INDUSTRIAL AID SOCIETY*

Address:
P.O. Box 261119, Excom 2023

or
14 Chester House, 132 Jeppe Street, Johannesburg 2001

Phone:
(011) 836 4422/ 838 1850

Chairman:
Ellison Mohlabe

General Secretary:
Claire Thompson

Membership and Constituency:
At present 4 full-time employers and the volunteers working in the organisation constitute the membership.

Aims and Objectives:
We run a complaints service for workers in the Witwatersrand. We also help workers from other areas. We deal with complaints about wages, unemployment insurance, workmens' compensation, contracts, pensions, overtime, sickpay etc. We train people to deal with these complaints. We are available to train people from other organisations. We aim to give people working in our office background to the complaints e.g. unemployment, accidents and safety, migrant labour. We review complaints to detect and analyse trends e.g. UIF, the Workmen's Compensation Act, contract labour.

Facilities and Resources:
Developing training materials:
Other Resources: Industrial Council Agreements and wage determinations. Industrial laws; WCA Act; UIF Act Cheedle and Silver, Health and Safety in the work place.

Current Programmes:
Teaching skills in complaints; Seminars on the Workmen's Compensation Act and accidents; Project on unemployment insurance; Self-education.

SANCTIONS — 1988

JUNE

SA used as political excuse

Sanctions motive is 'self-interest'

Cape Times 11/6/88 (280)

By MICK COLLINS

JOHNNESBURG. — The motives for punitive sanctions against SA are being spurred by blatant economic self-interest, says Assocom president Alec Rogroff.

"With the slowing down of the the world economy, international business is increasingly confronted with 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, Rogroff 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.

"We must display finesse in our foreign policy even in the face of great provacation. SA must also show demonstrable progress on the political front, especially regarding the participation of blacks in the political system.

It is important that the South African economy remains internationally competitive, Rogroff says giving as an example the 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 and to remain competitive in world markets despite sanctions.

"As far as business strategy is concerned, the business community will have to continue to evade or neutralize sanctions with whatever techniques at its disposal.

"The use of unconventional trading methods and the development of alternative sources of supply will have to remain an important part of the survival kit of all those SA businessmen involved in the world economy."

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, he says, must assist in identifying the spheres in which further change will help to create the necessary economic and political flexibility that SA needs to meet the challenge of a changing world.

British Labour MP visits Soweto

Own Correspondent

JOHANNESBURG. — The British Labour MP for Brent South, Mr Paul Boateng, visited Soweto for the first time yesterday, partly fulfilling his 1987 election victory boast: "Brent South today, Soweto tomorrow!"

He said he would advocate stronger measures against South Africa when he reported back to the British Parliament and the World Council of Churches (WCC).

Mr Boateng is in South Africa as the vice-moderator of the WCC programme to combat racism, to attend the emergency convocation of South African churches.

The heavy security force presence at the convocation service at Soweto's Regina Mundi church yesterday did not surprise him, but he was impressed by the hope, inspiration and prophetic vision offered by the churches.

Asked whether his visit had affected his views on sanctions, Mr Boateng said: "It has reinforced my belief the world community is responsible for bringing all the pressure it can on the South Africa government to persuade it to abandon apartheid.

"Existing measures are inadequate."

But it was wrong to say the existing measures had had no impact.

He was encouraged by the South Africa church's position there was a non-violent way to bring home the reality of world opinion to the South Africa government which he condemned for being "shameless and obdurate to world opinion".

The SA government could not continue indefinitely to place a lid on change through the state of emergency and its security measures.

prices have not been set.

horns, carried him for several metres and tossed him into the air.

Picture: REUTERS

Mauritius denies trade links with SA

PORT LOUIS. — Mauritius has reacted angrily to charges that it maintains trade and other ties with South Africa.

"No agreement of any nature binds Mauritius to the South African regime," the island's Prime Minister, Mr Anerood Judnauth, said in a statement on Monday.

He called "absurd and hypocritical" a report by an Organization of African Unity committee that named Mauritius, Equatorial Guinea and the Seychelles as collaborating with Pretoria through trade and other ties.

The island's Foreign Minister, Mr Satcam Boolell, stormed out of the closing session of a OAU summit in Addis Ababa on Saturday when the conference ignored his request to delete the reference to Mauritius.

Mauritius allows South African Airways aircraft to land at Plaisance Airport en route to and from the Far East and South African companies have invested in hotels in the Indian Ocean state.

Like most countries of Southern Africa, including many of the frontline states, it buys large quantities of South African goods. — Sapa-Reuter

Guinea pigs for ship poison

GENOA, Italy. — Officials will use guinea pigs to determine if dangerous substances are leaking from drums of chemical wastes on the so-called "ship of poison", the port commissioner said yesterday.

More than 2 000 metric tons of unidentified

Fight for tour

Cape Times 2/6/88

Own Correspondent

LONDON. — French Rugby boss Mr Albert Ferrasse is to set up a summit meeting with SARB president Dr Danie Craven in Argentina in a bid to save the World XV tour of South Africa in August.

"I will be in Argentina at the end of this week and my respected friend Dr Craven says he will join me there for talks very soon after I arrive," said Mr Ferrasse, President of the French Rugby Federation (FFR)

He would not comment on whether or not representatives of the other full International Board countries would also attend the meeting, at the start of the French tour of South America.

French govt orders

But Mr Ferrasse said: "I believe it is important for international rugby to have a strong World XV in South Africa this year. I hope Dr Craven and I can set up something to make sure everything goes well."

He said reports in South Africa yesterday stating that the FFR had already been ordered by the new left-wing government in Paris to ban players from joining the World XV tour as a group representing France, were premature.

He gave the broadest hint yet that a plan would be discussed to beat government bans on the World XV tour, scheduled to start in August and including two test matches, by sending players to South Africa as "individuals".

He revealed that a number of top French players would be arriving in South Africa soon for a stay lasting "one or two months".

He refused to name the French players but said they would play for well known clubs.

"Nobody can stop them going there as individuals. And if it so happens that there are individual players there from other countries at the same time, then I will be very happy."

Speaking from Stellenbosch last night, Dr Craven said if going to Argentina would help the tour, he would go.

"However, the Argentine government has already once refused me a visa and they might not allow me there again."

Mr Ferrasse's suggestion that plans are advanced for a fullhouse of individuals from the major board countries to be conveniently placed in South Africa in August, has been circulating in Britain in recent days as well.

A spokesman for the Welsh union, which was the first to reject the SARB request to handle invitations to five Welsh players, admitted "It would be legally very difficult, and perhaps impossible, to stop individual players going to South Africa."

England has already confirmed that it would not oppose flank Peter Winterbottom playing for the World XV. There are unconfirmed claims that other "individual" England players will arrive in July.

8 changes to WP team — BACK PAGE



Barend's new tax shock

Cape Times 2/6/88

Political Staff

THE government is to clamp down on tax avoidance schemes with a revision of the Income Tax Act, the Finance Minister, Mr Barend du Plessis, said yesterday.

The changes will be retrospective to March 1 and have been spurred by increasing evidence of large-scale tax avoidance schemes.

A special team of assessors under the Commissioner for Inland Revenue will be set up to investigate the schemes, Mr Du Plessis said in a statement.

Wherever it was considered possible to challenge the schemes under existing legislation, this would be done at the earliest possible date.

Mr Du Plessis said that to place the matter beyond all possible doubt it had been decided to amend the Income Tax Act to place a limit on any deduction which a taxpayer may claim should such a scheme fail.

The schemes have in general been structured to ensure no liability rests on the partner should a particular scheme fail.

Mr Du Plessis said another planned change to the act would eliminate problems in valuing farm livestock for tax purposes.

US sanctions Bill casts cloud on SA mining sector

KAY TURVEY

ACTIVITY in mining shares has been damped by proposed US sanctions measures, which could force the sale of more than R14bn US-held mining shares.

Brokers said the Dellums Bill currently before the House of Representatives had thrown a cloud over mining shares, causing hesitancy among investors.

The proposed Bill, if enacted, could create havoc on the JSE, causing the offloading of some R10bn American-held stocks in SA gold mines and precipitating a plunge in the financial rand.

Davis Borkum Hare research released yesterday revealed US and American Depository Receipt holders retained 14,2% of SA mining shares market capitalisation, totalling R14,27bn (at end-1987 financial rand rate).

This was despite the process of "creeping foreign disengagement" from ownership of SA mining shares, which has seen foreign holdings of mining shares decline progressively from 33,7% in 1982 to 23,8% in 1987, the report said.

Report in detail — Page 6

Brokers said the impending Bill had not affected trading and Americans remained net buyers of SA stocks, although there was a holding back on gold shares. The Bill had given rise to fears, particularly surrounding shares which had major US holdings, such as De Beers, Vaal Reefs, Driefontein and Kloof.

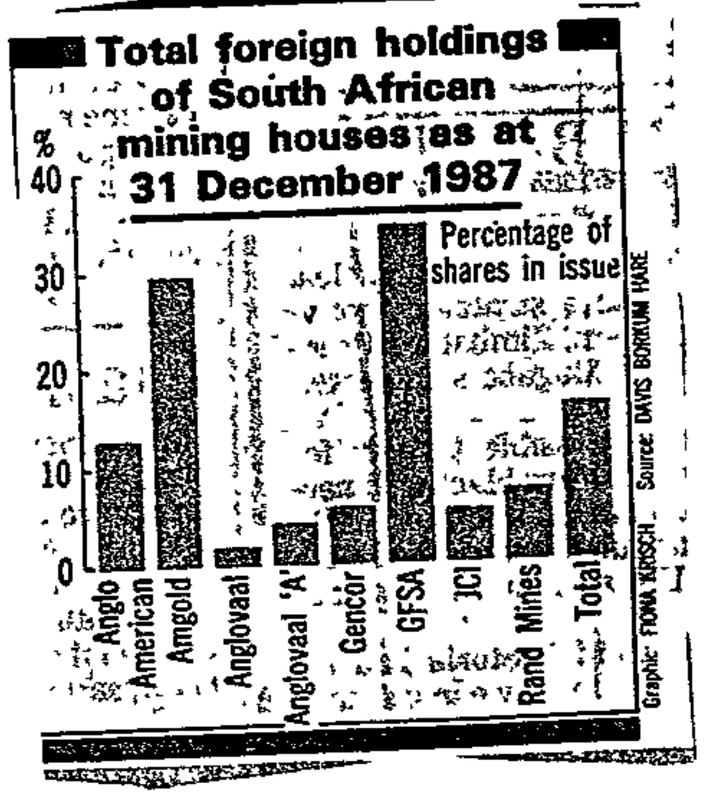
Other brokers said the probable effects could be reduced through the transfer of these American holdings to Europe or Japan.

The report said: "Cautious investors wishing to avoid the disruptive influence of potential further foreign disengagement from SA mining equities might be attracted to mining shares with minimal foreign ownership."

These would include shares such as Northam, which has a 0,4% US holding, Joel "B" options with a 1% US holding and Anglovaal with a 0,9% US stake.

Brokers said if the Bill was enacted in its present form it could knock the JSE sharply and result in the "fire sale" of some R25bn locally held US shares.

Max Pollack & Freemantle's John Rayner said it was unlikely the market could absorb such a sell-off, as total institutional cash flow in SA amounted to about R23bn in 1988.



Activists secretly slate disinvestment — official

'Blacks say they oppose sanctions'

Star 3/6/88

280

WASHINGTON — Black South African anti-apartheid activists are telling the United States government behind closed doors that they have strong misgivings about disinvestment, according to a senior US official.

This was disclosed at a congressional hearing yesterday on the new sanctions Bill which is to go to the vote in the US House of Representatives later this month.

The official, Mr Charles Freeman, deputy to the Assistant Secretary of State, Dr Chester Crocker, warned congressmen they could expect strong protests from foreign countries which would be pressurised by the Bill into imposing anti-SA sanctions. It would create international divisions.

He said that while all black South Africans wanted the United States to speak out against apartheid, there was little evidence that the majority of blacks wanted US firms to withdraw.

"Indeed, many black activists have privately expressed to us strong misgivings about the pull-out of foreign firms," Mr Freeman said.

In written testimony to the Committee on Banking and Finance, Mr Freeman said that the Reagan administration was "unalterably opposed" to further punitive economic sanctions against South Africa,especially the extreme measures in the new legislation, known as the Dellums Bill after its chief author, Congressman Ron Dellums of California.

"A badly deteriorating economy, which must also support the 80 percent of the population oppressed by apartheid, is much more likely to spiral downward to unrestrained violence and tragic entrenchment of racial divisions."

Political experts in Washington believe that the warnings by Mr Freeman and other administration officials will have little influence on the House of Representatives. However, they feel there is sufficient opposition in the Senate to make a presidential veto a possibility.

Mr Freeman said the facts showed that economic pain reduced the willingness of white South Africans to meet black demands.

"Apartheid and racism do not rest on efficiency or on concepts of economic rationality," he said.

Mr Freeman said it was ironic that US policy should work to reduce even further the minute fraction of South Africa's physical capacity and share equity controlled by blacks.

"Sanctions have led to increased concentration of political and economic power in white hands."

Mr Freeman said the US had already received "indications" that there would be strong protests from foreign countries which would be subject to pressure under the Dellums Bill to apply sanctions against South Africa.

Further bid for release of Nation editor

Star 3/6/88

By Jo-Anne Collinge

329

Attorneys for detained Johannesburg editor Mr Zwelakhe Sisulu are to go the Appeal Division in their legal battle to have the courts order his release from detention.

Mr Sisulu, editor of the New Nation, has been detained for 18 months.

He is being held in terms of the emergency regulations and has not been been charged with any offence. The Minister of Law and Order has given his involvement in

Vlok challenges Coleman to name detainees

Star 3/6/88

By David Braun, Political Correspondent

CAPE TOWN — Law and Order Minister Mr Adriaan Vlok has challenged Dr Max Coleman of the Detainees Parents Support Committee to prove claims that the State was holding up to 250 children aged up to 17 and that a "whole string of 15-year-olds" were in detention.

Mr Vlok was reacting [illegible] statement last night that not a single child younger than 16 was being held in terms of emergency regulations and less than 100 aged 16 and 17 were being detained, was untrue.

Mr Vlok said in last night's statement he stook the strongest exception to Dr Coleman's public statement.

Mr Vlok said: "The Commissioner of the SA Police has informed me that the particular 14-year-old Dr Coleman re-

Uwusa members say 'no' to SA sanctions

Thousands of members of the United Workers' Union of South Africa (Uwusa) yesterday rejected sanctions and disinvestment against the country at the trade union federation's second anniversary at Secunda in the Eastern Transvaal.

Uwusa was formed in 1986 by Chief Mangosuthu Buthelezi, Chief Minister of kwaZulu and president of Inkatha.

