers, whose Central Selling Organization (CSO) controls 80% of world production.

In Botswana, for example, diamonds account for an estimated 75% of GNP.

Botswana has nevertheless launched an appeal to have diamonds exempted from the trade embargo bill now before the House of Representatives. Besides being the Western worlds's major producer of diamonds in value terms, the country is inextricably linked to De Beers.

Its mines, which fall under Debswana, (De Beers Botswana Mining Company), produced 58% (13,2m carats) of De Beers annual production in 1987. This translated into foreign earnings of nearly $1bn.

SA/Angola talks could lead to peace in SWA — Buthelezi

Daily Dispatch Correspondent

LISBON — The Chief Minister of Kwazulu, Chief Mangosuto Buthelezi, on a four-day private visit to Portugal, has described talks in London on Angola nd Namibia as a possibly "significant step" towards peace in the region.

He told an invited lecture audience in Lisbon on Monday night that real regional peace would only come "once South Africa is liberated".

"This in turn will mean liberation for the whole of southern Africa and provide an impetus for the spread of free market economics throughout the continent."

Chief Buthelezi, who was invited to Portugal by a political think-tank linked to the ruling centre-right Social Democratic government, told a questioner:

"I oppose sanctions against South Africa because I do not want to see my country's economy destroyed. I do not wish to liberate my country and then be left with a repeat of the situation in Angola and Mozambique. More than 50 per cent of the current black population in South Africa is under 15 and we need jobs for them, not an economy in ruins."

War, natural disasters and ill-judged efforts to impose Marxist-style governments, have left both the former Portuguese colonies of Angola and Mozambique in ruin.

Chief Buthelezi said he would be transmitting his anti-sanctions message to Portuguese leaders, including the Prime Minister, Mr Anibal Silva, with whom he will meet during his visit.

Portugal, West Germany and Britain have consistently vetoed the Europrean Economic Community's efforts to impose sanctions on South Africa. There has been a shift in Lisbon's attitude recently and the Foreign Minister, Mr Joao de Deus Pinheiro, has admitted that unless there were signs of faster progress in dismantling apartheid, Portugal might have to reconsider its stand on sanctions.

Chief Buthelezi appealed for a "constructive international approach" to 'ending apartheid, describing current "foreign input" in South Africa's affairs as "unbalanced".

He suggested that selected foreign governments should set up an international union, based inside South Africa and linked to existing foreign embassies, to make a joint contribution to change.

This is the first time that any black South African leader has visited Portugal since the 1974 revolution dismantled Lisbon's African empire.

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UK holds fragile anchor against sanctions



HOWE ... "patience to be stretched"

STANLEY UYS in London

WHEN IN February the emergency regulations were used to restrict the activities of Cosatu and 17 other organisations, Margaret Thatcher, we were told here privately, was "hopping mad". Once again Pretoria had frustrated her attempts to persuade the world that, with proper encouragement, President Botha's government could be steered towards an apartheid-free society.

If Thatcher was mad, her Foreign Secretary Sir Geoffrey Howe must have been even madder, because he is the politician at the rock face of relations between Britain and SA (remember the humiliation he suffered on his last visit to Pretoria?)

Yet, ever calm and reasonable, Sir Geoffrey stood up before a London audience last week and gave credit where credit was due Yes, all British governments had abhorred apartheid — which was neither Western, nor civilised, nor Christian — and yes the adoption of apartheid had been "a terrible and tragic mistake".

But President Botha had taken some "brave initiatives," and his speech on April 21 particularly had been "a courageous turning away from appeasement of the far right".

Sir Geoffrey even went so far as to say that change in SA would not be rapid. Short time-scales and artificial deadlines only raised and then dashed false hopes. It was necessary to take the long view. It was Sir Geoffrey's most important policy speech on SA in three years

It was at this point, perhaps, that Sir Geoffrey's voice took on a harder edge. We do not know how long the long view will be, he said, and "not knowing, we must expect our patience to be stretched almost to breaking point".

This question of the pace of reform in SA was the subject of an article in South Africa International recently by Minister of Information Dr Stoffel van der Merwe. "Just give us a chance," was the Minister's cry from the heart.

Van der Merwe went on to say "People have a limited capacity to digest change within a given period of time. Too much change all at once drives people into confusion and causes polarisation.

"The 'haves' tend to go into blind conservatism and reactionary extremes The 'have nots' tend to gravitate towards fatalistic destruction in anomic or revolutionary violence."

Intelligently and literately expressed It makes a welcome change from the rubbish I had to listen to from some of the *takhaars* in the Cabinet when I reported Parliament.

Van der Merwe explained the obstacle course that confronts every reform measure. First, the decision-makers have to accept the need for reform Then their power base has to be persuaded — thousands of people have to be talked around in time-consuming face-to-face meetings

Once reform is generally accepted, the idea has to be converted into legislation, which usually requires extensive research, because the issues are normally quite complex, and several laws, ordinances, by-laws and regulations may need amendment Sometimes a commission of inquiry has to be appointed.

Then the proposed legislation has to be passed by Parliament, and with three chambers of Parliament this is no longer as easy as it used to be. Finally, the legislation has to be implemented by officials "who do not necessarily understand or approve of the new approach"

Perfectly true Van der Merwe is not exaggerating the problem But neither is Sir Geoffrey when he said the dynamics of change in the white community are out of phase with the dynamics of change in the black community

So how will the deadlock be resolved? Is this why security measures have been invoked so ferociously — to ensure that the blacks remain patient while the osmosis of reform works its way slowly through the white community?

The whole concept of the South African government battening down the hatches while it proceeds at its own controlled and deliberate pace of reform is flawed, though.

It gives Pretoria the worst of both worlds conservative whites feel threatened by reform, while radical blacks dismiss it as meaningless It is a strategy that devalues the whole currency of reform

But assuming even that the black political struggle in SA can be controlled through oppressive measures for the immediate future, what about the international situation? What about sanctions?

The international situation is very volatile The US has become a wild card in the pack. The exodus of American companies under disinvestment pressure has had a deep psychological influence on US attitudes disinvestment has created the feeling that SA is expendable and the sanctions campaigners have moved into this vacuum.

Britain presently is the anchor against sanctions: it has £2 760m in fixed investment in SA, trade in excess of £1bn a year and there are more than one-million South Africans who still retain the right of abode in Britain These are not inconsiderable considerations

But for how long can Britain maintain its present measured pace of relations with SA? It says it does not believe in punitive sanctions against SA, but already it is applying no fewer than 15 "restrictive measures". Perhaps there is a difference in principle at the moment between sanctions and "restrictive measures," but it could easily become a difference merely of degree

The most significant change that has come over the business community here in Britain towards SA recently is not an increase in hostility, or a loss of patience, but simply a decline in interest. Slowly, SA is being written out of books and out of the minds of British businessmen

When I approach them and raise the subject of SA, they shift uneasily and stare over my shoulder. They actually no longer care.

What's happening to more and more British businessmen when the subject of SA is raised is that their eyes glaze over. It is in sorrow rather than in anger that they are writing us off It's just that they can't see any light at the end of Stoffel van der Merwe's long, long tunnel.

More than 20% of the British companies operating in SA in 1986 have since withdrawn, leaving 234 UK parent companies with subsidiaries in SA as at the end of March this year. Where will the withdrawals end?

And where will the withdrawals leave the British government? In suspension, I suggest, if the base of actual business involvement is shrinking For how long can Sir Geoffrey's political strategy be sustained if psychologically defeat is being acknowledged by businessmen actually on the ground?

SA's major trading partners are not a unity. The US is split between the White House and Congress — and if Congress, or a new president, takes up the sanctions cause, the rest of the trading group will not be able wholly to escape being sucked into the slipstream

Japan, under US pressure, is being forced to harden its attitude towards SA, the West German coalition government is in disagreement over sanctions and increasingly the European Economic Community (EEC) is moving towards replacing the present bilateral relationships between its 12 members and SA with a tougher, collective, EEC relationship

Pretoria should take note of the dilemma of its trading partners Sir Geoffrey and others are not wholly masters of their own fate on the sanctions issue there are other, powerful pressures bearing down on them.