The president of Uwusa, Mr Simon Magagula, said Cosatu (Congress of South African Trade Unions) and people such as Archbishop Desmond Tutu of Cape Town, wanted workers in the country to act irresponsibly so that they would lose their jobs and incomes.

Mr Magagula said sanctions would lead to immense black suffering. — Sapa.

Speak out, says Amcham

THE American Chamber of Commerce in South Africa has called on the South African business community and the government to take action to stop further sanctions and has criticised the complacency of many South Africans about further sanctions and disinvestment.

Amcham senior vice president Morris Allen said this week there was a perception in the US that business in South Africa had abdicated from the political arena in the last two years and had become less vocal on the reform issue. Business had to demonstrate its stance in a more vigorous way, he said.

Amcham last month sent a five-member delegation to Washington to lobby against sanctions legislation now before the US House of Representatives and the Senate. The delegation met about 140 members of congress, including leading members of the Senate Foreign Relations Committee, and staff of the US State Department.

Since the delegation's return, Amcham office bearers have met State President PW Botha and "four or five cabinet ministers" in an attempt to convey the seriousness of the threat of further sanctions.

WEEKLY MAIL REPORTER

Amcham's analysis of the situation in Washington is that there was little interest in the South Africa/sanctions issue by the end of last year but events this year have "put the pot on the boil again", according to director Adrian Botha. These include increased press restrictions, threats to curb foreign funding of South African organisations, and, most importantly, the effective banning of 17 organisations and restrictions placed on the Congress of South African Trade Unions in February.

The Amcham lobbyists found there was a bi-partisan (Democrat and Republican) mood in favour of the US doing something to force a resolution of the South African situation, but there are many "swingers" of both parties who still oppose sanctions. Anything "negative" in South Africa over the next few months would, in Amcham's view, speed up the passage of the Bills. And if a Democratic president is elected in November, strong sanctions measures will result, whether or not the current Bill is passed.

The Bill would prohibit all US investment in South Africa and impose an almost total trade embargo, and mandates US action against countries and individual foreign companies which take commercial advantage of the Bill. American companies would have to disinvest, closing down operations and taking their products and technology with them. Amcham representatives stressed the Bill would affect non-American companies' corporate presence in South Africa as well as that of American companies. "When you look at the size of the South African market for any multinational, if it stands to lose its American market, there's just no contest," Allen said.

Amcham believes the sanctions measures can still be averted. "Instead of looking outside the country for the reasons for sanctions and blaming the world for the problems of South Africa we must proceed on a course of real reform," the organisation said in a statement.

2280 B/day 3/6/88

Threat to peace chances, says Africa expert

Democrat warns on sanctions

SIMON BARBER

WASHINGTON — New sanctions could cripple the next president's ability to conduct a coherent SA policy and may undercut the near-term chances for regional peace, warns an Africa specialist to whom Democrat candidate Michael Dukakis would very likely turn if elected.

Writing in the forthcoming issue of Foreign Affairs — the journal that brought Chester Crocker to president-elect Ronald Reagan's attention eight years ago — Michael Clough argues that "in the final months of the Reagan era it makes no sense to force a replay of the battles surrounding passage of the Anti-Apartheid Act in 1986".

"Black empowerment" — including "increased financial support . . . to independent organisations working in SA on community development, health projects, legal assistance clinics and black education" — should be the key objective of any new administration.

Objections raised by sanctions advocates that such efforts indirectly bolster Pretoria are "far off the mark".

"As strategists for Solidarity in Poland . . . have long recognised, effort to reduce dependence on the state and encourage the emergence of a self-sufficient society are an important means of diminishing the power and authority of a repressive regime".

Quixotic

Clough, who acted as study director for the Secretary of State's Advisory Committee on SA which endorsed sanctions, insists that setting deadlines or "launching grand initiatives" to promote negotiations would be "quixotic" now.

"It is unlikely that (a negotiated settlement) will occur before the end of the next president's first term in office. Establishing this as a goal to be achieved by that date would, therefore, almost certainly ensure its failure from the start.

"Moreover, by focusing on negotiations to end apartheid, policymakers may forfeit an opportuniy to pursue other, more attainable objectives and, paradoxically, delay rather than hasten achievement of that ultimate objective."

Instead, the US should seek to "reinforce the internal pressures for change" through a strategy that helps strengthen black institutions and organisations and enables them, if necessary, "to wage a serious revolutionary struggle in the event that white authorities continue to block all channels for peaceful change".

"It is the nature and pace of black empowerment . . . that is the most critical determinant of the prospects for genuine negotiations.

"Until there is a decisive shift in the balance of power in SA, there is little prospect that whites will agree to negotiate. Black empowerment is precisely the process of shifting that balance."

Clough urges Democrats to support the administration's current Angolan peace initiatives.

Alloys created atom by atom

STEPHAN WELZ & CO.

In Association With

The case for producing a platinum coin

Finance Staff

The international investment market for platinum is set to receive a fillip in coming months in the wake of the pending introduction of legal tender platinum coins by both Australia and Russia.

The Australians for a start anticipate that roughly 100 000 ounces of platinum a year will be absorbed by the new coin. This once again raises the issue whether South African should introduce its own platinum coin.

At the present time only one country, namely the tiny Isle of Man, is marketing a platinum coin which has legal tender status. This is called the Noble. Yet since platinum production is concentrated in South Africa this has made the Republic the most obvious candidate in the past to market a platinum coin.

Political events

The case for South Africa to adopt such a course of action has been considerably weakened by political events in recent year.

Antagonism towards South Africa is such that the scope for marketing a South African platinum coin in overseas markets would be severely restricted.

The launching of such a coin at this stage could also jeopardise the coin ventures of Australia and Russia. It could be counterproductive to the development of other legal tender platinum coins.

Even so, this still leaves open the question of developing a South African legal tender platinum coin for sale primarily, if not exclusively, in the local markets. This is an option which raises numerous issues.

It can be argued that any decision to monetise platinum in South Africa would set a precedent, and could lead to pressure being exerted on the government to recognise legal tender coins based on other metals.

Even the idea of platinum being used as a coin in general circulation and employed, if necessary, to pay for goods and services, is not readily accepted.

In addition, the Reserve Bank has been reluctant to agree to the launching of a platinum coin because this would commit the Bank to buy the coins at market price. The central bank has not been keen to hold platinum as part of its reserves.

The metal is not a traditional international reserve asset, and it is not as usable in the international monetary system as gold.

These arguments are not particularly convincing. For instance, silver like platinum does not possess the same status as gold as a reserve asset, but this has not prevented important silver producing countries such as Mexico and Peru keeping part of their foreign reserves in the form of silver.

Moreover, opposition to platinum coins with legal tender status on the grounds that they are not suitable as a medium of exchange would appear to be a pedantic argument.

In reality legal tender gold coins such as the Krugerrand are not employed for everyday transactions, and the same would apply to platinum coins which are classified as legal tender coins.

There are indeed several powerful arguments to support the introduction of a legal tender platinum coin in South Africa.

Excess production

Firstly, platinum medallions have been available in the Republic for a number of years, but the premiums over the international platinum prices are substantial. A legal tender platinum coin sold at a modest premium would have much greater investment and numismatic value.

Secondly, although disputed there is a danger that by the early 1990s the global market for platinum will be characterised by excess production in view of the increases which are planned by South African producers.

By that time around 30 tons of additional platinum could be going on to the market. A major slump in the price could eventuate unless new sources of demand emerge. One such source could be sales of platinum coins in South Africa.

At the present time only 300 000 new Krugerrands can be legally sold in South Africa each year. This represents a mere 0,5 percent of world gold sales, and has no influence on the gold price.

On the other hand, a similar number of platinum coins sold locally could significantly underpin the much smaller platinum market. Such sales would amount to roughly 10 tons which compares with annual global production of platinum of around 90 tons, of which South Africa produces roughly 80 tons.

Thirdly, the diversion of some platinum output to the local market for coinage would bolster the platinum market in a similar manner to the withholding of South African platinum supplies from world markets as retaliation for economic sanctions on this country.

Such diversions of platinum, however, would not entail the serious disadvantages which platinum sanctions would bring to the fore in the form of frantic attempts by overseas platinum buyers to find new sourcf supply independent of South Africa.

R25-billion gift from US?

SATURDAY JUNE 4 1988

USA

by DEREK TOMMEY

ARE American investors soon to be forced to make a virtual gift to South Africa of some R25-billion worth of shares — or are we in for a non-event?

This is the topic that is dominating conversation in investment circles in this country.

It follows the introduction in the US House of Representatives of the Dellums Bill, calling for more sanctions against South Africa.

Rock-bottom

The bill proposes, among other things, that within 180 days of it becoming law American investors must sell all their South African shares — or face fines of up to R1-million.

At current market prices American holdings of South African shares are valued at around R25-billion.

Were this proposal to become law, say market sources, it could offer South African investors a wonderful opportunity to buy them at rock-bottom prices.

European investors are likely to be in the market for some of these shares. But in view of the huge amount coming on to the market South Africa would have to be the major buyer.

So the price of these shares would be determined by what South Africans were prepared to pay.

And as South African stockbrokers sources are small compared to — who have reason to be conwhat would be on offer, this cerned about the Bill's passage price would be very low. and are following it closely —

Under these conditions the say there are doubts about transactions could turn almost whether the Dellums Bill will into a free gift, a broker com- get through the Senate in its mented. present form.

Could take years

They also believe that if it were to go through unchanged, overall support would be small and it would probably be vetoed by President Reagan.

But even if the bill became law there were doubts about whether it would be put into operation.

Some large investors, including Mobil Oil, have said that were it to get presidential approval they would challenge its legality.

Small support

They were prepared to take the matter right up to the Supreme Court, which could take

But South Africans should not get too excited at the prospect of getting something for almost nothing, because it probably will not happen.

(See Page 3)

Tee Agreement, which expires

R25-billion 'gift' from US?

(From Page 1)

So the fate of the Bill and its proposals are uncertain.

In the meantime this uncertainty is keeping investment interest away from the gold board — and to a lesser extent from other sectors of the stock exchange as well.

John Spira writes from Johannesburg the stockbroking firm Davis Borkum Hare estimates that although foreign ownership of South African gold mining shares has declined in recent years — from 42 percent in 1979 to 25,8 percent in 1987 — remaining holdings are sufficient to create widespread disruption to the JSE should the bill become law.

The report shows US ownership of South African mining shares represents 14,17 percent of the shares in issue. The figure for the UK is 7,64 percent, with 2,01 percent held by other European investors.

The firm comments: "It seems clear that not only the prospects for gold and the mining industry, but also foreign perspectives of the political, labour, social unrest and economic situation in South Africa will play a major role in formulating non-resident investor attitudes to South African mining shares."

It adds. "The fact that foreign investors still hold 24 percent of the total issued share capital of South African mining shares and 26 percent of gold shares indicates that many foreign investors remain optimistic about the prospects for South Africa's mining industry."

The report nevertheless warns that further enforced reductions in foreign holdings of South African mining shares cannot be precluded — whether or not the Dellums Bill goes through in its present form.

It highlights the probable effects of total US disinvestment:

- A one-off disruption to the price of South African mining shares as the US "minority stake" in the industry is absorbed at bargain prices.
- The shares involved are already-issued share capital, so there would be no direct impact on the South African mining industry.
- The financial rand mechanism enables non-residents to disinvest publicly without any net foreign capital outflow. Accordingly, there would be no shocks to the South African capital account or the foreign currency reserves.
- Any negative employment effects which might arise would probably impact mainly on blacks.

'Breathtaking year' for Fintech

Sjer 4/6/88

280

ANN CROTTY

The radical changes undertaken by the Fintech group during financial 1988 are highlighted in the group's annual report which shows capital employed up from R8 million at the end of financial 1987 to R67,8 million at end financial 1988.

The bulk of the capital employed is represented by working capital which was up from R6,3 million to R48,5 million Fixed assets also saw a massive hike, from a mere R225 000 to R17,7 million.

A break-down of the current assets shows stocks up from R2,1 million to R86,5 million and debtors surging from R3,1 million to R79,8 million The largest items on the liabilities side included short-term loans which were up from R1,2 million to R35,3 million and, creditors and provisions which soared from R1,5 million to R74,7 million.

The massive build up of the balance sheet underpinned the surge in operating performance as shown in the income statement. Turnover soared from R3,6 million to R256,5 million and attributable earnings were up from R1,7 million to R12,9 million.

In his chief executive's review, Marius Furst, refers to financial 1988 as "a breathtakingly exciting year in South Africa's information technology industry."

"It was a year marked by widespread rationalisation as a result of large scale acquisitions and mergers, continued disinvestment from the Republic and a profound slide in the electronics sector on the JSE.

" Sanctions continued to loom over the industry while most disinvestments resulted in foreign interests being bought by local companies at good prices."

Although the local industry is in a healthy state, Mr Furst notes that profits are under pressure because of a wide range of low-cost products from South East Asia.

An additional problem facing the industry is the continuing shortage of highly skilled manpower Fintech management believes that people are its most valuable resource and that their development is a major priority. "The group's training schemes are dentralised at its various subsidiaries and are aimed at improving employee performance while developing individual potential."

New US move on sanctions

280
Cape Times
4/6/88

WASHINGTON. — The US House of Representatives' Banking Committee voted 34-14 on Thursday to approve a bill imposing sweeping new sanctions against South Africa.

The House Foreign Affairs Committee approved the same bill a month ago on a similar, largely party line, vote. Four other committees must consider the parts of the measure before it goes to the full House.

The measure, which is strongly opposed by the Reagan administration, would virtually end US-SA trade and require US businesses to pull out of South Africa.

Before completing action on the bill the Banking Committee voted 27-24 to adopt a Republican-sponsored amendment that would strengthen the ban on imports from South Africa to include goods containing any component or part of South African origin.

Republican Bill McCollum of Florida said the amendment would close a loophole by ensuring foreign firms did not take advantage of American firms that were barred from importing needed materials from South Africa.

Opponents said the amendment was an effort to make the bill unworkable. Aides said it was certain to be eliminated when various versions of the bill are reconciled before being sent for House action.

In statements opposing the bill earlier, Reagan administration officials said it would do little to end apartheid but could cause substantial losses to US banks and investors.

● US lawmakers seeking new anti-apartheid measures have turned their sights on South Africa's booming game hunting business.

The South Africans, who kill game to help wildlife survive, say that a proposed ban on importing animal trophies from South Africa could badly harm conservation.

Americans form a large part of a growing number of tourists flocking to South Africa solely for trophy hunting on hundreds of private game ranches which have mushroomed across the country.

On the face of it, conservation through hunting seems paradoxical: Attract foreigners to kill game to assure its survival.

But the idea is simple — surplus game has to be culled to avoid overcrowding and the R53 million brought in by foreign trophy hunters annually helps finance conservation projects and induce commercial breeding by game ranchers. — Sapa-Reuter

It will be a holocaust

Buthelezi condemns plans for large-scale sanctions

By S'BU MNGADI

US SENATOR Edward Kennedy wanted to gain political mileage from his support for further sanctions against South Africa, KwaZulu Chief Minister Chief Mangosuthu Buthelezi said at the weekend.

Addressing a 25 000-strong rally at Umlazi's Glebelands Stadium, Buthelezi said it was tragic that Kennedy wanted to make political mileage at the expense of black South African workers

The rally – which focused on the issue of economic sanctions – was timed to co-incide with sweeping new proposed US sanctions legislation – the Anti-Apartheid Act Amendment Bill of 1988.

"All that matters to him is that it is a political gain for him," Buthelezi said

When it came to black SA spokesmen calling for disinvestment against the wishes of the black workers of SA, it was another matter, Buthelezi said

At one point during the rally, which was well attended by the foreign media, Buthelezi asked the crowd – with reference to Anglican Archbishop Desmond Tutu and Rev Allan Boesak:

"My brothers and sisters, do they speak on your behalf? Do they represent you when they speak? Please tell the whole world what the answers to these questions are"

The crowd roared in response, "Yes!"

Realising the confusion his address in English had created among his predominantly rural audience, Buthelezi paraphrased his question, and received a loud "no" from his audience.

Earlier this week, Buthelezi addressed a group of leading US industrialists, when he indicated that he had changed from his earlier campaign against sanctions He told the businessmen that only large-scale sanctions by united international action could bring South Afria to its knees.

He said, however, it was unthinkable that sane people – who knew the facts of South Africa's mass poverty – could support actions which would succeed only if mounted on a scale large enough to destroy the country's potential growth.

"To make white SA really feel the bite of sanctions, the scale at which they are mounted would have to be devastatingly large," he said

At the weekend rally he told supporters such large-scale sanctions could create a holocaust in SA because violence would erupt on a scale that would destroy everything The rally was the second mass anti-disinvestment rally Buthelezi had addressed since the 1986 launch of the United Workers' Union of SA

He assured his followers apartheid could not survive for ever

"Black South Africans will not let it survive."

He pleaded "We have to force apartheid to retreat in every walk of life. The black struggle for liberation has been going on since 1912 and no year has passed, no month passed, no week passed, no day passed, in which black opposition to apartheid was not pushing forward relentlessly.

"My brothers and sisters, you and I know that apartheid is doomed. However much we are suffering now, we know our suffering will end. It will end because we resist oppression.

"You as workers are involved in the black struggle for liberation every day of your lives As workers you have already won vitally important battles against apartheid.

"The one overall battle you have won, which will ensure final victory, is your battle as the black worker to have the right to be employed where you want and to be employed in the job of your choice

"Apartheid tried to keep black workers out of skilled jobs. Black workers triumphed over apartheid and learnt skills, whether the law said they could or not.

"Black workers kept penetrating into parts of South Africa whites call their own.

"Whites tried to keep you out of the cities. For decades hundreds upon hundreds of thousands of black South Africans were arrested under pass laws and influx control regulations. Those arrested showed workers would not be intimidated and continued to march on the cities of South Africa because they were right to be there and they kept claiming this right whatever apartheid said.

"I tell the world the battles we have thus far won are now forever. I tell the world there is now a total white reliance on blacks in the economic sphere.

"This gives blacks bargaining power. It particularly gives workers bargaining power.

"The granting of trade union rights to black workers was not something the white South African government granted because it felt sorry for workers and wanted to help them.

"It was black worker resistance to oppression and the sacrifices black workers had made as they claimed their right to work in the cities.

"Trade union rights had to be granted because black workers had already become powerful and employers need to negotiate with black power.

"Am I right in rejecting disinvestment on your behalf?

"Am I right in telling the world that those who call for disinvestment do not call for it because they want to avoid violence? They call for it because they are violent. Do you agree with me? Tell the world what you think."

He lashed out at Catholic Archbishop Dennis Hurley, Archbishop Tutu, Rev Boesak, Frank Chikane and Cosatu's Elijah Barayi, whom he said told the world on behalf of the masses to withdraw from South Africa.



Chief Buthelezi ... apartheid is doomed.

Old Buck salutes the Winners.

M5130 080

Sanctions group aims to ban SA gold sales

LONDON — Anti-apartheid activists are to launch a new organisation which aims to block sales of SA gold on world markets.

The organisation — the World Gold Commission — will be headed by Peter Robbins, a metals trader, and Ian Lepper, who recently published a controversial book on the Oppenheimer family.

The two recently published a paper claiming SA gold could be embargoed

Bday

6/6/88

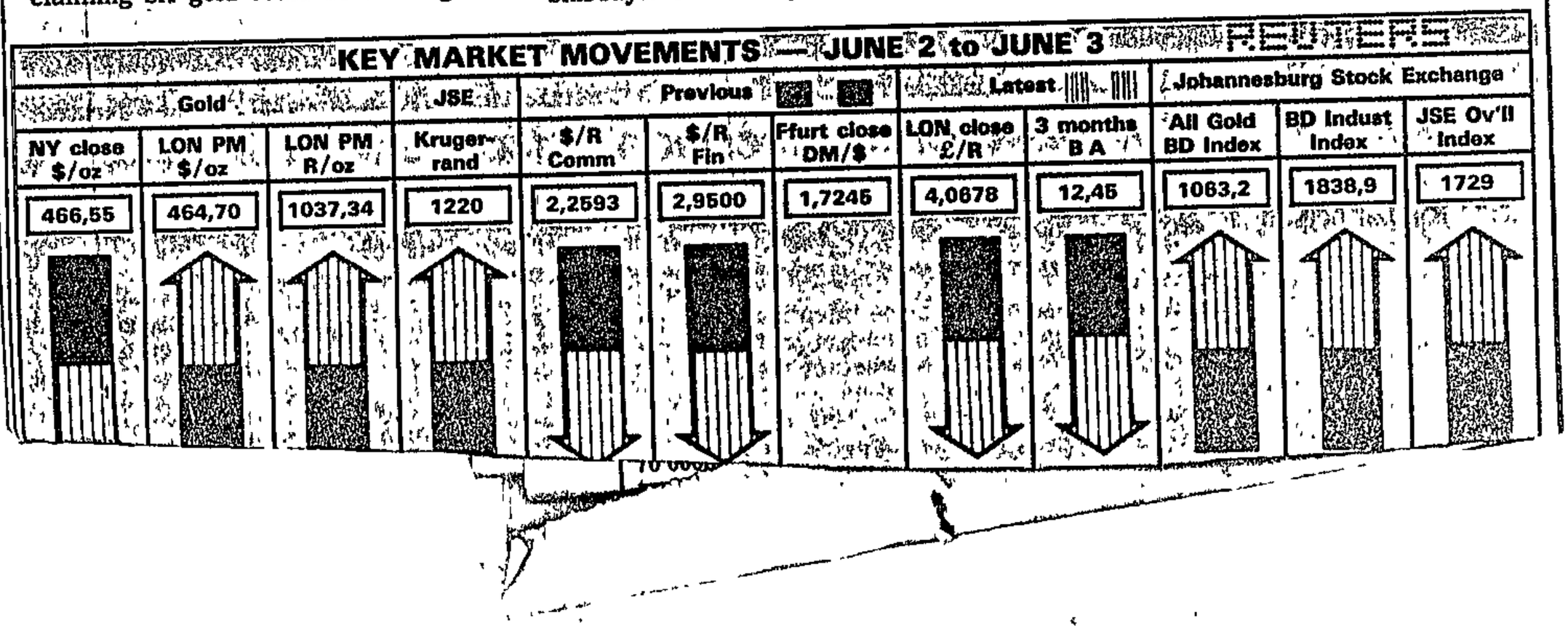
MIKE ROBERTSON 280

without damaging the gold market. Their strategy envisages countries selling gold from reserves to compensate for the SA gold prevented from getting on to the market.

"The aim of the commission will be to prevent gold mined in SA from being sold on the international market," Robbins says. "No country's economy will be damaged by banning SA gold imports."

The commission says that although SA sells about 600 tons of gold a year, the world's governments have 35 000 tons "lying idle in stock".

In a release to announce the launch of the commission, the organisers say they have been working with legislators in the US to frame the wording of laws that will ban the importing of gold from SA as well as any item made with SA gold.



Bid to block SA gold

Cape Times 6/6/88 280

Own Correspondent

LONDON. — Anti-apartheid activists here are to launch a new organization this week which aims to block sales of South African gold on world markets.

The organization, to be known as the World Gold Commission, will be headed by Mr Peter Robbins, a metals' trader, and Mr Ian Lepper, who published a controversial book on the Oppenheimer family.

The two recently published a paper in which they claimed South African gold could be embargoed without damaging the gold market Their strategy envisages countries selling gold from reserves to compensate for the South African gold that is prevented from getting on to the market.

"Gold is the last and greatest part of the South African economy to be effectively challenged by sanctions. The aim of the commission will be to prevent gold mined in South Africa from being sold on the international market," Mr Robbins said. "No country's economy will be damaged by banning South African gold imports."

The commission said that although South Africa sold about 600 tons of gold a year, the world's governments had 35 000 tons "lying idle in stock".

In a release to announce the launch of the commission, the organizers said they had been working with legislators in the United States to frame the wording of laws that would ban the importing of gold from South Africa as well as any item made with South African gold.

"A model bill has been drafted which will be submitted by the powerful pro-sanctions lobby," according to a statement from the commission.

The commission said also that it has begun working with Italian trades unions to pressurize jewellers in that country to find alternative sources to South Africa for their supply of gold.

It said also that it would "reveal a leaked list of the members of an organization called the World Gold Council which promotes the buying of gold all over the world. The list shows that this secretive body, with an annual budget of $50 million (about R100m), is effectively controlled by South African mining interests."

The gold council, the commission contends, is an "internationalized" version of Intergold. "Nine of the 39 members are part of South African mining groups and 18 are owned by just six companies."

'R30bn will be lost in foreign reserves'

DURBAN. — The net loss of foreign reserves as a result of sanctions and disinvestment will total some R30bn by 1990, Trust Bank MD Chris van Wyk said yesterday.

Speaking at the annual conference of the SA Institute of Chartered Accountants, Van Wyk said the cumulative net capital outflow of R20bn in the form of disinvestment and debt repayments which had occurred since mid-1984 would probably rise further to R25bn by 1990.

"Add to this an estimated cumulative export loss of R10bn, subtract a saving of about R5bn in interest and dividend payments, and the total net cumulative loss of foreign reserves due to sanctions and disinvestment will amount to some R30bn by 1990.

"Apply the relevant multipliers to this huge loss of foreign exchange and one arrives at a substantial cumulative loss of productive economic activity by 1990.

"This implies that by then the average South African could be as much as one-third poorer than he or she would otherwise have been.

"Constraints imposed by the balance of payments apparently limit SA's annual real economic growth rate to at best the population growth rate — too low to create net new employment.

"Consequently, SA apparently has to accept recurring annual increases of 200 000 in total unemployment — an additional one million jobless every five years.

"That is the stark, sombre reality confronting us."

Van Wyk said a new strategy, headed by a team of the State President and the private sector, was needed to break the economic log-jam and the dire potential of higher inflation and unemployment.

He outlined a six-point programme that would create work and increase output in many areas as well as solving some of the problems facing SA.

- There was need for a national housing drive that would encourage the supply of basic building materials and spread over into household goods.
- An accelerated drive to provide electricity for everyone.
- This could be linked to 'televising' the nation, providing audio-visual education which could help to diminish the unacceptably high birth-rate.
- Importers should be making greater use of supplier credit.
- The development of a vibrant jewellery manufacturing industry.
- The further expansion of tourism. — Sapa

Sanctions threat helping to create a viable local computer industry

DURBAN — The South African computer industry, faced with sanctions and a variety of other problems, could be expected to move farther along the road to creating strong, viable local companies with firm overseas connections, Jack Clarke, chairman of Information Services Management (ISM), said yesterday.

He told the congress that less than a decade ago the industry had been dominated by a few multi-nationals, most of them US-based.

However, this had changed, owing to disinvestment and the threat of disinvestment, sanctions, the development of hardware in Taiwan and Japan marketed through local companies, and the Government's preferential buying policy, which favoured local products.

"To counter the threats, and capitalise on the opportunity of local manaufacture, you see the formation of large local companies."

This trend was continuing, he said. — Sapa.

Mauritius Chamber hoping to carry on trading with SA

PORT LOUIS — The Mauritius Chamber of Commerce and Industry wants to carry on trading with South Africa.

Secretary-general Mr Jean-Claude Montocchio said in a statement that there were specific reasons why trade with South Africa should not be stopped.

He added that it was "ridiculous" to think of economic sanctions on South Africa as a means of ending apartheid.

Foreign investment had, in the past, led Pretoria to take certain measures and make certain concessions towards blacks to improve social conditions.

He said it was interesting to see the way some people were defending the interests of non-whites in South Africa, but never mentioning the human rights violations and even genocide taking place in other parts of Africa. — Sapa.

Battle over SA

280

WASHINGTON — Democrats in the House of Representatives are pressing hard for legislation which would impose tough new trade sanctions against South Africa. Sowetan 5/6/88

During the next month a bitter fight is expected over the "Dellums" Bill, named after the liberal black congressman for California, Ron Dellums. The proposed legislation would ban all investment in South Africa and would give companies one year to divest themselves of all existing interests.

The Bill would also place a blanket embargo on trade between the United States and South Africa, subject to exceptions for minerals which are strategically important to the US, trade with South African companies entirely owned by non-whites, and publications.

The federal government would be required to punish companies and individuals violating the embargo, and would be prevented from co-operating with South Africa in military or intelligence matters.

The sanctions now in place are restricted to specific imports from South Africa and direct airline flights between the two countries, together with prohibitions against US bank loans to South Africa and co-operation with the South African armed forces. President Reagan declared these sanctions a failure in October last year, but declined to introduce stronger measures as provided for in the original legislation.

Neither party is convinced that the new sanctions will be effective, but Democrats feel it is important to take a moral stand. House Republicans believe that the sanctions would fail to strong-arm the South African Government into changing the apartheid system, but would cost jobs to black South Africans and Americans. They are also concerned about US strategic interests in South Africa.

Other Republicans, such as congressman Dan Burton of Indiana, have questioned whether South African blacks can "afford another moral stand that actually detracts from their ability to fight apartheid."

The Bill is certain to pass the house due to a strong Democratic majority there, and has been timed carefully so that it will reach the house floor in mid-June, shortly before the democratic convention opens on July 18. Governor Michael Dukakis of Massachusetts, the likely Democratic presidential nominee, has expressed his support for the Bill.

However, it is far from certain that the Dellums Embargo will make it into law, since it does not enjoy the bipartisan support which protected less trenchant legislation from a presidential veto in 1986. Voting has split cleanly along party lines. — *The Independent.*

Church says 'no sanctions'

Sowetan 8/6/88

280

THE Full Gospel Church of God has come out in strong opposition to punitive sanctions, boycotts or disinvestment against South Africa and has challenged churchmen who support these strategies to produce scriptural backing for them.