Sanctions have little to do with rational argument The test of sanctions is not whether they will work or not, but the function they perform in linking the international community together in a moral crusade against apartheid

Sanctions are the cement that binds countries together in international solidarity against apartheid. They are the linch-pin Pull out this linch-pin and the pressures on Pretoria will fall into confusion and disarray. For this reason alone, sanctions will never be abandoned — they have their own organic life, function and momentum

As the co-chairmen of the Commonwealth Eminent Persons Group wrote "If we knew that sanctions would not work (and nobody can make that assumption with any validity) we would still be in favour of the West applying sanctions The West would then be on the right, the just, side of history"

It will be interesting to hear from Stoffel van der Merwe how the dilemma of the conflicting time-scales can be resolved Accepting, for the sake of argument, that his own case is valid within the framework of white politics, how does he answer Sir Geoffrey's point that this time-scale of reform is out of phase with the time-scale of reform in the black and international community?

This is the core of SA's problem.

Success of US sanctions 'marginal'

From SIMON BARBER

WASHINGTON. — The success of sweeping new sanctions will be "medium to long term" and "at the margin", the House Foreign Affairs Committee concludes in its report officially interpeting the punitive measures it adopted last month.

It is intended that the bill, now entitled the Anti-Apartheid Act Amendments of 1988, will "act as a depressant on SA business confidence and its own willingness to invest".

At the same time, however, US companies forced out by the law must negotiate transferring their business assets to their employees or their unions, the report states.

The value of those assets in a deliberately depressed economy is not addressed.

The report makes clear that should there be a chernobyl-type accident at Koeberg or other SA nuclear facilities, the US will be barred even from providing assistance "for humanitarian reasons to protect public health and safety".

Such assistance would be "inconsistent with comprehensive sanctions".

The measures will "not result in any noticeable decline in the US economy", and, according to an appended finding by the Congressional Budget Office will only cost the US taxpayer $5m next year, rising to $14m in 1993.

This is in stark contrast to recent estimates that the existing sanctions have already cost the US coal industry at least $250m and could cost the nuclear processing industry close to $300m annually.

Sanctions: Tutu, Boesak challenged

Argus 26/5/88

The Argus Correspondent

PRETORIA. — A senior spokesman for the United Apostolic Ministers' Council in Africa, Bishop Mzilikazi Masiya, who is opposed to sanctions, has challenged Archbishop Desmond Tutu and Dr Allan Boesak to a public debate on the issue.

Bishop Masiya, who led a lunch-hour protest march of about 30 members of his council from Church Square to a hotel about two blocks away, was addressing a Press conference on sanctions.

He opposed sanctions because "they will hurt our people the most" and would "force our people out of work".

"Already the mining industry has been forced to lay off more than 9 000 workers because of sanctions. A conservative estimate means that more than 54 000 black people are going to be grossly affected."

He said Archbishop Tutu and Dr Boesak "should come and explain and convince the people who are out of work that sanctions will help them".

The bishop, who said his council enjoyed the membership of 850 churches and about 2-million followers, said the protest march was prompted by the approval on May 3 this year of legislation by the Foreign Affairs Committee of the United States House of Representatives which bars all US investment in South Africa.

Social programmes

"All this is done to force the South African Government to abandon its policy of apartheid," he added.

He said that foreign companies operating in South Africa had contributed much to the development of this country and that the US companies alone had in the past five years spent about R550-million on social programmes in the country.

Asked why he had not been harassed by the authorities for staging a protest march, as was the case with Archbishop Tutu and Dr Boesak in the Cape earlier this year, he said: "I applied for permission."

The protesters carried placards denouncing sanctions, such as: "Give us food and shelter, not sanctions."

'Economic saboteurs' under fire

Star 26/5/86

By Roy Cokayne

People who encourage foreigners to impose strict economic measures against the country are committing economic sabotage, says Afrikaanse Handelsinstituut (AHI) president Mr Pierre Steyn.

Officially opening the annual AHI congress in Pretoria yesterday, Mr Steyn said the actions of these people had the same effect as people who incited school boycotts and public violence — to lower the country's growth rate.

Flowing from this were diminished opportunities for the country's inhabitants, higher unemployment and a lower standard of living, he said.

Mr Steyn said the proponents of economic sanctions did not or did not want to understand what the consequences of their actions were — or did not care about them.

But he said it was no use sitting and moping about the actions of South Africa's opponents overseas and "their willing accomplices."

"Every businessman who has achieved success, knows from his experience that in every threat there are also opportunities.

"There are many examples of enterprises that prospered just because of unfavourable external circumstances. The most striking example of this is most probably in the sphere of armaments.

"South Africa has for years had to cope with a international boycott but Armscor turned this threat into an opportunity to develop one of the most successful enterprises, even in the export arena.

"I believe Armscor would not have achieved the success it has if there was not an arms embargo," he said.

Mr Steyn said it was up to businessmen to gain strength from this and other examples and in the midst of increased foreign sanctions, act with greater determination, single-mindedness and innovation to counter the effects of sanctions.

"As a country, we just cannot afford to allow our export attempts to slacken and we must still be alert to new markets and develop new products and methods," he said.

Turning to privatisation, Mr Steyn said he was convinced a privatisation programme that was implemented judiciously held great benefits for the country and many opportunities existed specifically for the private sector.

Smaller businessmen in particular should make sure they used this opportunity to the full, he said.

Mr Steyn said privatisation would not only lead to more opportunities but it would also bring about greater competition in many areas.

He said inefficient organisations would struggle because of the increased competition and it was therefore of importance for people to take note of the privatisation programme and prepare themselves accordingly.

Focusing on the population growth, Mr Steyn said the country would be fighting a losing battle economically if the fertility rate - particularly among blacks - did not drop drastically.

Mr Steyn said the population was increasing so quickly the South African economy simply could not grow fast enough to create sufficient job opportunities and a decent standard of living for everyone.

He believed an important part of the solution to the problem lay in convincing the leaders of the TBVS countries and self-governing states to speak out strongly in favour of family planning.

"If they do not do this, we will always have the problem in these states of too large a population living in poverty and through their large numbers makes such big demands on the country's resources that they can not progress economically and improve the standard of living," he said.

...friend yesterday ... he was dying from a ...

Bishop challenges Tutu on sanctions

By Mckeed Kotlolo
Pretoria Bureau

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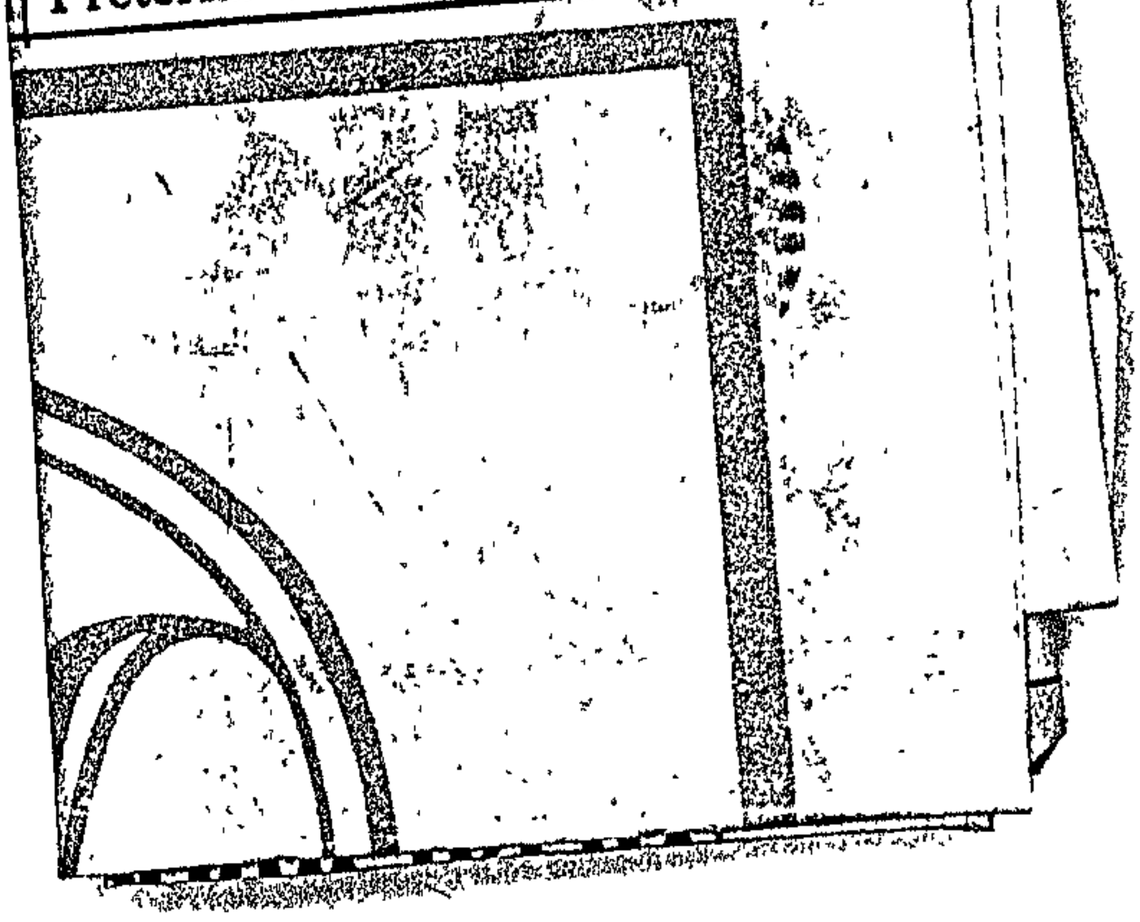