The church has some 500 000 members in South Africa, about half of them Africans. The Indian membership is said to be the largest Indian Christian community in the country.

The church president, Pastor Martin Badenhorst of Pretoria, said yesterday that the General Moderature of the church had passed a resolution at a meeting in Durban saying they could not support any measures undertaken against South Africa by way of punitive sanctions, boycotts or disinvestment, "as we find no scriptural authority for depriving persons of the means whereby they can earn a dignified livelihood or whereby they can be condemned to starvation through no fault of their own."

SOWETAN Correspondent

Peaceful

The resolution also condemned the policy of apartheid, saying it had no scriptural foundation whatsoever and was an offence to human dignity.

The Moderature said: "We believe that a just and equitable dispensation should be instituted in our society in South Africa, but by peaceful and non-violent means only".

The General Moderature consists of 15 church leaders representing the leadership from the black, coloured, Indian and white communities of the church.

Pastor Badenhorst said the resolution made no reference to any specific church leaders who supported sanctions and disinvestment.

He said: "We have appreciation and respect for the whole Christian body of believers in South Africa and worldwide, but it is sad there should be a division on such cardinal issues such as this.

"We strongly base our doctrine on the Bible, the Word of God, and we have observed that Christians who plead for sanctions have not submitted one verse of Scripture or one acceptable theological argument in favour of this.

"We can quote dozens of scriptural references to support our stand."

The pastor said that those who supported sanctions had a right to their own opinions, "but I need to challenge them to come forward and to say: "Thus says the Lord and the Scriptures".

He said it was surprising that churchmen who supported sanctions did not seem willing to have a theological discussion with their opponents

Black dolls will fight sanctions

The Star Bureau

WASHINGTON — An American group fighting further economic sanctions against South Africa plans a novel campaign.

They will deliver hundreds of large black dolls to US senators and congressmen to stress the consequences of trade restrictions on children.

The Frederick Douglass Foundation calls its campaign "Operation Heartbreak. Save the children from starvation".

The chairman, the Rev Kenneth Frazier, said: "South African black children must not be the ones to bear all the burden of US sanctions, ANC manipulation, and South African Government entrenchment.

"We are demanding that Congress show mercy and compassion for these black children in the event of additional sanctions."

The Foundation said it would ask the congressmen: "Where do you stand when it comes to assisting black South African children whose plight you are helping to create?"

It also intended challenging them personally to sponsor black South African children for about R700 a year.

GROUP SAYS CHILDREN WILL BE HURT BY SANCTIONS

WASHINGTON — An advocacy group is calling on members of Congress to do more to help black South African children, saying they will be hurt by stronger US economic sanctions against SA.

The Wake Up America Coalition dramatised its Operation Heartbreak campaign on Tuesday by arranging for groups of black children to visit congressional offices.

Some supporters of tougher sanctions, intended to pressure Pretoria into granting more freedoms to blacks, expressed scepticism about the group's motives.

Coalition chairman Kenneth Frazier said: "No matter what side you're on, anti-sanctions or pro-sanctions, it doesn't matter. We are here for SA children." — Sapa-AP.

Call for further trade sanctions is incomprehensible, says Buthelezi

Own Correspondent

DURBAN — Between 60 000 and 100 000 blacks had already lost their jobs as a direct consequence of disinvestment and trade sanctions, kwaZulu Chief Minister Mangosuthu Buthelezi said yesterday.

He told delegates to a national congress of chartered accountants in Durban that former employees in industries such as coal, sugar, fruit and textiles had lost their jobs and now faced destitution. This would add to existing poverty, unrest and criminality.

Despite this, he said, it was incomprehensible that Christian, political and trade union leaders were pressing for more of the very same measures that were already causing such suffering.

Chief Buthelezi said on the one side reforms had come to a halt as the Government stood mesmerised between the opinions of a comparatively small group of extremists and the overwhelming majority of South Africans.

On the other, there were those who single-mindedly concentrated their efforts on what to change from; but who gave very little intelligent thought to what the country should change to.

They did not comprehend that their actions served only to reinforce Government intransigence. Their actions were beginning to harm the economic well-being of black South Africans in a way which would do permanent damage, irrespective of whether change took place in South Africa or not.

Should these actions continue, the Inkatha leader warned, South Africa could end up even worse off than today — notwithstanding the devastations of apartheid. As in Mozambique, liberation could be followed by a worse civil war than the one that preceded it.

It would be futile to try to correct the situation either through a violent overthrow of the existing order, or through economic isolation. Instead, blacks had to use every available opportunity to upgrade themselves until they became the dominant factor in the economy.

The best future for all lay in increased educational and employment opportunities for blacks.

The absence of new investment for the expansion of industry was probably South Africa's most worrying economic problem, he added.

Cape Times 9/6/88 280

SA its own worst enemy, warns ex-ambassador

DURBAN. — South Africa was very often its own worst enemy in the area of international diplomacy, former ambassador to the United Nations Mr Kurt von Schirnding said here yesterday.

Addressing the national congress of the Institute of Chartered Accountants, Mr Von Schirnding, who is now the director-general of the South Africa Foundation, said the object of diplomacy should not be self-destruction.

"We must recognize that when it comes to style and presentation we are very often our own worst enemy.

"It is clearly not in our interest, for example, to unnecessarily provoke or taunt the United States into doing its worst."

He said he believed it was time to take courageous steps and make the inevitable sacrifices which all knew were unavoidable.

International credibility

"We shall regain international credibility only when we have demonstrated to the world in unmistakable terms that we are firmly on the path to a non-discriminatory social and political structure.

"There is little to be gained by contrasting our situation with the rest of Africa with its military dictatorships and one-party states.

"The reality of our situation is that we are judged by Western standards, however unfairly, while having to cope with all the complexities of an African society.

"We must realize that for a long time to come our efforts will be greeted abroad with 'too little too late' because the outside world places no credibility on our willingness to reform," Mr Von Schirnding said. — Sapa

● 'Spotlight on black economic advancement' — Page 9

tary Mr Jay Naidoo conflict," Mr Naidoo said.

'People applying their own sanctions'

By Claire Robertson, Pretoria Bureau

Congress of South African Trade Unions representative Mr Frank Meintjies was asked yesterday to reconcile Cosatu's support for sanctions and the organisation's belief in the right to work.

A delegate to an economic rights symposium at the University of Pretoria asked Mr Meintjies — a panel member — if one person losing his or her job because of sanctions was not contrary to Cosatu's belief in the right to employment.

Mr Meintjies answered that the majority of black people had no faith in the economic system to bring about equality in South Africa.

The Sixties and early Seventies were a boom period for South Africa, with an increase in business confidence — "but that period was not accompanied by a more equitable distribution of wealth or human rights," he said.

Investment in South Africa was declining at present, with a lack of business confidence. People were putting money not into job creation but into the stock market, or investing in other countries, thereby "applying sanctions against their own country".

Hundreds of thousands of jobs were lost, he said.

"In that context, calls for sanctions have come in the last few years, and many of the companies which have responded did so for economic reasons," he said.

● See Page 15

Business Report

Naamsa: Sanctions fears

Key data on vehicle sales 'sabotaged'

JOHANNESBURG. — A key tool of economic and industrial planners, the monthly data on sales of new vehicles supplied by the National Automobile Manufacturers Association of SA (Naamsa) have been sabotaged by sanctions fears.

Following the refusal of the Delta Motor Corp (formerly General Motors SA) to supply Naamsa with its sales figures for May, motor industry leaders are locked in urgent discussions to decide whether sales figures by manufacturer and model can ever again be released for general consumption.

The current crisis arises from a debate which Naamsa said had been simmering among its members ever since the major world motor companies which supply the SA motor industry came under severe pressure from anti-apartheid groups to curtail their supplies to this country.

Because the lobby to cut supplies to the SA motor industry has repeatedly quoted SA vehicle sales figures in making its case against the major motor companies, SA vehicle manufacturers have increasingly felt that the sales figures should in future be discontinued — or dissociated from specific manufacturers or their models.

Naamsa's Nico Vermeulen said tonight that a decision about whether to release figures for May sales — excluding sales by the Delta motor group — would be reached "before the end of the week ..."

He noted that if the Naamsa sales data could no longer be released, it was possible that government's new vehicle registration figures could become the main source of information.

"But the importance of Naamsa'a data cannot be overstated. The figures are of key importance to all associated with the industry as well as to macro-economic planners.

"Without the figures, it becomes impossible, for instance, for both the main vehicle manufacturers and the motor components industry to plan and budget properly ..."

The CE of Naamsa, Spencer Sterling, says the decision to withhold the data for the month of May was due to certain vehicle manufacturers being unwilling to release company figures, or producing data that was not entirely accurate. Notable amongst these was Delta Motor Corporation.

Delta said yesterday that with effect from this month, it would cease submitting a detailed breakdown of monthly retail vehicle sales statistics to Naamsa.

Announcing this decision, Delta chairman Keith Butler-Wheelhouse, said: "After careful consideration, we have decided to adopt this course of action. It is a decision which we take with considerable reluctance, particularly as delta's market share has been rising steadily for some time.

"Despite this, however, we are firm in our conviction that non-disclosure of detailed sales statistics is a strategic action necessary to protect the South African motor business in the current environment.

"As a locally owned and controlled company, we must obviously place the interests of our business, the employees and South Africa first. No business could be expected to divulge information which could be harmful to its future prosperity."

Butler-Wheelhouse added: "This is not an issue between Delta and Naamsa. Delta Motor Corporation has no intention of severing its Naamsa membership and will in all other respects continue its active participation in this industry organization."

Sterling said that the sales figures due for release had been delayed indefinitely, and that urgent discussions were to be held to determine whether any data at all was to be released in future. — Sapa

affect the negotiations?" — Sapa.

with. But I will not withdraw my appeal."

trial.

them," he told the court.

Proceeding.

Jeers for Archbishop

280
Sowetan
10/6/88

ANGLICAN Archbishop Desmond Tutu arrived at the Port Elizabeth airport yesterday morning and was met by a jeering multiracial crowd of about 500 who carried placards protesting against the Archbishop's sanctions campaign, SABC radio news reports.

Among those who protested were former Ibhayi mayor, Mr Tamsanqa Linda, who is also the co-president of the United Conciliation Party, members of the Northern Areas Management Committee, students belonging to the Positive Student Organisation and Jeugkrag and the organisation Victims Against Terrorism.

Archbishop Tutu addressed business leaders at a private luncheon yesterday. — Sapa.



ARCHBISHOP Tutu

THE ORIGINAL

dation of workers. — Sapa.

tained.

Anti-sanctions protest for Tutu

Own Correspondent

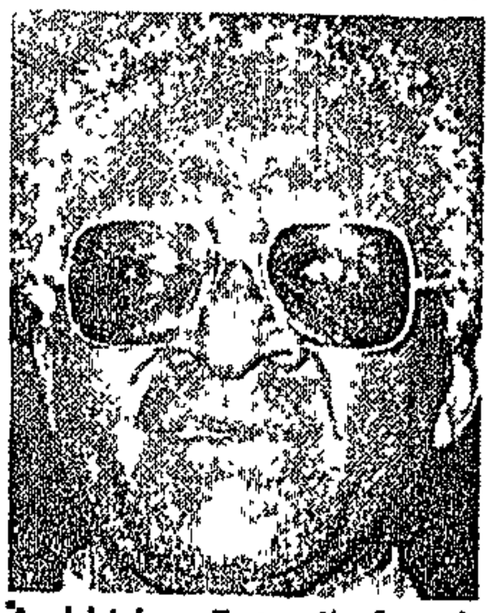
PORT ELIZABETH — Anglican Archbishop Desmond Tutu was met at the airport in Port Elizabeth yesterday by a group of placard-bearing anti-sanctions protesters.

About 150 people from four organisations braved the cold to wait for his arrival at 8.45 am.

First to arrive were members of Victims Against Terrorism.

Mr Sean McCallum, a technikon student, said a branch of the organisation was being formed in Port Elizabeth and had the support of many businessmen who were deeply concerned about the effects of unemployment in the eastern Cape.

Next to arrive was a busload of people led by controversial former community councillor Mr Tomsanqa Linda.



Archbishop Tutu . . . faced a barrage of placards.

He said there were more than a 100 in his group who did not have jobs. Archbishop Tutu, who supported Ford motor company's move from the city, had no right to visit Port Elizabeth, where people were starving, Mr Linda said.

The third group comprised members of the Positive Student Organisation at the University of Port Elizabeth.

The fourth group comprised members of the Northern Areas Management Committee and the Labour Party.

CHURCH SITTING

Archbishop Tutu has come to Port Elizabeth in his capacity as chairman of the service committee of the Church of the Province of Southern Africa to assist with arrangements for a sitting of the church's provincial standing committee in November.

3-pronged plan call by Vlok

A three-pronged counter-revolutionary plan was available and could succeed if South Africa was prepared to implement it, the **Minister of Law and Order, Mr Adriaan Vlok**, said yesterday.

Addressing the President's Council on the country's security position, he said the plan consisted of security force action against revolutionaries and radical activists; good government for the people of the country; and the institution of a political dispensation acceptable to the majority of the people affected by it.

"The revolutionary, the radical, is just as dangerous to the search for a political solution — among other things — as the terrorist. Purposeful action has to be taken against both — by different means," Mr Vlok said.

Dealing with good government, Mr Vlok said there were alarming arrears which had to be eliminated.

The Government was determined to show all the inhabitants of the country that it cared for them and was prepared to help.

The institution of a new dispensation was absolutely inseparable from the other two factors. — Sapa.

the SADF necessary

al Party recognised the need ppropriate steps to protect the South Africa and Namibia, glin said yesterday.

after the PFP weekly caucus d the party was deeply con- Swapo military build-up in

oval that the South African in touch with the Angolan ue, he said

s essentially in the with- troops from Angola and the mibian independnece through

ve recognise the need for the ate steps to protect the territo- n Africa and of Namibia for s responsible." — Sapa.

A revolutionary

a further $200 million will have initial repayment estimates

Sanctions cost will be R30-bn by 1990

DURBAN — The total net loss of foreign reserves as a result of sanctions, and disinvestment will total some R30 billion by 1990.

Explaining this in an address to the eighth National Congress of Chartered Accountants in Durban yesterday, Mr Chris van Wyk, managing director of the Trust Bank, said the cumulative net capital outflow of R20 billion in the form of disinvestment and debt repayments since mid-1984 will probably rise further to R25 billion by 1990

"Add to this an estimated cumulative export loss of R10 billion, subtract a saving of about R5 billion in interest and dividend payments, and the total net cumulative loss of foreign reserves due to sanctions and disinvestment will amount to some R30 billion by 1990.

"Apply the relevant multipliers to this huge loss of foreign exchange and one arrives at a substantial cumulative loss of productive economic activity by 1990.

"This implies that by then the average South African could be as much as one-third poorer than he or she would otherwise have been."

"Constraints imposed by the balance of payments apparently limit South Africa's annual real economic growth rate to at best the population growth rate — too low to create net new employment.

"Consequently, South African apparently has to accept recurring annual increases of 200 000 in total unemployment; an additional one million jobless every five years.

"That is the stark, sombre reality confronting us." — Sapa.



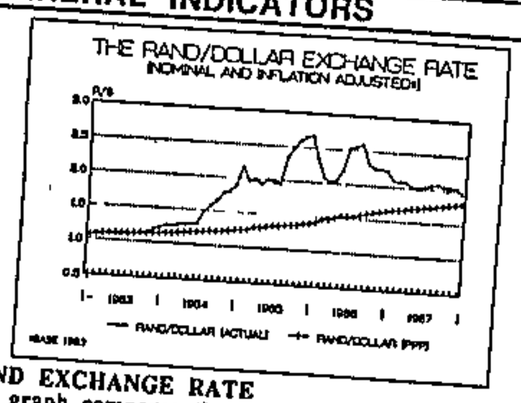
Chris van Wyk — "People will be one-third poorer than they would otherwise be."

THE ECONOMY

Genuine Swazi wine. With help from SA

BUSINESS BAROMETER

GENERAL INDICATORS



RAND EXCHANGE RATE
The graph compares the trend in the actual (money) value of the rand against the dollar with its "real" value taking into account South African inflation compared with international inflation rates The top line shows the rand's actual value. The bottom line shows the rand's value deflated by its "purchasing power parity": a ratio of South African to international inflation. Economists at one major bank say the rand has now fallen to where it should be, given inflation (The graph illustrates this).

ASSOCOM INDEX
After rising for five months, the Assocom business confidence index stayed at 99,3 in May, the same as the April figure. Positive influences on the index were increases in imports, immigration and new company registrations and the slower rate of increase of inflation. Negative influences were declines in the rand-dollar exchange rate and the Johannesburg Stock Exchange index, the upward tendency of interest rates and an increase in registered unemployment. The BCI is based on the behaviour of certain key markets identified by research as important to business confidence, according to Assocom's statisticians. It measures 15 economic indicators.

COMPANY ACCOUNTS, 1986
Only 25 percent of the net profit of industrial companies went towards tax in 1985/86, with the figure for mining companies at 39,8 percent, according to a recently released Central Statistical Services survey of company accounts for 1984/5 and 1985/6. The survey analyses 653 industrial companies and 103 mining companies. The operating profit of industrial companies rose by 26 percent during 1985/86, compared with a three percent decline in 1984/85. Net profit was up by 22 percent. Mining companies' operating profits increased by 35 percent during 1985/86 (24 percent in 1984/85) and net profit by 33 percent (25 percent). The aggregate figures indicate the real decline in investment in 1985/86, particularly in industry, where fixed assets rose by nine percent in 1985/86, well behind the inflation rate Fixed assets in mining increased by 17 percent. Total assets rose by 11 percent in the secondary and tertiary industrial sectors and by 16 percent in mining.

FINANCIAL INDICATORS

Johannesburg Stock Exchange Indices

JSE Indexes	7/6/88	1/6/88	% CHANGE
All Market Index	1760	1676	+5
All Gold Index	1602	1574	+1.7
Industrial Index	1361	1246	+9.2

Short-term interest rates

	7/6/88	1/6/88	YEAR AGO
Three-month bankers acceptances	12,25%	12,65%	9%
Prime overdraft rate	15%	15%	12,5%

Gold Price

	8/6/88	WEEK AGO	% CHANGE
	457 65	458	—0 07

Selling price: Major currencies against rand

	8/6/88	WEEK AGO	% CHANGE
US dollars	2,2350	2 2445	—0 4
Pounds Sterling	4 0708	4 1178	—1,1
Deutsche Mark	0 7679	0 7681	—0 02
Yen	55 99	55 68	+ 0 5
Swiss Franc	0 6399	0 6408	—0 1
Financial Rand	2 93	2 94	—0 3

US Dollar against major currencies

	8/6/88	WEEK AGO	% CHANGE
Dm	1 7163	1 7240	—0 4
Sterling	1 8214	1 8354	—0 4
Yen	125 13	124 98	+0 1
SwFr	1 4302	1 4375	—0 5

Source First National Bank

STOP THE LAWAAIKAMP REMOVALS

We, participants of the Youth Mission Day of the
- **Protestant Church of Bremen**
- **Protestant Church of Lippe**
- **Protestant Church of Oldenburg**
- **North-West Reformed Church**

support the residents' right to live where they are.

H Rathjen, pedagogue, B Graefe, student, M Bekker, student, B Schmidt, student, N Bruns, student, C Schürmann,student, M Milge, student, S Brunink, lab assistant, T Groskamp, student, I Höllmann,student, G Mannes, student, A Olthoff,student, K Tebbens, student, M Olthoff, student, I Arends, student, D Hibbek, apprentice, A Meyers, sales woman, C Buschmann, graphic artist, T Enert,Deacon, C Steenweg,student, G Steenweg, housewife, L Kracht,student, H Schmidt, youth worker, A Burboom,student, B Roser, student, P Dombsch, student, C Konakiewietz, teacher, C Scheit, K Pawelzik,teacher, M Busch, apprentice, A Hoesmann, G Geerds,secretary, M Frerichs, student, H C Markert, student, N Brederlow,student, J Oart,student, J Brackhage, student, D Magel, student, S Portheins, student, C Sanders, student, N Meier, student, K Ports, Pastor, F Brink, student, J Vestenberg, student, F Imholt, student, I Schultz, student, H Lenz, teacher, E ten Brintz, nurse, I Meinders, G Nohrstedt, H Mensink, G Lübbermann,student, G Scholte Wassink,student, C Prinz, student, J Bingeler, student, B Herrman, student, K Maßmann, Pastor, U Wilkens, student, P Papenbrock, P Stork, S Grote, R Venekamp, nurse, E Venekamp, D Lenz, Pastor, G Woertel, Pastor, B Bach, apprentice, A Schmidt, apprentice, S Rosemeier, student, J Maßman, student, A Nölker,student, A Lieslich, student, U Vliege, student, S Eintbäume, student, R Müller Detert, apprentice, J Boysen, social worker, A Böcker, apprentice, K Raabe, student, D Hornig, F Yser, student, U Nahltadt, student, L Read Linton, teacher, A Stralucke, student, O Sikke, student, S Hoolamann, student, I Schültzmer, social worker, M Schurek, apprentice, P Hölscher, student, R Grau, student, C Seeman, student, L Behrends, student, T Vetlwig, student, D Vetlwig, housewife, B Bode, apprentice, M Treffkorn, student, A Fonssen, student, R Blachs, student, H Froelich, social worker, A Schnibeck, student, F Klukkert, student, S Jackstertz, student, K Monsus, student, R Steinkamp, youth worker, A Helming, lab assistant, G Kampen, student, M Polzin, student, B Polzin, student, J Warnink, student, B Kolosso, student, M Krall-Jäger, Pastor, H G Billker,Pastor, E Nyhof, student, J Röllenntz, student, H Not, Pastor, A Pfeifer, Deacon, F Boermann, student, D Böhrmann, student, J Hennig, student, C Sablohig, youth worker, S Hesping, student, C Ritz, student, D Hübnere, youth worker, B Haase, student, E Bantling, student, L Bohlen, student, S Arends, student, H Eden, student, C Miege, student, B Springmann, student, J G Säfken, student, E Yzer, employee, J P Feicht, teacher, D V Lemke, student, H Balder, assistant pastor; H Lubben, student, H J Bleeker, soldier; J Rübel, student, G Carls, student, H Rübel, Pastor, I Adelhorn, teacher, I Steenvy, assistant pastor, B Obermeyer, apprentice, C Knodel, student, S Rosenberger, student, E Rosenberger, student, G Kellwig, student, A. Fonssen, student, C. Sprungmann, student,

Anyone who wishes to live in Lawaaikamp regardless of race and class should be free to do so!

Issued by North German Mission, Vahren str 243 2800 Bremen 44 FRG

The factory is in Swaziland, the owner in Taiwan, the goods are South African, the business is sticking non-South African labels on South African goods. STEVE ASKIN reports from Mbabane

HAPPINESS DHLAMINI was mystified by the task awaiting her when she started working for Garment Industries of Swaziland in 1986.

"The bosses would bring shirts already made and tell us to put the labels on," the 20-year-old sewing machine operator said. "Sometimes they already had a label from Zululand and we had to take it off and sew one on that said 'Made in Swaziland'."

Garment Industries, the Swaziland branch of a South African subsidiary of Taiwan's Chia Ho business group, used Dhlamini and hundreds of other Swazi seamstresses to help save its American export market after South African textiles were banned from the US by the Comprehensive Anti-Apartheid Act (CAAA) of 1986

South African and Swazi laws were also violated by "one of the dirtiest businesses I've ever run into", charged investment banker Michael Warman He flew to Swaziland from the US to take over the factory and try to turn it into an exporter of genuine Swazi clothing after Chia Ho defaulted on several million dollars in loans from his New York Merchant Bank, Eastbrook Inc, and Citibank

Chia Ho officials, who Warman says fled to escape possible prosecution, could not be found in Swaziland. Attempts to reach the parent company by telephone in Taipei were equally unsuccessful

A South African official in Mbabane, deputy trade representative Ferdi Krick, confirmed that the factory, which closed in July last year amid legal investigations by several foreign governments, apparently did violate import laws in countries receiving its goods. But he said this "illegal side of export operations is actively discouraged" by Pretoria.



But in July 1986, President PW Botha appointed a top Armscor official, Fred Bell, to "co-ordinate the country's sanctions-beating offensive", the *London Financial Times* reported The paper also said Marc Burger, of the Foreign Trade Department, was designated to "develop counter-sanctions strategies".

Taiwan, which last year doubled its trade with South Africa, has been named by critics as a key anti-sanctions connection. An official at Taiwan's embassy in Mbabane acknowledged that Garment Industries "did not act properly" and estimated that "maybe 50 percent" of the clothing exported by the company as made in Swaziland was actually manufactured in South Africa.

And "every single Chinese operation in the garment business" whether Hong Kong or Taiwanese, is involved in sanctions busting," contended a South African textile foreman with more than a decade's experience in the region Other industry insiders described schemes involving feeder factories in the "homelands" which send almost-finished shirts for labelling in Mauritius or Lesotho

And it's not just textiles. American Labour leader Lane Kirkland, president of the AFL-CIO, said last year his organisation identified more than $130-million (more than R260-million) worth of South African goods, including $59,4-million worth of iron and steel, which entered the US in the first half of 1987.

For South Africa's neighbours, false labelling is a problem, acknowledged Swazi Commerce and Industy Secretary Chris Mkhonta.

Swazi officials are trying to stamp out misuse of their name, since "this robs us", Mkhonta said. Canadian officials last year questioned him about a shipment of "Made in Swaziland" wire which reached their country from Durban. And "Swazi" avocados have appeared in the Middle East, apples in Europe and wine in Canada, admitted Mkhonta.

Swazi officials say they forced the closing of a factory set up by Frame group to wind South African yarn from big balls onto small skeigns for export as "Made in Swaziland".

Another South African company that got caught, according to its Swaziland factory manager, John Hunt, is Metkor Investments Ltd When a reporter visited Metkor's Makon manufacturing, Hunt said Swazi authorities were refusing to grant him a local certificate of origin for pots made in South Africa, with handles made from Swazi wood added here

Swaziland's ability to stop such schemes is limited, Mkhonta said, since most involve goods that never touch the country He said the problem is compounded by his country's reliance on Durban to ship its exports and by the fact that Swaziland, as a member of the Southern African Customs Union, depends on South African customs for examining goods and they, he said, "are not going to impose sanctions on themselves"

The Garment Industries scheme continued until the company's conflicts with bankers and customs officials in the US led to abandonment of the factory by its Taiwanese owners, Warman said.

When Chia Ho opened Garment Industries in mid-1986, the company had been selling to the US for several years from a factory in kwaZulu's largest industrial township, Isithebe.

Convincing companies to leave South Africa is the purpose of CAAA and other sanctions measures But Chia Ho's move was no victory for sanctions advocates The company loaded at least 140 000 shirts on two trucks and brought them here, says a foreman then working at the factory

After Dhlamini and other workers relabelled them, the goods were trucked to Durban and shipped to the port of Los Angeles in the US, says Warman US customs officials eventually caught on

But the operation continued for almost a year, during which the factory exported about R2,5-million a month worth of garments to the US and Canada Records left behind by the old management suggest that between 20 and 50 percent of these goods were falsely labelled, estimate Warman and others at the factory

Sanctions busting was only one part of an "extremely immoral, extremely unprofessional" operation which violated the laws of several countries, Warman charged.

He said Chia Ho also used Garment Industries for "quota busting": sewing Swazi labels onto Taiwan-made goods barred from the American market under the multi-fiber agreement, which limits East Asian textile emports to the US

Until the need to evade sanctions overshadowed corporate desire for cheap labour, "homeland" incentives drew investment away from neighbouring countries.

The past few years of sanctions flight reversed this trend Swazi industry grew so fast that exports increased by a stunning 60 percent in 1986. How much of this involved mislabelled goods, no-one knows

Sanctions will kill people

Sunter

GM-Times 10/6/88

280

By AUDREY D'ANGELO
Financial Editor

PEOPLE overseas who bring about sanctions resulting in deaths from starvation will be as culpable as though they had shot the victims, Clem Sunter, author of the best-selling book "The World and SA in the 1990s", told business people in Cape Town yesterday.

Speaking at the quarterly meeting of the Seeff/Cape Times Executive Breakfast Club, Sunter said that a strong and growing economy would give the black population power — and a higher standard of living — more quickly than they could achieve it through the barrel of a gun.

He also emphasized the need for a rapid peace settlement in Angola, because it was essential for the regional economy and not merely that of SA to prosper.

He pointed out that lack of prosperity was one of the reasons for the growth of the Conservative Party, which now posed a real threat to the National Party.

And he warned that as long as the "winner take all" idea persisted among a substantial section of the population it would be too early rather than too late for meaningful black-white negotiations in this country.

Sunter said there were still whites who thought that since they had controlled the country for 300 years they could continue to do so — and young blacks who thought they had no need to agree to share because they had only to wait and everything would fall into their laps.

Negotiations would succeed only when both sides realized that, without an agreement to share and to work together to build up the economy, it would be a case of "winner takes nothing".

Discussing sanctions, he said one of the tragedies of apartheid was that there were no institutions and organizations in SA which could give a reliable indication of the whole spectrum of black opinion.

Results of polls were confusing but it was unlikely that a majority of blacks wanted sanctions which would deprive them of their jobs.