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"There are many examples of enterprises that prospered just because of unfavourable external circumstances. The most striking example of this is most probably in the sphere of armaments.

"South Africa has for years had to cope with a international boycott but Armscor turned this threat into an opportunity to develop one of the most successful enterprises, even in the export arena.

"I believe Armscor would not have achieved the success it has if there was not an arms embargo," he said.

Mr Steyn said it was up to businessmen to gain strength from this and other examples and in the midst of increased foreign sanctions, act with greater determination, single-mindedness and innovation to counter the effects of sanctions.

"As a country, we just cannot afford to allow our export attempts to slacken and we must still be alert to new markets and develop new products and methods," he said.

Turning to privatisation, Mr Steyn said he was convinced a privatisation programme that was implemented judiciously held great benefits for the country and many opportunities existed specifically for the private sector.

Smaller businessmen in particular should make sure they used this opportunity to the full, he said.

Mr Steyn said privatisation would not only lead to more opportunities but it would also bring about greater competition in many areas.

He said inefficient organisations would struggle because of the increased competition and it was therefore of importance for people to take note of the privatisation programme and prepare themselves accordingly.

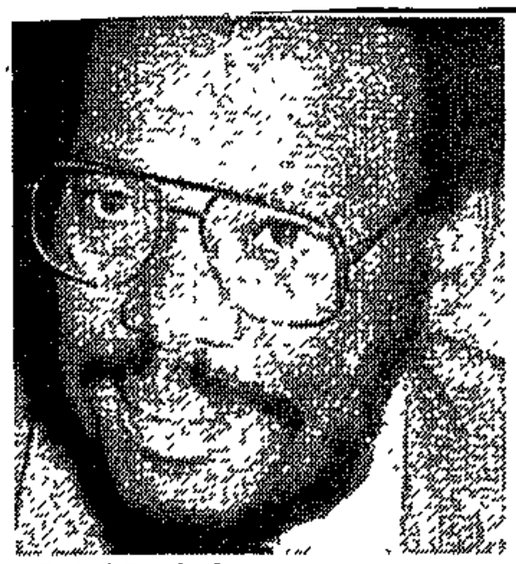
Focusing on the population growth, Mr Steyn said the country would be fighting a losing battle economically if the fertility rate - particularly among blacks - did not drop drastically.

Mr Steyn said the population was increasing so quickly the South African economy simply could not grow fast enough to create sufficient job opportunities and a decent standard of living for everyone.

He believed an important part of the solution to the problem lay in convincing the leaders of the TBVS countries and self-governing states to speak out strongly in favour of family planning.

"If they do not do this, we will always have the problem in these states of too large a population living in poverty and through their large numbers makes such big demands on the country's resources that they can not progress economically and improve the standard of living," he said.

Trade shutout 'insane' — Chief



Chief Buthelezi . . . warning

ULUNDI — Only large-scale trade sanctions applied by united international action could bring white South Africa to its knees, Chief Mangosuthu Buthelezi said yesterday.

But, he told a group of American industrialists and business people, it was unthinkable to him that sane people, knowing the facts about South Africa's mass poverty, could support actions which could succeed only if mounted on a scale large enough simultaneously to destroy the country's potential growth.

DEVASTATING

"To make white South Africans really feel the bite of sanctions, the scale at which they are mounted would have to be devastatingly large," the KwaZulu Chief Minister and Inkatha president said, according to a statement released by his office.

"Only large-scale sanctions applied by a really united international community which acted in unison to close all trading loopholes could bring white South Africa to its knees.

"Such large-scale sanctions would, however, commit South Africa permanently to Third World poverty because the vastly spreading poverty they would create would become the mortal enemy of democracy.

"Only a totalitarian state could emerge to survive against the background of the total destruction of the South African economy," he said.

"Democratic governments need the means to govern for the benefit of the people, otherwise in the end there is always revolt against them.

"Rob South Africa of its future economic growth potential and you rob it of its future democratic potential."

Dukakis prefers SA sanctions to military action

280

The Star Bureau Star 26/5/88

WASHINGTON — Massachusetts governor Mr Michael Dukakis, who is virtually certain to lead the Democratic party into the 1988 US presidential election, favours international support for tough economic sanctions against South Africa.

But he has declined to commit himself to US military action against "South African-backed terrorist camps" inside South Africa.

In a televised debate last night with his rival for the party nomination, the Rev Jesse Jackson, Mr Dukakis said there were two steps to be taken in dealing with South Africa's "naked aggression."

The first was to pass the Dellums Bill, legislation that bans all trade between the US and South Africa except for imports of South African strategic minerals.

The second was to stop the US veto of resolutions before the United Nations Security Council that sought to impose international sanctions.

Mr Dukakis, who said earlier in the debate that he supported military action against terrorist bases, refused to take the bait when asked repeatedly by Mr Jackson whether he would use military force against SA-sponsored terrorist bases inside South Africa.

"One aspect of a tough, anti-terrorist policy is to use military force against terrorist base camps," Mr Dukakis said.

"But there are many ways to attack terrorism and one way to do it is to get tough on South Africa (economically)," he added.

The exchange between the rivals came after Mr Jackson referred to a State Department report on mass killings and atrocities carried out by Mozambique National Resistance guerillas, a movement which he claimed was sponsored by South Africa.

"Renamo has some bases inside the Transkei in South Africa," Mr Jackson said. "Would your anti-terrorist policy include the possible use of bombs inside South Africa to break up Renamo and the South African connection?"

20 turn up for march against sanctions

Own Correspondent

PRETORIA. — About 20 members of the United Apostolic Ministers Council demonstrated in Pretoria yesterday against pending US legislation to tighten sanctions against SA.

Accompanied by a heavy police escort, they marched around Church Square carrying anti-sanctions banners.

The group, which aroused little public interest, dispersed a few blocks north of the square.

In a statement after the march, a spokesman, Bishop Mzilikaze Masiya, said sanctions hurt blacks most — the very people they were supposed to help.

Already the mining industry had been forced to lay off more than 9 000 workers because of sanctions.

"We oppose sanctions and disinvestment as totally unchristain," Mr Masiya said.

Sanctions: effects will be medium to long term

WASHINGTON — The success of sweeping new sanctions will be "medium to long term", the House Foreign Affairs Committee concludes in its report officially interpreting the punitive measures it adopted last month.

It is intended that the Bill, named the Anti-Apartheid Act Amendments of 1988, will "act as a depressant on SA business confidence and its own willingness to invest".

Friday 27/5/88

SIMON BARBER

At the same time, however, US companies forced out by the law must negotiate transferring their business assets to their employees or their unions, the report states.