The logic behind sanctions was to weaken the economy to such an extent that it could be taken over, by revolution, by other people. This would turn the country into a wasteland.

Questioning the morality of sanctions, Sunter said ordinary people overseas were advocating the closing down of SA's gold industry. If this happened the economy of Lesotho would crumble, which meant that as a result of action by people in London people in Lesotho would die.

"What worries me about sanctions is that the next round will kill people."

Without sanctions, the increasing buying power of blacks and their growing entrepreneurial skills meant that "they will achieve their share of power through the econonòmy and not through the barrel of a gun".

SANCTIONS

Just rolling along

The sanctions clock keeps ticking away in Washington. The pro-sanctions forces in the US Congress pushed their ball forward late last week in their drive to impose a total economic embargo on SA.

The House banking committee voted by 34 to 14 to ban US investment in SA and to place a trade embargo where current limited sanctions exist. A target of the current drive is the lending activities of US banks in SA. The Bill under consideration would disallow the rescheduling of American loans to South African creditors.

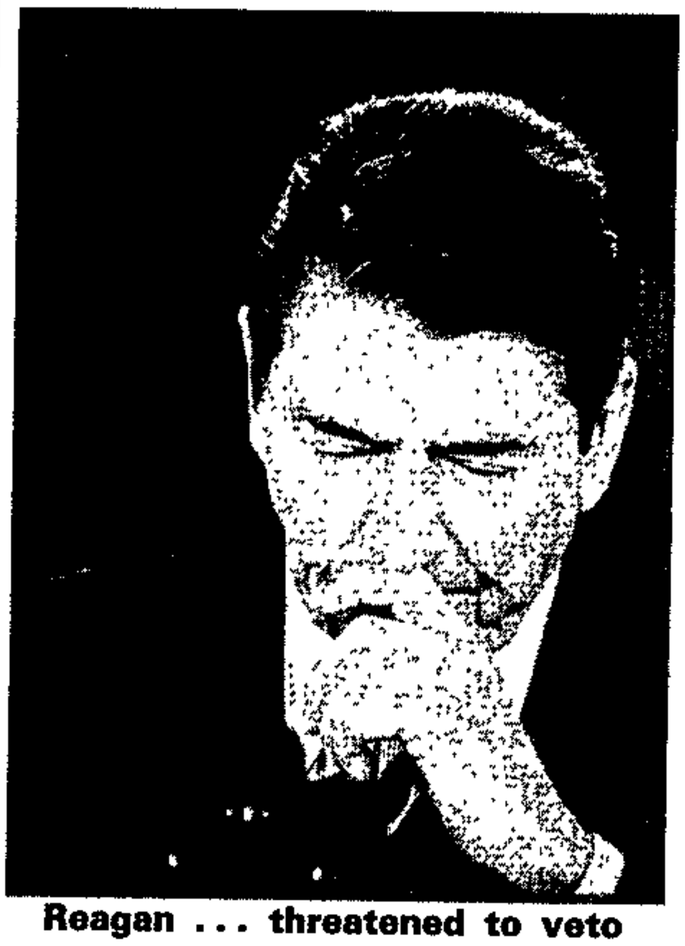
The significance of the banking panel vote is that the committee is made up of some of the most senior and ostensibly sober legislative minds in the House.

Representative Howard Wolpe, a leader of the anti-apartheid bloc, told his colleagues that his original sanctions Bill passed in 1985

FINANCIAL MAIL JUNE 10 1988

included a rescheduling clause to help US lenders to South African firms avoid injury by stretching out payments on their loans. "The new sanctions Bill, which already has been cleared by the House Foreign Affairs Committee, cancels that rescheduling provision," Wolpe stated.

"Some US lenders will suffer losses in the short term as their loans are sold off for less than market value. That was the case when



Reagan ... threatened to veto Bill

sanctions were applied to Libya and other nations," he added.

Opponents argued that US lenders might be able to recover only US65c on each dollar loaned to South African projects, but Wolpe replied that the US3bn in total American loan exposure to SA was small enough and the important point was to "make it more difficult for South African firms to get credit in the long run."

The measure still faces an arduous course through the House and Senate. President Ronald Reagan has theatened to veto the Bill in any rate. Still, the ball keeps rolling ever onward. ■

In the second half of this year a further $200 million will have

Initial repayment estimates

Sanctions cost will be R30-bn by 1990

DURBAN — The total net loss of foreign reserves as a result of sanctions and disinvestment will total some R30 billion by 1990.

Explaining this in an address to the eighth National Congress of Chartered Accountants in Durban yesterday, Mr Chris van Wyk, managing director of the Trust Bank, said the cumulative net capital outflow of R20 billion in the form of disinvestment and debt repayments since mid-1984 will probably rise further to R25 billion by 1990.

"Add to this an estimated cumulative export loss of R10 billion, subtract a saving of about R5 billion in interest and dividend payments, and the total net cumulative loss of foreign reserves due to sanctions and disinvestment will amount to some R30 billion by 1990.

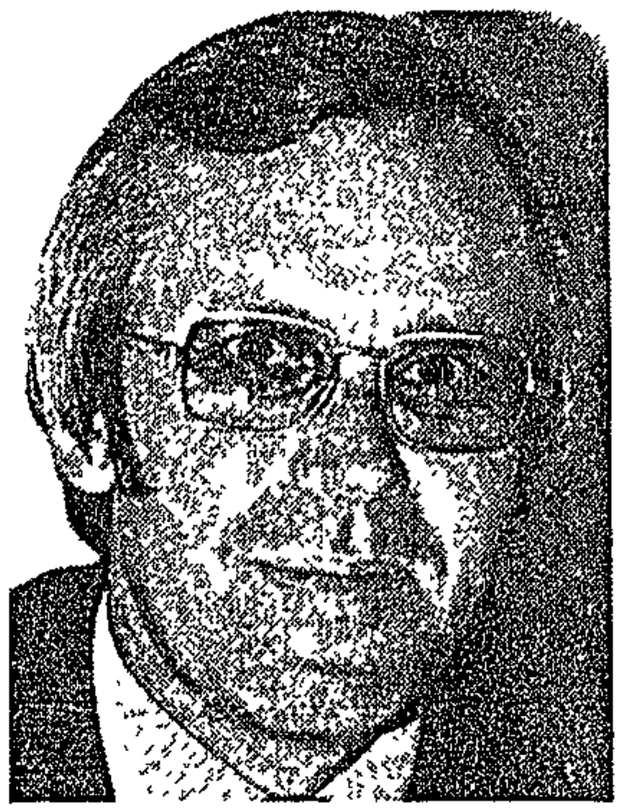
"Apply the relevant multipliers to this huge loss of foreign exchange and one arrives at a substantial cumulative loss of productive economic activity by 1990.

"This implies that by then the average South African could be as much as one-third poorer than he or she would otherwise have been."

"Constraints imposed by the balance of payments apparently limit South Africa's annual real economic growth rate to at best the population growth rate — too low to create net new employment.

"Consequently, South African apparently has to accept recurring annual increases of 200 000 in total unemployment; an additional one million jobless every five years.

"That is the stark, sombre reality confronting us." — Sapa.



Chris van Wyk — "People will be one-third poorer than they would otherwise be."

Warning bells ring out to sanctions supporters

Star 11/6/85

280

ALAN DUNN of Saturday Star's Bureau in Washington reports that US Congressmen, bent on imposing tighter sanctions on South Africa and currently forging a new package of punitive measures, are hearing misgivings about their legislation.

One Reagan Administration official warned at a congressional hearing on Capitol Hill yesterday that some of the restrictions would bring the US into conflict with other trading partners, and could mean an economic backlash.

Another official and a Republican congressman strongly opposed to the almost total trade cut-off mandated by the bill, raised the possibility of South African retaliation in the area of strategic minerals on which the US is totally dependent.

The Reagan Administration cautioned also against forcing American companies to leave South Africa, saying US businesses and black South Africans would be the losers.

The bill orders US corporations out of South Africa and stipulates an end to almost all trade, except strategic minerals the President certifies are needed for economic or strategic reasons.

Supporters and opponents are split largely on partisan lines, with most Republicans seeing pitfalls in the bill and the Democratic majority pushing hard for it's passage through the House of Representatives.

Mr Richard Newcomb, a Treasury official in charge of policing the sanctions against South Africa, warned about an amendment added to the bill last week prohibiting the import to the US of any products containing South African components.

It is understood this is directed at Japanese appliances, for instance, containing South African chromium or industrial diamonds.

Mr Newcomb said enforcement of this clause would be extremely cumbersome, requiring US customs officers to determine whether there was South African content in virtually all imported items.

He said trading partners would view this as a nullification of existing trade agreements and retaliate against US exports or seek compensation.

"It would do more harm than good," Mr Newcomb said of the bill.

A senior State Department official, Mr John Ferriter, noted that US sanctions were stronger than those of other major nations but had unfortunately produced no significant progress towards ending apartheid.

Congressman Ron Dellums, main sponsor of the new anti-Pretoria measures, described them as a means to bring the Government to it's knees.

Warning bells ring out to sanctions supporters

Star 11/6/88

280

ALAN DUNN of Saturday Star's Bureau in Washington reports that US Congressmen, bent on imposing tighter sanctions on South Africa and currently forging a new package of punitive measurés, are hearing misgivings about their legislation.

One Reagan Administration official warned at a congressional hearing on Capitol Hill yesterday that some of the restrictions would bring the US into conflict with other trading partners, and could mean an economic backlash.

Another official and a Republican congressman strongly opposed to the almost total trade cut-off mandated by the bill, raised the possibility of South African retaliation in the area of strategic minerals on which the US is totally dependent.

The Reagan Administration cautioned also against forcing American companies to leave South Africa, saying US businesses and black South Africans would be the losers.

The bill orders US corporations out of South Africa and stipulates an end to almost all trade, except strategic minerals the President certifies are needed for economic or strategic reasons.

Supporters and opponents are split largely on partisan lines, with most Republicans seeing pitfalls in the bill and the Democratic majority pushing hard for it's passage through the House of Representatives.

Mr Richard Newcomb, a Treasury official in charge of policing the sanctions against South Africa, warned about an amendment added to the bill last week prohibiting the import to the US of any products containing South African components.

It is understood this is directed at Japanese appliances, for instance, containing South African chromium or industrial diamonds.

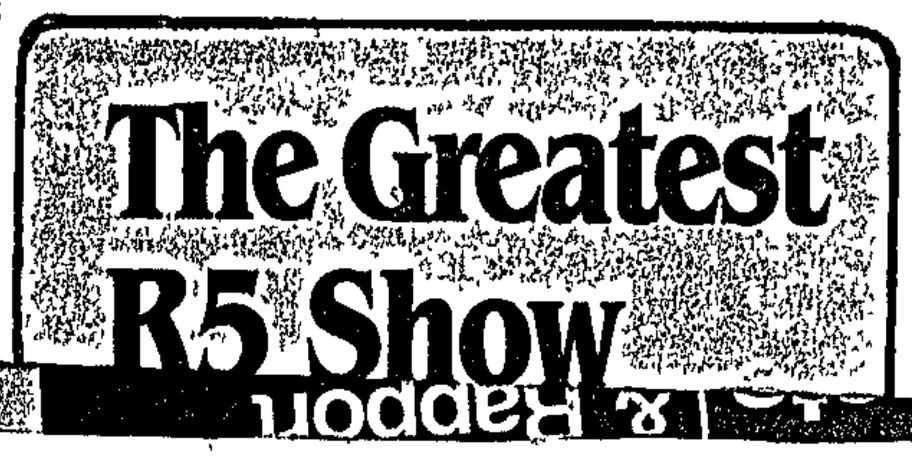
Mr Newcomb said enforcement of this clause would be extremely cumbersome, requiring US customs officers to determine whether there was South African content in virtually all imported items.

He said trading partners would view this as a nullification of existing trade agreements and retaliate against US exports or seek compensation.

"It would do more harm than good," Mr Newcomb said of the bill.

A senior State Department official, Mr John Ferriter, noted that US sanctions were stronger than those of other major nations but had unfortunately produced no significant progress towards ending apartheid.

Congressman Ron Dellums, main sponsor of the new anti-Pretoria measures, described them as a means to bring the Government to it's knees.



City Press

12/6/88

280





Khulu Sibiya

MY WAY

Costly experiment to entice electorate

THE government has finally found a remedy to lower the high blood pressure of all the "radical" groups who are "too serious-minded" about the political situation in the country – by introducing cartoons.

You see, the government does not take kindly to people who like questioning their credentials and credibility, worse still, people who call for a boycott of their own elections.

At least this is how the Bureau for Information sees it. In case you're at sea as to what I'm talking about, the government has come out with an idea of creating animated characters, like the owl and the chameleon – this will help you, the serious-minded people to understand why you should participate in the October 26 municipal elections.

You still don't understand? Well, the Bureau for Information has set aside a whopping R4,7-million for a publicity campaign for the forthcoming elections.

This campaign, which I prefer to call well-organised propaganda by the government, is to counter any possible low poll in the municipal elections.

Like everybody else, I keep on asking myself why the government has to spend so much of the taxpayers' money to get people to vote. If the October elections are the right direction toward reform, why does the government worry about the low percentage poll?

Mark you, the government's strategy was supposed to be confidential, but it was leaked to the Conservative Party by unknown people.

Well the cat is out of the bag now. Let us look at what the government intended doing and why I think it will not work

● We are told that part of the strategy was to create awareness about the elections.

Answer: There is no need for this, because people are aware in the first place about the elections. It is their democratic right to either reject or accept the elections.

● To inform the public about the legal requirements for the elections, such as nomination procedures.

Answer. Yes, millions of black people, especially in the urban areas, have refused to vote in the sectional and discriminatory elections. This does not make them ignorant about the legal requirements for the elections.

● To motivate the public to vote and to stand as candidates.

Answer. This is simple. Black people will vote if the whole concept is credible and acceptable to the majority of the people, of course that goes for the candidates as well.

● To place the elections in the correct perspective as part of the process of peaceful reform and broadening of democracy.

Answer: You don't need any propaganda machinery for this kind of exercise. Black people want to see reform in motion, not what the politicians are saying.

● To market democracy as the only moral and practical solution for South Africa

Answer: This is self-evident. I don't think blacks have a problem with this. After all, this is what they've been wanting for years In fact the government does not need to spend a cent just to tell us that democracy is the only moral and practical solution in this country.

● To inform the public on the need for the election, including the role of local authorities. This would stress what the man in the street could get out of local authorities.

Answer: The local authorities were introduced in 1983. After five years in existence, black people have not benefitted from them.

● To prevent propaganda undermining the elections.

Answer: The government should know by now that to counter propaganda with propaganda is no solution.

I hope the Bureau for Information will now abandon the idea of wasting the taxpayers' money.

(280) B/day 13/6/88

Consider the ways of the ant, thou sluggard

KEN OWEN

SANCTIONS, I sometimes think, may prove the salvation of this country. Nothing but hard times can rid this nation of its distinguishing characteristic, which is sloth.

A richly-endowed land and a government so bad that it can win votes only by buying them have combined to create a life-style of dependency, sustained by cross-subsidies, hidden costs, manipulated prices, rigged markets, protections, permits, favouritisms and corruption.

Like unmarried mothers in the US, we survive as a nation by exploiting intricate systems of handouts. Sanctions look like bringing down the whole rotten edifice, nothing less than sanctions would serve to do so.

Laziness, as everybody knows, is built into our way of life. The archetype is the white body-builder who, when he goes to the gym, takes a black man with him to put away the weights after his exercise. Traditionally, every miner has had a man beside him to do his work, every farmer a small tribe to protect him against labour. The public service is half-way to *rigor mortis*

But whites are not alone in their sloth. Where else in the world, one may ask, does an army of starving unemployed refuse to work in round-the-clock shifts? Where else in the Third World does every labourer demand job security, health care, housing and an eight-hour day as the price of dawdling mindlessly through simple tasks, and strike if he must to get it?

Townsfolk like to point to the farmers whose lifestyle — *koffie op die stoep*, a white *bywoner* to mend the tractor, a black foreman to supervise the idle workers and a Mercedes sedan to get to rugby — has been sustained by debt and subsidy. The farmers are now said to owe more than R13bn, which is more than the entire State debt accumulated by the nation until 1977.

The farmers used to be a key voting bloc. Today, that role is fulfilled by public servants whose sloth has begun to acquire a veneer of pretension — they insist on salaries and perks that enable them to live as Randlords.

The means to meet their demands has been found in fiddled pensions and housing subsidies that enable South African post office clerks and policemen to retire like Swiss bankers, with three bedrooms, two baths and a speedboat in the yard, often at the age of 55.

Whites are hugely over-housed, thus setting a standard of opulence and spaciousness which not even California can match. Among black people, whose housing is also subsidised, envy of the whites is a natural and inescapable consequence, given the modesty of their own dwellings.

For as long as I can remember, the resentment of black people has resulted in rent rows, riots and more troubles than Ulster's.

About a decade ago, in fact, I suggested sensibly that the only solution to the problems of Soweto and Guguletu and New Brighton and similar places was to give each house to the head of the family occupying it, as a gift. That would have enabled the Cabinet to shut down the Department of Plurals, as it was then called, urge the populace to appoint a health officer and spend its time at *potjiekos* competitions.

Anybody who was unhappy with his house could have put it on the market. If there was a shortage of housing, the price would rise, and that might enable the seller to build a better house; if there was a surplus of housing, the price would drop, and he might choose instead to rent his home. Either way, the available housing would be efficiently allocated, without corruption.

Louis Rive, who had made a reputation running the post office before planning the rehabilition of Soweto, brushed aside my suggestion as foolishness, but I see that Harry Schwarz, economically the best educated MP in Parliament, has recently come to the same conclusion as I did. Clearly, I was ahead of my time.

Take another example. As long as I can remember, Putco, the State-subsidised and State-protected bus company, has been a problem to itself, to its passengers (who often threw stones at the buses or set them alight) and to the taxpayer. Not until lawless mini-cab drivers began to put Putco out of business did a solution to the urban transport problem begin to emerge.

Even SATS, faced with some real free-market competition, admits it can no longer afford to subsidise legroom for white commuters by cramming black passengers into separate carriages. The trains are to be integrated.

Whites, of course, don't feel much heat yet. They are still enjoying the fruits of a skewed and dishonest tax system that has made them owners, willy-nilly, of the most ostentatious car fleet in creation. This country cannot cost-effectively produce a motorised wheelbarrow — we still import steering wheels and plastic hub-caps — but we are addicted now to fuel-injection, finger-tip controls and on-board computers. These adult toys are bankrupting us.

Not that all these problems can be attributed to government. I have never understood, for example, why it is a crime for an honest citizen to own uncut diamonds or unwrought gold. The only conceivable explanation is that the mining houses tend to become careless of their precious possessions, and they want the taxpayer to carry the cost of protecting their property against theft.

If gold were free to own, peasants with a gift for traditional art might be selling golden artifacts at the airport, as Zambians sell copper bangles.

Another example: South Africa has been making shoes since the time Italy's industry was flattened by invading armies, there is a huge market of nearly 40-million people in this country, and another 60-million just across the borders — more than the combined population of Britain and France.

You would think that, by now, any decent management would have learned to compete from such a base, particularly where unemployment is high and some people may prefer hard work to hunger. But, no, the manufacturers whimper endlessly for more protection, or threaten to emigrate if they don't get it.

Not even the plummeting exchange rate, which has doubled import prices and should have halved export prices, can make them competitive against the products of high-wage Italians or hardworking Taiwanese.

But don't single out the footwear industry. We are all guilty, and our economic growth rate tells the story. Growth is just about nil. We are a nation of losers, sliding slowly down through the ranks of the Third World.

Now, on top of sloth, come sanctions. Our remaining markets will vanish unless we can undercut other producers by 20%, our cost of living will soar unless we can make cost-effective substitutes for scarce imports, our people will starve in the streets, which they have not yet begun to do on any scale, unless we can use our capital goods around the clock.

We can no longer afford housing subsidies, or tax-subsidised cars, or artificial farm prices, or cartels and *konsessies*, or rigged markets or padded wage bills. We can't afford to subsidise the public service, or the farmers, or the favourite corporations. The lazy days are over.

There is no place to run, no place to hide. We have our backs to the wall.

Overseas marketing aids economy

Swaziland 'has not benefited from sanctions'

13/6/88 Bldy

DIANNA GAMES

SWAZILAND'S economy had not benefited from the threat of sanctions against SA, nor did it seem likely this would happen if sanctions moves increased, Commerce and Industry Ministry CE Chris Mkhonti said.

He said Swaziland's exports rose by more than 50% in 1986 compared with the previous year but the rise could not be attributed to more SA companies moving their operations to Swaziland to avoid sanctions.

Marketing

It was more the result of the marketing efforts by Swaziland which was taking advantage of the benefits afforded to developing countries.

Percentage increases in Swaziland's exports, not including those to SA, were these: 1984 — 5,9%, 1985 — 13%, 1986 — 57% and 1987 — 4%.

Mkhonti said Swaziland was encouraging SA- based companies to move their export operations there offering as an incentive the opportunity to take advantage of the Lome Convention.

The convention is a preferential trade agreement between the EC and the US with African, Pacific and Caribbean countries in terms of which no customs duties need be paid by the latter group to enter into EC markets.

However, the flow of companies from SA to Swaziland was "disappointing" and had not made a significant dent in its economy.

One exception was the Coca Cola concentrate plant which was moved there from SA when Coca Cola disinvested in 1986 and which had contributed about $50m to Swaziland's economy from the sale of concentrate to SA. Coca Cola would not confirm the figure.

Mkhonti said. "We feel happy to encourage business from SA as long as they comply with the rules of origin." In order to qualify for a "Made in Swaziland" label, SA products need only have 25% of their value added on in Swaziland.

However, the final decision on whether to accept such goods had to be made by the importing country.

Loophole

Asked if this could not be seen as a sanctions loophole, Mkhonti said as a developing country, Swaziland did not have the infrastructure to support the 100% manufacture of many goods so it was prepared to accept the 25% requirement in order to still attract SA industry.

Federated Chamber of Industries economist Russell Glass said it seemed unlikely the benefits of the convention in themselves would be enough to offset the expense involved in relocation.

US Bill a threat to 82 000 jobs

ROGER SMITH

IT was an almost impossible task to pin down the number of jobs lost directly because of sanctions, Assocom manpower secretary Vincent Brett said

He said companies might cut back staff for a variety of reasons and only in certain cases such as the coal industry could a direct correlation be made with the impact of sanctions.

Aside from lay-offs resulting from sanctions, however, Brett pointed to the greater implications of the effects on the country's growth rate.

He said if the growth rate fell as a result of sanctions, obviously unemployment would increase.

American Chamber of Commerce executive director Adrian Botha said the effects of disinvestment in terms of job losses was not particularly high Companies generally changed hands rather than being closed down, although this was sometimes accompanied by retrenchments.

He warned, however, if the Dellums Bill before the US Congress became law, the effects would be massive, as US companies would simply withdraw. About 82 000 employees could lose their jobs.

Churchmen oppose sanctions

ELSABE WESSELS

MORE than 60% of SA's population was against sanctions, church leaders opposed to sanctions claimed in Johannesburg on Friday.

Representatives from different churches, including the Zionist church which has more than four-million members, and the biggest white Afrikaans church, the Ned Geref Kerk, convened to voice opposition to sanctions.

About 970 church groups and organisations were represented by the estimated 1300 representatives, Full Gospel Church of God Pastor Martin Badenhorst said.

There were also splinter groups from the Anglican and Methodist churches.

Spokesmen strongly opposed the call for sanctions on "Christian grounds," and criticised Anglican Archbishop Desmond Tutu for his strong sanctions stand.

The convocation issued a statement "The grief and suffering that would be caused to innocent people through such measures cannot be justified."

Churches in anti-sanctions drive

By Paula Fray

About 400 church leaders who claimed to represent more than 17 million South Africans — most of them black — opposed calls for sanctions at a meeting in the Johannesburg City Hall on Friday.

The leaders, who said they represented 890 church denominations and bodies, included the head of the Full Gospel Church of South Africa, Rev M L Badenhorst and the head of the Rhema Bible Church, Pastor Ray McCauley.

Other churches who had joined the forum included The Zion Christian Church (ZCC), the Reformed Independent Churches Association, Fellowship of Pentecostal Churches, the Baptist Church and charismatic churches.

The church leaders said they opposed the call for sanctions because they believed it was contrary to the teachings of the Bible.

They said the grief and suffering that would be caused to innocent people could not be justified.

It was also their experience that the majority of South Africans were against sanctions. Furthermore, sanctions would affect the finances of the church drastically.

The church leaders have formed a united forum but have still not decided on a name for it.

Church condemns SA sanctions lobby

Own Correspondent

DURBAN — The Full Gospel Church of God has come out in strong opposition to punitive sanctions, boycotts or disinvestment against South Africa and has challenged churchmen who support these strategies to produce scriptural backing for them.

The church has about 500 000 members in South Africa, about half of them Africans The Indian membership is said to be the largest Indian Christian community in the country.

STARVATION

The church president, Pastor Martin Badenhorst of Pretoria, said the general moderature of the church had passed a anti-sanctions resolution at a meeting in Durban.

It said the church could not support any measures undertaken against South Africa by way of punitive sanctions, boycotts or disinvestment "as we find no scriptural authority for depriving persons of the means whereby they can earn a dignified livelihood or whereby they can be condemned to starvation through no fault of their own".

The resolution also condemned apartheid, saying it had no scriptural foundation and was an offence to human dignity.

The moderature said: "We believe that a just and equitable dispensation should be instituted in our society in South Africa, but by peaceful and non-violent means only."

The general moderature consists of 15 church leaders representing the leadership from the black, coloured, Indian and white communities.

He said: "We have appreciation and respect for the whole Christian body of believers in South Africa and worldwide, but it is sad there should be a division on such cardinal issues such as this."

He said it was surprising that churchmen who supported sanctions did not seem willing to have a theological discussion with their opponents.

US legislators agree:

M64S 14/6/88 280

Sanctions ineffective

From ALAN DUNN of The Argus Foreign Service in Washington

DEMOCRATS and Republicans, sharply divided on whether the United States Congress should impose further penalties on South Africa, agree on one thing at least: economic sanctions have not worked so far.

Not one politician in the Democrat-dominated House of Representatives and Senate has claimed in the present debate on imposing more sanctions that the tough but limited trade restrictions they introduced almost two years ago have had even partial success.

Sanctions advocates are arguing their case for an almost total trade cut-off and forced American disinvestment from South Africa against a backdrop of economic buoyancy in South Africa, where the punitive measures they dealt out in the Comprehensive Anti-Apartheid Act of 1986 have largely been responsible for the creation of scores of white South African millionaires.

They see that apartheid is no nearer to being dismantled. Their news media are reporting that thousands of black workers have lost their jobs, the Government shows no sign of falling and that black misery is as deep as ever.

But the pro- and anti-sanctions camps, split largely on partisan lines this year, turn these observations to their own purposes: Democrats argue that limited sanctions are not enough, that two years is hardly sufficient time to measure their worth and that America's allies should be coerced into doing the same.

Republicans say sanctions historically do not work and are, particularly in South Africa's case, a questionable foreign policy tool.

Gone from the Democratic rhetoric this year are the 1986 expectations that sanctions would force prompt improvements in South Africa. Absent too is the American predilection for "quick fix" solutions. The mirage is fading as they read in American newspapers that black South Africans are preparing for a long haul to equality.

A realisation also seems to be dawning on Capitol Hill that the heat Congress can turn on South Africa is finite.

Democratic attention and that of the anti-apartheid groups has thus turned towards somehow cajoling or bludgeoning Western allies to take similar steps and economically punishing others that fill the trade gaps they leave when they sever links with South Africa.

Another shift in the thinking of pro-sanctions lawmakers is that they need to shore up the countries that would suffer through sanctions: South Africa's neighbours, the so-called frontline states. In 1986, those in the sanctions vanguard did not foresee this necessity.

But the civil rights activist and vice-presidential hopeful, the Rev Jesse Jackson, who is steadily pegging out control over Democratic policy on Africa for himself, now wants even to bolster those countries militarily to "defend themselves against apartheid" in addition to pumping in millions of aid dollars.

Specialist committees attached to the House of Representatives continue to review and amend the new sanctions Bill amid some urgency to finish and pass it before the Senate foreign relations committee holds its first hearing on the issue on June 22.

Congressional observers believe the House will pass the Bill. Its passage in the Senate, however, is uncertain. Key figures in the 1986 debate such as moderate Republican senators Richard Lugar and Nancy Kassebaum do not want South African legislation this year.

The minority Republicans seem more assertive this year than they were in the last big sanctions debate. They are confident that they have the moral high ground after passing the 1986 sanctions to demonstrate their repugnance of apartheid and surer now that their pro-sanctions colleagues are having to admit that what they forecast has not materialised.

Some Senate aides say there is a remote chance that the Bill may not even reach the full Senate chamber this year unless the Democrats succeed in making apartheid an issue in the presidential election or the South African Government "drops a shoe" by repeating cross-border raids or crackdowns on dissent.

This, they say, it has done repeatedly, handing political ammunition to eager Democratic hands.

Brandt's 'yes' to sanctions

CAPE TIMES 14/6/88 280

BONN. — Former West German chancellor Mr Willy Brandt said yesterday that his Social Democratic Party backed economic sanctions against South Africa and had agreed on five demands which had majority support in parliament.