The report says if there were a Chernobyl-type accident at Koeberg or other SA nuclear facilities, the US would be barred even from providing assistance "for humanitarian reasons to protect public health and safety".

28

The measures will "not result in any noticeable decline in the US economy", and, according to an appended finding by the Congressional Budget Office will only cost the US taxpayer $5m next year, rising to $14m in 1993.

This is in stark contrast to recent estimates that the existing sanctions have already cost the US coal industry at least $250m and could cost the nuclear processing industry close to $300m annually.

Earlier legislation, the report argues, failed because SA is a dedicated sanctions buster and because the mildness of the 1986 Act encouraged the SA government to believe it could hold on to its power monopoly indefinitely.

The Bill is said to be supported by Cosatu, Nactu, the UDF, Azapo, the ANC, the PAC, the SA Council of Churches, Archbishop Desmond Tutu and the Rev Allan Boesak.

Report: US sanctions to work in the 'long-term'

Own Correspondent

WASHINGTON. — The success of sweeping new sanctions will be "medium- to long-term", the House of Representatives Foreign Affairs Committee concludes in its report officially interpreting the punitive measures it adopted last month.

It is intended that the bill, now entitled the Anti-Apartheid Act Amendments of 1988, will "act as a depressant on South African business confidence and its own willingness to invest".

The report makes clear that should there be a Chernobyl-type accident at Koeberg or other South African nuclear facility, the US will be barred even from providing assistance "for humanitarian reasons to protect public health and safety". Such assistance would be "inconsistent with comprehensive sanctions".

The measures will "not result in any noticeable decline in the US economy", and, according to an appended finding by the Congressional Budget Office, will only cost the US taxpayer $5 million (about R10m) next year, rising to $14 million in 1993.

This is in stark contrast to recent estimates that the existing sanctions have already cost the US coal industry at least $250 million and could cost the nuclear processing industry close to $300 million annually.

Earlier legislation, the report argues, has failed because South Africa is a "dedicated sanctions-buster". And because the mildness of the 1986 comprehensive Anti-Apartheid Act "has encouraged the SA government to believe that it can hold on to its monopoly of power indefinitely".

The bill was the "last chance" to avoid a race war, the report observed, citing in support a similar finding by the Commonwealth Eminent Persons Group two years ago.

The committee voted to bar the ANC from handling US assistance funds unless the president certified the ANC had renouced violence. The authors of the report interpret renunciation to mean that "the ANC will not support violence against individuals who are not members of the SA military or who are not engaged in military or paramilitary operations against resistance organizations".

UK ignores priests' plea

Sowetan 26/5/88

LONDON — A delegation of South African churchmen this week failed to persuade British foreign secretary Sir Geoffrey Howe to take a stronger stand against proposed South African legislation which would ban foreign funding for any organisation the government deems political.

Dr Beyers Naude, a former secretary general of the South African Council of Churches, said afterwards: "The whole delegation was deeply disappointed and frustrated by the fact that nothing tangible or meaningful has come out of this discussion."

Sanctions

The delegation, which was led by the current secretary of the SACC, the Rev Frank Chikane, and included Archbishop Denis Hurley of Durban, hoped to persuade Britain and the European Economic Community (EEC) to impose further sanctions against South Africa to force Pretoria to repeal the state of emergency and not to press ahead with new legislation. The churchmen suggested diplomatic missions in South Africa should be reduced and downgraded, visa requirements tightened for South Africans, more restrictions imposed on trade and finance, and direct flights to South Africa should be stopped.

The foreign office said Sir Geoffrey listened to the churchmen with "sympathy and concern" but would only use "persuasion and pressure" against Pretoria. Archbishop Hurley said these tactics would not work against the South African Government.

Campaign

"Something much more effective is needed," he said.

In particular the church delegation wanted Britain to campaign against the Promotion of Orderly Internal Politics Bill, which is now going through the South African Parliament. It is expected to become law later in the year, and would block outside funding for any organisation deemed political by the Pretoria Government. It will diminish the work of organisations like the Black Sash and the trade unions, but will also probably kill the EEC special programme for the victims of apartheid, which is administered by the churches.

After the meeting Dr Naude said it "confirmed the fears of the black population that there is very little we can expect from the British Government . . . to what extent is the British population satisfied with this sort of response?" — *The Independent.*



DR Beyers Naude.

BEARES

Times will be tight in the sanctions vice

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Star 28/5/88

A reader, prompted by last week's column on the sanctions life-cycle as seen by Mike Perry, suggested that perhaps the column was left a little in the air. I was not providing any answer(s) to the somewhat depressing scenario as sketched by Perry, the reader maintained.

Let me briefly recap what Perry and Associates, a firm of marketing consultants, has to say about the most probable stages of a sanctions-battered economy:

- Phase 1 Perry calls the "gathering storm", characterised by import substitution, import-exchange controls, rerouting of exports and re-sourcing of supplies.
- Phase 2, the "misleading boom" is characterised by domestic economic growth, job creation, an emerging capital shortage, accelerating inflation and increased taxation.
- Phase 3, which is by far the longest, is a situation of permanent deterioration, an acute shortage of capital and a permanently high inflation rate, just to name the more obvious conditions.

It is quite clear that South Africa now finds itself somehere midway between the first and the second phase of this sanctions life cycle. Internationally, the storm clouds have been gathering for many years and are still building up around the globe.

The arms embargo introduced more than 10 years ago is the the most obvious example of import substitution.

A shortage of international capital has already been felt in that the emerging economic upswing has had to be curtailed due to a lack of foreign capital. There is no apparent solution to this in sight and is most certainly of a semi-permanent nature.

MONEY MATTERS

by Magnus Heystek



On this score, South Africa already finds itself in the third phase of the sanctions life cycle. The other characteristics will manifest themselves only later.

Now, as to the solutions: the answers here are of a different nature. If the scenario does not appeal to you, you can always emigrate — if you can.

Against a background of high inflation, a steadily eroding currency and a shortage of international capital, life for the average investor is not going to be easy.

One source of hope might initially be the local stock market. While high inflation is bad for most, it seems to be good for the stock market. This scenario is likely to persist.

Property might not be such a good investment, considering that any large-scale emigration will increase the supply of houses on the market.

With exchange control very much part of our lives, the alternative investment areas are extremely limited. There are Krugerrands, diamonds, Persian carpets, paintings and stamps. While these investment areas undoubtedly have merit and warrant serious consideration, they are mostly too small and specialised for the average investor.

The answer to the reader is, in effect, very inconclusive I'm afraid. But what I do know is that the future isn't what it used to be.

Amcham warns on sanctions

THE American Chamber of Commerce in SA (Amcham) warned at the weekend that if there was no immediate action on discriminatory legislation, SA might soon be facing the "severest measures ever imposed" by the US on this country. Amcham fears that SA — "complacent after the apparent failure of sanctions measures taken in 1986 and short-term gains from disinvestment" — may not be paying enough attention to the possible consequences of the Anti-Apartheid Amendment Act of 1988 (the so-called Dellums Bill).

By MANDLA TYALA

The Bill, which is due to be taken up in the House of Representatives in two weeks' time, proposes the prohibition of all US investment, an almost total trade embargo on SA, and a provision mandating the US to act against countries and individual companies which take advantage of the void.

This means for instance that the US can prohibit imports of products from foreign companies which trade in SA, and it is believed that these companies will opt to sever ties with this country rather than lose the huge US market.

The legislation also mandates total disinvestment of all American companies.

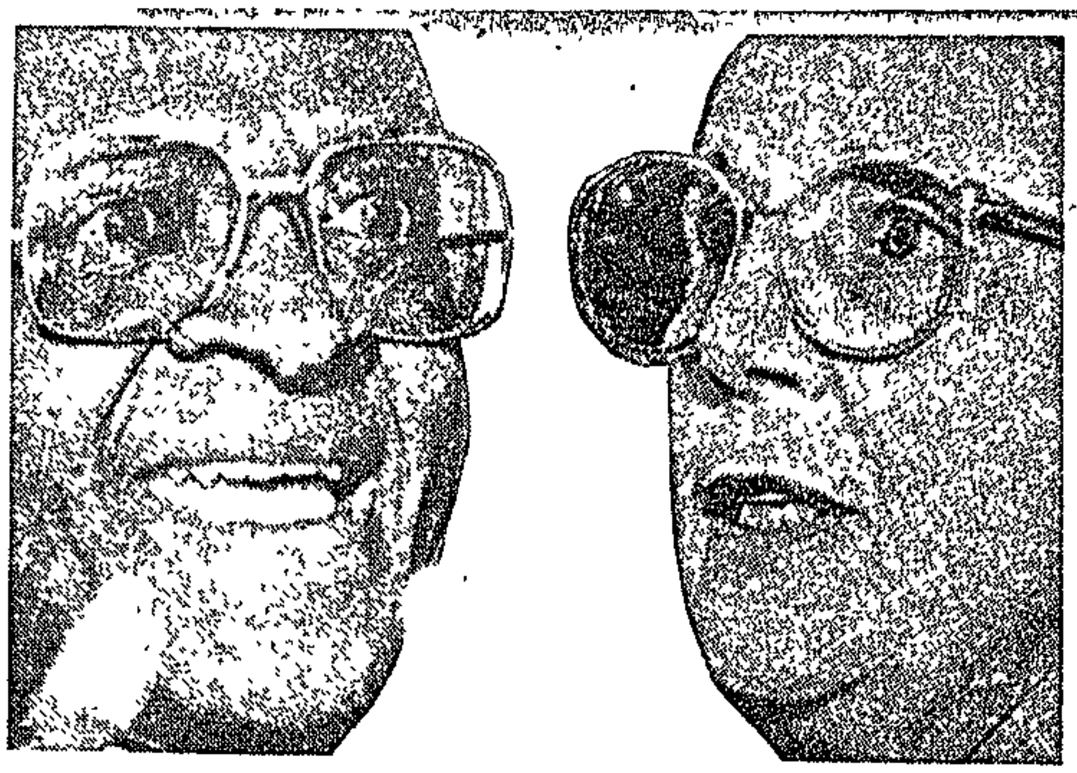
This disinvestment, Amcham says, does not (as has happened previously) imply the sale of the company with the retention of products and employees.

It would mean the closing of the company, the removal of those products and the loss of jobs for the entire staff.

Members of an Amcham delegation which went to Washington DC last month to lobby against the Bill, said at a Press conference in Johannesburg that the sanctions issue, which had begun to take a lower profile in the US towards the end of last year, was back on the front burner.

"There is a general opinion in the US that while the South African Government has repeatedly stated its intentions of reform, it has in fact become more repressive," says Amcham president Ian Leach.

The Group Areas Act is high on the list of laws that irk the pro-sanctions lobby.



Economic muscle is the ONLY weapon for blacks, Archbishop!

29/5/88 Times

AT his enthronement in Cape Town in September, 1986, Archbishop Desmond Tutu stated that "the onus is on those who do not want sanctions, to provide us with a viable, non-violent strategy to force the dismantling of apartheid".

He has repeated his challenge several times since then.

While disagreeing with the underlying premise of this remark, i.e. that sanctions do provide such a strategy, he is certainly justified in asking what is the alternative, and the question is particularly relevant when it comes from a man who does not have the vote, despite the fact, as he has often pointed out, that he is a South African by birth, the head of the Anglican Church in southern Africa and a Nobel Laureate.

Helen Suzman, MP for Houghton

responds to Archbishop Desmond Tutu's challenge for those opposed to sanctions to spell out their alternative

Short of getting rid of this Government and replacing it with a non-racial democracy, the sad truth of the matter is that there is no instant solution which will transform the South African scene.

There are, in fact, only the long-term effects of economic expansion within the country itself, that is, the same factors responsible for those non-cosmetic changes that have already taken place.

The repeal of job reservation was a result of the increased demand for skilled labour to conform with the growing requirements of the economy.

Need

The recognition of black trade unions came about as a result of "wild-cat" strikes, having no-one with whom to negotiate, and the need therefore to bring the emerging black labour movement within the purview of the industrial conciliation machinery.

The acceptance, at long last, of the permanence of blacks in the urban areas came about because economic forces motivated by the "push factor" of poverty in the black rural areas and the "pull factor" of job opportunities in the "white urban areas".

This irresistible force led finally to the impossibility of effectively implementing the hated Pass Laws and Influx Control, and to their repeal two years ago.

None of these changes, however, has heralded the removal of such fundamental cornerstones of apartheid as the Population Registration Act, the Group Areas Act and the Land Acts. Nor has the crux issue of political rights for blacks been addressed.

But given the obduracy and military strength of the present Government, it must be conceded that any prospect of a transfer of power by the National Party Government is just not on the agenda in the foreseeable future, sanctions notwithstanding.

Survival is the issue and a siege economy is preferable, according to National Party thinking.

In the unfounded hope, therefore, of the rapid demise of the apartheid regime, it is surely senseless to blunt the only weapon with which blacks can improve their position at the workplace, and beyond the workplace, through their economic muscle, mobility in trade union structures and their consumer power in the market.

Restriction of the economy through sanctions must inevitably result in a decrease in the demand for labour and widespread unemployment.

Power

Why then are sanctions and disinvestment advocated by people who are working for black advancement, thereby undermining the major power base that blacks can obtain?

Some, like the Archbishop, sincerely believe that they will expedite the dismantling of apartheid. Others hope they will bring down the capitalist system which they identify with apartheid.

The Archbishop encourages disinvestment as well as sanctions, as evidenced by his refusal recently to accept an honorary degree at Tulane University in New Orleans, because the trustees of the university had not divested of stocks in companies operating in South Africa.

Surely foreign firms should instead be encouraged to continue with their very extensive programmes to help lay the foundation for a stable post-apartheid society?

Training

In the last eight years United States corporations in South Africa, for example, spent more than R420-million on education, training and housing of their black employees and their families, on health facilities and on legal aid.

Withdrawal of these firms has inevitably meant reduction or even curtailment of these programmes, to the detriment of future black leadership and its participation in the post-apartheid era

And, once gone, the influence such firms exercised on the local scene goes with them.

Power takes many forms and, in South Africa today, blacks are slowly but surely accumulating economic power, not only in ever increasing numbers, but at rising levels of skills.

Economic muscle can be used, as has been shown in all industrialised countries, to redress imbalances in wealth, privilege and power.

I do not believe that South Africa will be the exception, though the solution offered is long-term and there is no doubt that blacks are impatient, as one can well understand, for change — fundamental change — now.

The Archbishop has stated that if certain demands are met, he will call for the withdrawal of sanctions and presumably of disinvestment

However, once sanctions have been imposed and once established enterprises have withdrawn, it will take more than the green light from the Archbishop to restore normal trade and industrial activity, as the Rhodesian/Zimbabwean example demonstrated.

Few firms returned after liberation.

Moreover, if the United Nations imposes mandatory sanctions against South Africa, one veto at the Security Council will prevent those sanctions from being lifted.

An expanded economy is the mechanism that creates jobs and wealth in which all must share. Contact and a diplomatic presence within South Africa exercise significant influence.

Isolation and a wrecked economy may give moral satisfaction to all those who oppose apartheid, but this course of action should surely be weighed against the unintended consequences that are likely to result.

CAT,

SOWETAN, Mc

Firms staying put in SA

BUSINESS AS USUAL

BRUSSELS — Some 1 267 companies from 20 Western countries continue to do business in South Africa, but 188 companies from seven countries have pulled out, according to a survey by the International Confederation of Free Trade Unions.

Britain led the field with 374 companies still operating in South Africa, according to the survey.

Confederation secretary general John Vanderveken said in a news release that the report was "clear evidence of the triumph of corporate greed over morality."

He derided the claim often made by investors in South Africa that their presence could be an instrument for reform, saying "cheap labour is what brings them to South Africa, not a desire to restore social justice."

SAPA-AP

Following Britain, countries with the most companies still in South Africa were West Germany with 333, the United States with 164, Japan with 103, France with 90 and Switzerland with 54.

Others included the Netherlands with 29, Austria with 28, Australia with 19, Canada and Belgium with 18 each, Sweden and Denmark with 10 each, Italy with seven, Finland and Ireland with two each, and Spain, Norway, Portugal and Greece with one each.

The United States had 134 companies withdraw, followed by Britain with 26, Canada with 20, the Netherlands with four, France with two, and Italy and Australia with one each, the survey said.

The confederation said its list included internationally known businesses from almost every industrial and commercial sector

The labour organisation said several of the 333 German companies represented in South Africa were involved in the armaments industry

BLACK UNITY GREATLY NEEDED — CHIEF



CHIEF Buthelezi

KWAZULU Chief Minister, Chief Mangosuthu Buthelezi, said yesterday black South Africans would struggle "until apartheid was totally vanquished and is replaced by a real multi-racial democracy."

Chief Buthelezi was speaking at a prayer meeting in Durban for black unity during which he spoke on the issue of sanctions against South Africa.

He said in South Africa, where blacks "were conquered in the land of their birth . . . history demands that we struggle for justice and total equality for all South Africans . . ."

"I tell the world that black South Africa will never ever rest until apartheid is totally vanquished and is replaced by a real multi-racial democracy.

Chief Buthelezi said South Africa was passing through a very difficult phase and that the situation was "very dangerous."

He said sanctions was not the only alternative left and was not the last thing that could be done before "violence overtakes us all to destroy everything."

He told the crowd: "Do you agree with me when I tell the world that it is totally untrue that those who argue the loudest for sanctions most want peace? I tell the world that black workers know that those who most argue for disinvestment are already committed to the politics of confrontation or are already committed to the politics of violence."

Spokesmen

He told the crowd the issue that confounded the whole black struggle for liberation was that black spokesmen who "represent nobody and who are answerable to nobody, posture as your saviours and speak on your behalf."

He mentioned Archbishop Desmond Tutu, Dr Allan Boesak, Rev Frank Chikane, SACC secretary general and Cosatu president, Mr Elijah Barayi

Companies

"They stomp the world speaking on your behalf calling on foreign companies to withdraw from South Africa."

Chief Buthelezi said blacks "would invariably be the first to feel the pinch" of economic measures against South Africa

"The Government which does not represent us, but which represents white interests, would immediately cut down on black services They would be stingy on funds for education facilities. They would be stingy on money for health facilities We would not have money set aside for black housing."

Chief Buthelezi said black unity was "desperately" needed in the country.

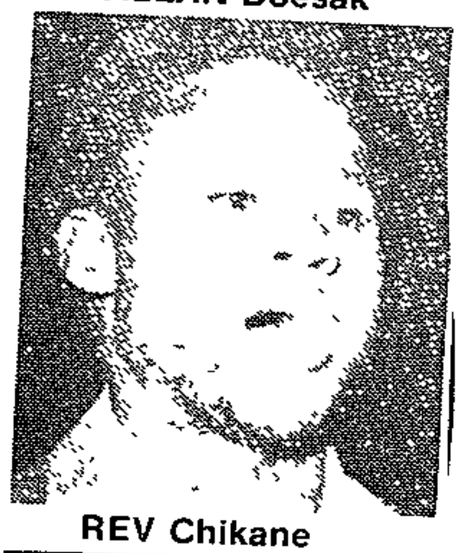
He said the South African Government was constitutionally on the run, but "most certainly not on the run from revolutionary attack."



ARCHBISHOP Tutu



ALLAN Boesak



REV Chikane



ELIJAH Barayi

New sanctions will be tough

THE American Chamber of Commerce has met government leaders, including President P W Botha, to impress on them the seriousness of new sanctions legislation being considered by the US House of Representatives.

Amcham president Ian Leach said South Africans tended to be complacent about sanctions, but government action which inflamed US public opinion could lead to the legislation being enacted in its current form.

Leach told a Press conference on Friday that Amcham members had met President Botha and five SA Cabinet ministers since a five-man Amcham delegation visited Washington last month to lobby US legislators against the imposition of further mandatory sanctions against SA.

Leach warned that any action by SA which further inflamed American public opinion could result in the new Bill, known as the Dellums Bill, being forced through. If the Bill was not dealt with before the US election, it could well be put before a Democratic President, who would not veto it.

DIANNA GAMES

The proposed Bill contains what would be the severest measures yet imposed by the US on SA. It includes the prohibition of all US investment, an almost total trade embargo and a provision mandating US action against countries and individual foreign companies which take commercial advantage of the Bill.

The US market was such that any company or country faced with the threat to its US operations due to its direct trade with SA would undoubtedly have no option but to sacrifice its SA trading relations, Leach said.

Leach said the recent restrictions placed on the Press and 17 local organisation had pushed the SA issue back to centre stage. There was also major concern about government's threat to curb foreign funding to local organisations, he said.

The chamber called on government, business and South Africans of all races to appreciate that the means of stopping further punitive measures lay in SA hands.

US agents check on SA comp-uters

Own Correspondent

JOHANNESBURG. — United States government agents are conducting a series of "punitive" inspections of major South African companies to ensure their computer equipment is not being used to enforce apartheid.

Up to 30 computer installations, including those of some of South Africa's biggest businesses, are being inspected on a random basis each month by officials attached to the commercial section of the US consulate.

They have warned company chiefs that future supplies of US high-tech equipment could be cut if such equipment was made available to bodies identified by the US government as "apartheid-enforcing entities".

Among the listed organizations are the police, SADF, Prisons Department, Armscor companies, the departments of Justice and Manpower — and the Regional Services Councils.

Some businessmen have reacted with anger to the checks.

The managing director of one of South Africa's biggest retail chains, who was recently visited, said: "I didn't know whether to throw the man out or hit him. It is economic warfare."

The chairman of Pick 'n Pay, Mr Raymond Ackerman, whose company has also been visited, described the US action as "total interference, disgusting and hypocritical".

The US agents are also making random inspections of computer installations at government departments and other official bodies, as well as computer suppliers and agents.

A US embassy official said the inspections were "punitive controls" intended to deny access of US technology to "identified apartheid-enforcing entities".

He said the intention was not to interfere with legitimate business activities.

In terms of US sanctions' legislation, certain categories of computer equipment can be exported to South Africa only after approval from Washington and the issuing of a special licence.

The licence specifies that the user cannot modify or reprogramme the software, or even move the equipment, without applying for a fresh export licence from the US government.

The official said deliberate infringement of these regulations would most certainly "jeopardize further supplies".

He said the system "almost polices itself" in that technical assistance from suppliers was usually required to reprogramme or move equipment. "The various companies supplying this equipment are aware of the regulations."

In fact, American computer companies now require South African customers to sign contracts agreeing not to sell equipment to the listed bodies before they will supply the companies.

Computer dealer Mrs Joan Joffe said: "We have to sign these regular contracts with our American suppliers. This is the condition of our supply."

The official said the checks were done either as a "pre-licence check" when an application for a new licence was received, or as a "post-shipment check".

He said: "We are asked to go and visit computer users to see if the equipment is still in place and is still doing what it is supposed to do."

Just how wide-ranging the measures are emerged from an example given by the official. "Not long ago Liberty Life upgraded its computer system and returned some of its original equipment to its supplier, who then sold it to Russell Furnishers.

"It was a perfectly legitimate business transaction — but a contravention of the regulations. But we did not take action as there was obviously no deliberate intention to evade the regulations."

PW warned: New US sanctions bill serious

Own Correspondent

JOHANNESBURG. — The American Chamber of Commerce had, in a recent private meeting with President P W Botha, impressed on him the seriousness of the situation facing South Africa if the new sanctions bill presently before the US House of Representatives became law.

The president of the chamber, Mr Ian Leach, said members had also met five cabinet ministers since a five-man team from the chamber visited Washington last month to lobby US legislators against the imposition of further sanctions.

The chamber, which warned of the gravity of the sanctions threat, said the enrichment of local business by some disinvestment so far had led to South Africans becoming apathetic about sanctions.

The proposed bill contains the severest measures ever imposed by the US on South Africa, including the prohibition of all US investment, an almost total trade embargo and a provision mandating US action against countries and individual foreign companies which took commercial advantage of the bill, the chamber said.

The US market was such that any company or country faced with the threat to its US operations because of its direct trade with South Africa would undoubtedly have no option but to sacrifice its South Africa trading relations, Mr Leach said.

He said the recent press restrictions and the restrictions placed on anti-apartheid organizations by the government had pushed the South African issue back to centre stage.

There was also major concern about the government's threat to curb foreign funding to local organizations.

Chief: World losing faith with peaceful change

MORE than 30 000 Inkatha members yesterday endorsed KwaZulu Chief Mangosuthu Buthelezi's stand against economic sanctions, rejecting the campaign for world economic isolation of South Africa by Archbishop Desmond Tutu and other church leaders.

At a rally held in Umlazi to focus on the issue, Inkatha rejected the call to Britain and Western Europe to implement sanctions by the delegation of South African church leaders now touring Europe.

Inkatha called on Archbishop Desmond Tutu and every other member of the clergy advocating sanctions to consult "the black masses in South Africa (who) reject disinvestment as a strategy which they wish to support" to ensure that their actions were not divisive.

Inkatha said Western governments should help blacks promote economic development to boost employment opportunities as disinvestment was a policy rejected by its main victims — the black majority in South Africa.

Addressing the rally, attended by Inkatha members bussed in from as far afield as the Northern Transvaal, Chief Buthelezi said the world was losing faith in peaceful change in South Africa because it saw the reform process as having ground to a halt.

Mauritius leaves OAU summit

1 267 West firms in SA

BRUSSELS. — About 1 267 companies from 20 Western countries continue to do business in South Africa, but 188 companies from seven countries have pulled out, according to a survey by the International Confederation of Free Trade Unions.

Britain led the field with 374 companies still operating in South Africa.

Confederation Secretary General Mr John Vanderveken said the report was "clear evidence of the trium[illegible]

ADDIS ABABA. — Mauritius stormed out of the final session of the Organization of African Unity (OAU) summit at the weekend, accusing the Pan-African body of hypocrisy for criticizing the Indian Ocean island's increasing trade with South Africa.

"These self-righteous, hypocritical accusations are an insult to Mauritius," said Mauritius' chief representative, Mr Satoam Boolall. "My government feels that it is being unfairly and unjustly singled out."

Comoros and Seychelles

Mr Boolall, head of Mauritius' foreign ministry's Indian Ocean and Africa division, said he was walking out of the meeting on the instruction of his prime minister, Mr Aneerood Jugnauth.

Conference sources said the Comoro Islands and Seychelles, two other Indian Ocean islands, also protested the summit's adoption of an OAU Liberation Committee report expressing concern at their growing trade with South Africa.

Only a few of the 30 heads of state and government who have attended the OAU's 25th anniversary celebrations and its 24th summit remained on Saturday in Addis Ababa, the organization's headquarters. Their turnout was the OAU's largest in a decade.

The OAU regularly issues calls for international comprehensive and mandatory sanctions against Pretoria.

OAU secretary-general Mr Ide Oumarou of Niger said the final resolution singled out for criticism those African nations that do not border South Africa and whose economic relationship with the South African government was "voluntary and deliberate".

"The OAU wants to put a stop to these," Mr Oumarou said.

Reduce their dependence

He said the organization was not being hypocritical in not citing the so-called frontline states "whose geographical proximity to South African and colonial heritages have economies that have been integrated into that of South Africa".

He said those nations were trying to reduce their economic dependence on Pretoria's transport network. — Sapa-AP



AFRICAN UNITY . . . President of the PLO Mr Yasser Arafat and ANC president Mr Oliver Tambo listen of the 25th OAU summit, which ended at the weekend.

B/Day 31/5/88

(280)

Callous, ignorant, charlatans out to wreck SA



□ BETHLEHEM . . . "It hurts to suffer rejection"

SIMON BARBER in Washington

RONNIE BETHLEHEM, the JCI economist, was through town the other day to discuss his projections of how sanctions may ultimately reduce South Africa to the economic, political and social glory that is Zambia.

He was wasting his breath, of course, but he made one remark that struck me as particularly poignant. He was disturbed, he said, by the dialectic that makes an opponent of sanctions a supporter of apartheid, adding: "It hurts to suffer rejection by those whose moral and political ideals we think we share."

Well, Ronnie, and all who feel similarly hurt, if you have tears, prepare to shed them now.

I think I can safely say that in the five years I have been covering the SA "debate" in Washington I have never seen a document quite so vicious as the House Foreign Affairs Committee's official interpretation of the sanctions legislation it endorsed by 31 votes to 14 last month.

The authors of the interpretation — chiefly Steve Weissman, staff director of the the House Africa Subcommittee — have created a tissue of dishonesty, cynicism and savage stupidity that is a match even for the grotesqueries of Jimmy "dit laat my koud" Kruger.

Their report lays out in detail what they — and, legally speaking, the 27 Democrats and four Republicans who voted for the Bill — mean by the Anti-Apartheid Amendments Act of 1988. It is numbing.

Let's begin with a small, easily overlooked, example. The legislation provides for a tightening of restrictions on US-SA nuclear commerce. The purpose, the report tells us, is "to eliminate the exception for nuclear assistance for humanitarian reasons to protect public health and safety".

Which means that, should there be an accident at Koeberg or should some fanatic succeed in breaching the reactor core at Pelindaba, and SA finds itself with a nuclear disaster on its hands, the US will be barred even from providing advice on how to get the radiation under control. It will let South Africans fry.

And do you know why? Because, to permit otherwise would be "inconsistent with comprehensive sanctions".

More inconsistent than continuing to permit imports of strategic minerals representing 80% of existing US imports from SA? More inconsistent than exempting agricultural products from the export ban to win farm support for the Bill? Evidently so.

Will these new sanctions end apartheid? Not immediately, says the report; indeed, not even soon. "Sanctions cannot constitute a 'quick fix'. Instead, they can constitute part of a medium-to-long-term approach designed to maximise both internal and external pressure on the apartheid regime."

They will be effective "in promoting, at the margin, non-violent fundamental change". At the margin? An attempt slowly to throttle the South African economy is indicated because it might help "at the margin"?

Oh yes, say the authors, and besides "as the British Eminent Person Group warned almost two years ago . . . this may be the last chance to avoid a tragic descent into all-out violence in South and Southern Africa".

How long does this "last chance" remain open? For the medium-to-long-term? Does one act only "on the margin" when ones believes the clock is at 30 seconds to midnight? Apparently.

Of course, the effects would not be so marginal if SA had not become "a country dedicated to sanctions-busting" Unfortunately, the wicked Boer will not play the game. He will not let his economy disintegrate when the US Congress tells him to.

Worse, Pretoria has actually been "encouraged" by the "relatively limited" Comprehensive Anti-Apartheid Act to believe that it can hold on to its monopoly of power indefinitely.

Whose fault was that, exactly? Pretoria's for prospering against orders, or Congress's for passing the utterly fatuous piece of legislation in the first place? And suppose, as will undoubtedly be the case, Pretoria survives the next round? Then what?

Well, then it will the fault of those all-purpose villains: foreigners. Little yellow men with slanty eyes and the evil hun, he who in the view of Archbishop Tutu is still at heart an SS concentration camp commandant.

"In the past year, Hong Kong's exports to SA have doubled; Japan's have increased by 18%, making it SA's number one trading partner; German banks have extended new credits to SA parastatals, and a number of foreign companies have made new investments in special 'decentralised' areas."

We will get these people, say the authors, because we are going to force the President to create a special State Department office to hunt them down and punish them by denying them access to American markets. Our legislation will serve as a "catalyst for new Western economic restrictions".

The polls suggesting that such restrictions do not enjoy universal acclaim among those they are supposed to liberate (if only "at the margin") are, naturally, a pack of lies concocted by the sinister John Kane-Berman and his ilk.

The legislation is supported by "the preponderance of those whom blacks have indicated they regard as representative political and economic leaders . . . the two major democratic trade union federations, Cosatu and Nactu, the UDF, Azapo, the ANC, the PAC, the SA Council of Churches, Archbishop Desmond Tutu and the Reverend Alan Boesak".

Others who have "recently" come out in favour of "comprehensive sanctions," say the authors, are the Presidents of Zambia and Mozambique and the Foreign Minister of Botswana.

The mention of the latter is extremely curious. On March 23, which I think we could call recently, Weissman's boss, Congressman Howard Wolpe, received a letter from Botswana's US Ambassador saying something rather different:

"Botswana's position on this issue has been clearly expressed and remains unchanged — namely, that Botswana is not in a position to impose economic sanctions against SA, but equally will not prevent other countries who may wish to do so."

Hardly a ringing endorsement of "comprehensive sanctions," especially as the letter went on to raise "life and death" concerns about the possibility of "well-intentioned but ill-judged and complex legislation . . . that could unintentionally destroy the diamond market".

How odd that this letter should not have been mentioned in the report. It would have been quite apposite at the section about how Congress would like to stop "the apartheid regime's profiting from exploitation of the US diamond market".

Such inconsistencies are relatively trifling. For cynicism on an altogether grander scale, consider the following two propositions contained in the report.

First, that the purpose of the Bill's total disinvestment clause is to "act as a depressant on South African business confidence and its own willingness to invest".

Second, that when US companies depart, as they must, they will be obliged to negotiate "the acquisition of the terminated businesses or the business assets by representative trade unions, union-sponsored worker's trusts, other representative workers organisations or (last and, in the authors' view, patently least) employees".

In other words, let's do our best to render the assets worthless and then, as a sort of booby prize, let the "victims of apartheid" have them. It is disgusting. It is patronising. It is racist.

Ronnie Bethlehem said he was pained to suffer rejection "by those whose moral and political ideals we think we share". He should be glad. He does not share the ideals of those who reject him. They have none. They are callous, ignorant, charlatans.

* Existing subscribers may renew their subscriptions at these rates

2 BUSINESS DAY, Tuesday, May 31 1988

Self-interest spurs sanctions — Rogoff

MICK COLLINS

PUNITIVE sanctions against SA are being spurred by blatant economic self-interest, says Assocom president Alec Rogoff.

"With the slowing down of the world economy, international business is increasingly confronted by a variety of barriers to international trade.

"Economic sanctions are another form of non-tariff barriers to international trade. Some countries have found it very convenient to use SA as a political excuse for what is really no more than a flagrant attempt to increase their world market share in certain products."

Coal and steel sanctions are two striking examples having little to do with alleged moral outrage against SA, Rogoff says.

On the political front, he says, SA should not try to satisfy the world agenda.

"SA must decide what is in its own interests. But neither should we confuse our friends with enemies, or take actions which make it impossible for our friends overseas to defend us."

It is important that the SA economy remain internationally competitive, Rogoff says, giving as an example the coal industry, which has been able to perform in the face of sanctions because its prices are lower.

"This puts the onus on SA to get its inflation rate down.

"As far as business strategy is concerned, the business community will have to continue to evade or neutralise sanctions with whatever techniques at its disposal."

There is also the need for self-discipline to prevent accidental disclosure to hostile elements of specific business strategies to combat sanctions and disinvestment.

Business leaders criticise American inspectors

Computer snoopers probe local firms

Star 31/5/88

280

By Esmaré van der Merwe

Continuing investigations by American computer inspectors, to ensure that American-bought computer systems in the hands of private companies are not resold to or used by "apartheid-enforcing entities" such as the SA Defence Force, have met with sharp criticism from business leaders.

At least one company is known to have refused to allow American officials on its premises.

But most South African companies and computer suppliers put up with the probes, conducted in terms of American anti-apartheid legislation, because "we would simply cut our own throats if we didn't", The Star was told.

These investigations by officials of the commerce section of the American Consulate in South Africa have been carried out for at least two years.

Mr Terry Sandy, marketing director of the American computer supplier Unysis, said: "I don't know where American government officials get the authority to walk into companies' doors to investigate."

Unysis was "very careful" not to distribute computer systems to institutions listed as "apartheid-enforcing entities" — among them the SA Police, Defence Force and the Department of Law and Order.

"If we fall short of the export licence regulations we would lose our opportunities as exporters," he said.

Mr Raymond Ackerman, chairman of retail giant Pick 'n Pay, yesterday lashed out at the "disgusting and hypocritical" anti-apartheid probes.

"It is nothing but total interference," he said.

He was told that American officials had conducted the first investigation into Pick 'n Pay's computer affairs last week. He had not been informed beforehand and "certainly would not have given them my blessing", Mr Ackerman said.

"I would like to head a delegation to America to investigate job advancement programmes and staff housing developments at American supermarket chains.

"We are far more advanced than they are. For example, 45 percent of Pick 'n Pay's managers are coloured or black," he said.

'Economic terrorism'

Professor Carl Noffke, director of the Rand Afrikaans University's Institute for American Studies, warned that the "economic terrorism" against South Africa would be tightened if new sanctions legislation, presently serving before the American Congress, were approved.

Mr Adrian Botha, executive director of the American Chamber of Commerce, said computer suppliers in South Africa were "fairly used" to these measures as they had been applied for years.

The American Embassy declined to comment.

The most vicious document to come from Washington

Sat Times 3/5/88 (280)



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heard

Have you heard the one about the black choir that made Cork pop?

Sunday Tribune 15/5/88

By JEREMY BROOKS
London

A 60-STRONG black choir from the Witwatersrand walked into a political storm this week on their arrival in Ireland to take part in a music festival.

The party, after being stranded for a day in London, was allowed to fly to the city of Cork once they reached a "compromise" with the Irish Anti-Apartheid Movement (AAM).

The decision was only made after 35 international calls between Luton Airport — where the party was stranded — Ireland and SA.

Pushing

The AAM, led by former SA lawyer Kader Asmal, received an assurance that choir leader and Daveyton Mayor Tom Mboya would immediately return to SA without speaking to the media.

Mr Asmal, a member of the ANC executive, is regarded as the "father" of the Irish AAM. He is also legal adviser to the African Amateur Athletics Federation which has been pushing to ban Zola Budd from the Seoul Olympic Games.

Five weeks ago, the AAM was involved in violent scenes outside the Dublin offices of the Irish Independent newspaper when two journalists were attacked and injured trying to break through a picket and enter the building.

Banned

The demonstration had been organised in protest at the newspaper's publication of an advertisement placed by the SA embassy attacking the ANC.

The newspaper has now been banned from Trinity College — where Mr Asmal is a don — along with the Irish Times which also carried the advertisement.

The AAM was also involved in a strike at a national supermarket chain over it selling SA fruit.

The political furore has delighted the festival organisers who last week said that



A TOUCH OF BLARNEY NEVER GOES AMISS ... Daveyton choir members Queen Motsepe, Sheila Dhlamini and Ida Seloane

Political row over SA singers is sweet music to the Irish

— far from disrupting the festival — they had received "unprecedented publicity" for their 800-year-old city and its annual choral festival.

A spokesman said: "After 35 years it's been increasingly difficult to get media coverage for the event.

"Now, suddenly everyone in Ireland knows that a choir from an SA township called Daveyton has arrived in Cork. It's great."

Angrily

And the choir has taken the city by storm. On their arrival at the airport, they stood on the stairs and launched into "Na-lapha Emzini", a traditional Zulu folksong. Business in the terminal building came to a halt.

The choir, some clad in miners' helmets, went to Blarney Castle on Thursday where they went through the ritual of kissing the Blarney Stone. People lean backwards or hang upside down

procedure said to enable a person to speak eloquently.

However, choir members were not willing to try out the "Blarney Touch". One exception was choir manager Freddy Mohube who spoke out angrily at Mr Mboya's absence.

He said: "We are disappointed he isn't with us. Each of us has his or her own personal life and politics has nothing to do with the choir."

The festival spokesman said they first heard of the AAM's objections two weeks ago.

"It was made apparent the festival would be subjected to pickets and demonstrations.

"There was a great deal of confusion. Because we wanted to avoid trouble for ourselves and the choir, we asked for information on their good standing with the UDF. After that they were invited to Cork."

The choir, which returns home on Tuesday, has been broken up into groups and is being housed in guest houses across Ireland's second city.

See Page 27