The measures included withdrawing Bonn's ambassador to Pretoria and cutting the number of South African diplomats in West Germany, Mr Brandt told an anti-apartheid conference.

He suggested introducing visas for South Africans visiting West Germany and a ban on flights to South Africa.

Mr Brandt also called for a toughening-up of the European Community's (EC) Code of Behaviour on South Africa, which sets out guidelines for firms based in EC countries on how they should run their subsidiaries in South Africa.

West Germany's ruling centre-right coalition officially opposes economic sanctions against South Africa. — Sapa-Reuter

'Terror state' label for SA 'symbolic'

CAPE TIMES 14/6/88 280

From SIMON BARBER

WASHINGTON. — The Democratic Party's decision to declare South Africa a "terrorist state" in its election platform will have no practical effect, United States officials and legal experts agreed yesterday.

The view was even shared by Democratic candidate Mr Michael Dukakis's chief foreign policy adviser, Miss Madeline Albright, who called the move "symbolic".

The State Department said the administration opposed placing South Africa on the so-called terrorism list, which currently included Libya, Iran, Syria, South Yemen, Cuba and North Korea, but was "keeping the situation under review".

A spokesman said that while the US denounced South African cross-border raids against alleged ANC targets, "apartheid, however abhorrent, does not meet the definition of international terrorism".

Following the assassination of Miss Dulcie September in Paris earlier this year, Dr Chester Crocker, the Assistant Secretary of State for Africa, warned South Africa's ambassador, Dr Piet Koornhof, that South Africa might be placed on the list if there was a similar incident on American soil.

Mrs Margaret Thatcher is believed to have issued a similar warning.

In legal terms, the "terrorist" designation requires a president to impose sanctions no stiffer than those already in effect under existing law.

"The economic sanctions now in place impose most of the strictures that would be required," a State Department spokesman said.

One of the few additional requirements would be to strip SA of its official "most-favoured nation" trading status with the US, which, bizarrely, it still retains.

The Rev Jesse Jackson first began demanding that SA be declared a terrorist state after the publication of a State Department report alleging Khmer Rouge-style atrocities by Renamo terorists.

280 B/day 14/6/88

Sanctions endanger 82 000 jobs

ROGER SMITH

IF SWEEPING new sanctions against SA were approved by the US Congress soon it would place 82 000 jobs at stake, in spite of a clause requiring companies to negotiate withdrawal with their employees, American Chamber of Commerce executive director Adrian Botha said yesterday.

He said the figure of 82 000 was the total number of jobs with US companies in SA.

If the Bill before Congress became law, companies would have to withdraw within six months.

Although they would have to negotiate their withdrawal with their employees, it could not be said they would leave their assets behind.

Botha said this would depend on how that clause was perceived by individual companies.

Asked whether US companies were making any provision for withdrawal should the Bill become law, Botha said as the chamber was committed to US business staying in SA it would not make any such recommendation. However, he assumed "any businessman thinks further than six months ahead".

West making ass of itself in SA, says Deedes

280 Star 15/6/88

By Frank Jeans

While it has good intentions, the West is making an ass of itself in South Africa and future historians will look back and say "This was their silliest hour!"

This is the view of Mr WF Deedes, former British cabinet minister and editor of London's *Daily Telegraph*.

Writing in the latest bulletin of the South Africa Britain Trade Association (Sabrita), he says "As America is propelled towards still 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 and the stronger sanctions become, the more profitable it will be to cheat."

Having taken a fresh look at the state of South Africa's economy and business, he has little doubt that not only are sanctions and disinvestment failing to do what was promised, 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 and it has destroyed black jobs, dumped the Sullivan Code, which imposed conditions on the treatment of US companies' workers, and killed multi-million-dollar social programes," says Mr Deedes.

"It has also removed America's voice from South Africn affairs and weakened the liberal influence

"Sanctions have slowed down, but not stopped the rise in South Africa's economic life of black owners, managers and, above all, entrepreneurs," says Mr Deedes

"That is where the political leverage will come from.

"The campaign against South Africa's economy slows down education, housing and other social programmes for blacks and it slows down the dismantling of the apartheid apparatus to meet the demands of industry and commerce."

When the Americans left, their South African successors, says Mr Deedes, tightened up business and shed labour. Black union bargaining power has, as a result, been weakened.

"Yet, for political reasons, the black unions cannot publicly oppose what they know to be most damaging to their interests," he says.



Mr Tony Bloom ... 'Business must be in the forefront of a movement to press for the abolition of discrimination.'

SA's race policies behind sanctions, says Bloom

Star 15/6/88 280

By Esmaré van der Merwe

The primary motivation for sanctions and disinvestment was the Government's steadfast refusal to dismantle statutory racial discrimination, Mr Tony Bloom, chairman of the Premier Group, said in the company's annual report which was released yesterday.

He said that although he was a firm opponent of these punitive measures, it should be remembered that racial discrimination was codified in South African law and invaded every facet of South African life.

As long as "unjustifiable concepts" remained legal, domestic polarisation and international isolation would inevitably increase, Mr Bloom warned.

DEFEND VALUES OF SOCIETY

He urged the business community to "vocally and forcefully" defend the values of a civilised society. That was the only way economic and political stability and a reasonable future for all South Africans could be assured.

The business sector needed to be in the forefront of "an articulate and coherent movement" which pressed for the abolition of discrimination, the restoration and maintenance of the rule of law, negotiations with credible black leaders — "including several of those presently in jail or exile" — and the maintenance of freedom of association and speech.

Mr Bloom criticised the Government's recently proposed constitutional changes which would not satisfy black political aspirations.

"Once again, they have been formulated without consultation with credible black leaders, and suffer from the fatal flaw of reserving the main legislative bodies for whites, Indians and coloureds.

He urged the Government to scrap "the broad policy of apartheid", despite the growing strength of right-wing politics.

During the financial year under review, Mr Bloom said, several reaffirmations of apartheid cornerstones had been made.

These included the exclusion of blacks from the political process, the maintenance of race classification and the continuance of segregated schooling, health facilities and living areas.

SCRAPPED IN THEIR ENTIRETY

"Merely tinkering with their basic tenets in order to alleviate their worst features will not do — they should be scrapped in their entirety."

The banning of 17 black anti-apartheid organisations had silenced all forms of peaceful political protest and would undoubtedly channel black political aspirations into underground movements and more violent forms, he said.

In addition, the press, universities and trade unions had come under increased pressure.

The actual and proposed moves against trade unions were "particularly dangerous". The proposed amendments to the Labour Relations Bill should be resisted by employers and employees, he said.

Sanctions agreement doesn't mean easing off

(280)

Star 15/6/88

WASHINGTON — Democrats and Republicans, sharply divided on whether the US Congress should impose further penalties on South Africa, agree on one thing at least: economic sanctions have so far not worked.

Not one politician in the Democrat-dominated House of Representatives and Senate has claimed so far in the present debate here on imposing more sanctions that the tough but limited trade restrictions they introduced almost two years ago have yielded even partial success.

Sanctions advocates are arguing their case for an almost total trade cut-off and forced American disinvestment from South Africa to a backdrop of economic buoyancy in South Africa, where the punitive measures they dealt out in the Comprehensive Anti-Apartheid Act of 1986 have largely been responsible for the creation of scores of white South African millionaires.

Apartheid is no nearer to being dismantled, they see. Their news media are reporting back that thousands of black workers have lost their jobs, the Botha Government shows no hint of toppling, and that black misery is as deep as ever.

But the pro- and anti-sanctions camps, split largely on partisan lines this year, turn these observations to their own purposes.

Democrats argue that limited sanctions are not enough, that two years is hardly sufficient time to measure their worth, and that US allies should be coerced into doing the same. Republicans say sanctions historically do not work and are, particularly in South Africa's case, a questionable foreign policy tool.

Gone from the Democratic rhetoric this year are the 1986 expectations that sanctions would force prompt improvements in South Africa. Absent too is the American predilection for "quick fix" solutions. The mirage is fading as they read in American newspapers that black South Africans are preparing for a long haul to equality.

A realisation also seems to be dawning on Capitol Hill that the heat Congress can turn on South Africa is finite. They want it at blowtorch intensity. Democratic attention and that of the anti-apartheid groups has thus turned towards somehow cajoling or bludgeoning



While Democratic hopeful the Rev Jesse Jackson seeks to add US military aid to the anti-South African struggle, "moderate" Republican senators such as Nancy Kassebaum and Richard Lugar are trying to avoid South African legislation in 1988.

The search for the "quick fix" for South Africa on Capitol Hill is over, but advocates of sanctions are as determined as ever, reports ALAN DUNN for the Star Bureau.

Western allies to take similar steps, and economically punishing others that fill the trade gaps they leave when they sever links.

Another shift in the thinking of pro-sanctions lawmakers is that they need to shore up the countries that would suffer through sanctions, South Africa's neighbours, the so-called front line states. In 1986, those in the sanctions vanguard did not foresee this necessity.

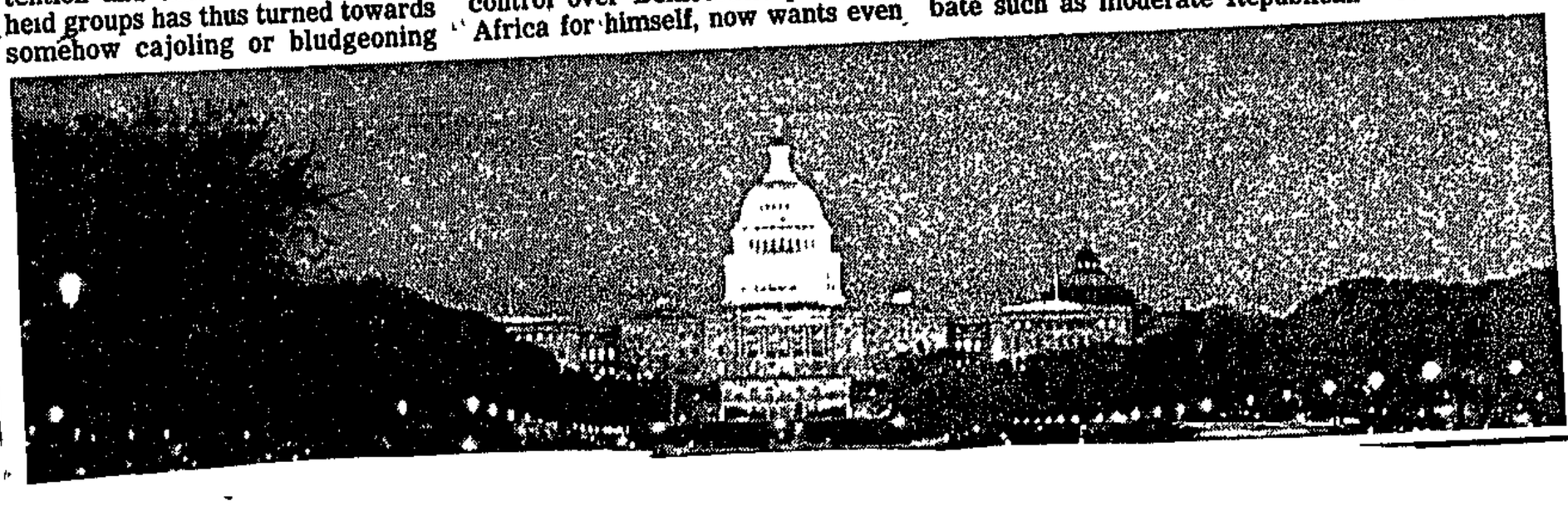
But US civil rights activist and presidential hopeful the Rev Jesse Jackson, who is steadily pegging-out control over Democratic policy on Africa for himself, now wants even to bolster those countries militarily to "defend themselves against apartheid" in addition to pumping in millions of aid dollars.

Specialist committees attached to the House of Representatives continue this week to review and amend the new sanctions Bill amid some urgency to finish and pass it before the Senate Foreign Relations Committee holds its first hearing on the issue on June 22/23.

Congressional observers believe the House will pass the Bill. Its passage in the Senate, however, is uncertain. Key figures in the 1986 debate such as moderate Republican Senators Richard Lugar and Nancy Kassebaum do not want South African legislation this year.

The minority Republicans seem more assertive this year than they were in the last big sanctions debate — confident that they have the moral high ground after passing the 1986 sanctions and demonstrating their repugnance to apartheid, and surer now that their pro-sanctions colleagues are having to admit that what they forecast has not materialised.

Some Senate aides say there is a remote chance the Bill may not even reach the full Senate chamber this year unless the Democrats succeed in making apartheid an issue in the presidential election, or the South African Government "drops a shoe" by repeating cross-border raids or crackdowns on dissent.



House committees are working late on Capitol Hill this week on the new sanctions Bill before the Senate Foreign Relations Committee starts its hearings. But will their effort be wasted, now the minority Republicans are more assertive?

End in sight for R2,2-bn US exports

New Bill aims to strangle SA trade

280 STAR 16/6/88

By Alan Dunn, The Star Bureau.

WASHINGTON — The House of Representatives will probably pass a fresh battery of economic sanctions against South Africa later this month, throttling all trade except certain commodities the US needs to keep flowing.

The Anti-Apartheid Act amendments of 1988 dramatically broaden the original sanctions-bearing Comprehensive Anti-Apartheid Act of 1986, imposing a near-total ban on US-South African business, closing loopholes, creating some whoppers — and ending more than R2,2 billion a year in US exports to South Africa.

American agricultural produce is, however, exempt (it earned US farmers R115 million last year). So are humanitarian donations of food, clothing or medical supplies intended to relieve human suffering, and publications.

Imports from South Africa are banned, except strategic minerals which the US president certifies are essential for the economy or defence, and publications and imports from South African businesses wholly-owned by blacks.

Also specifically banned are any foreign products containing South African components.

The Bill orders American companies out of the Republic within six months and forbids any American to buy, own or hold any investment in South Africa.

Military

No American may transport crude oil or petroleum products to South Africa.

The Bill prevents any American engaging in the production of "special nuclear material" in the Republic.

Intelligence-sharing between governments is banned, except information on Cuban troops and their communist supporters in southern Africa. Military co-operation is also prohibited

In terms of the Bill, the US president may drop sanctions if he certifies to Congress that South Africa has released all people "persecuted for their political beliefs or detained unduly without trial".

It stipulates that the president must confirm four of five developments as well, before doing so:

- A repeal of the state of emergency.
- Unbanning of political parties and free participation by all in politics.
- Repeal of the Group Areas Act and Population Registration Act.
- Government agreement to enter into good faith talks with "truly representative members of the black majority without preconditions".
- Ending the "illegal occupation" of SWA/Namibia and implementing the United Nations peace plan for it's independence.

It instructs the president to confer with allies to get them to impose similar sanctions against South Africa.

The president must further instruct his representative to the UN to propose that the Security Council impose similar sanctions.

The president must also develop a programme to reduce US dependence on South African strategic minerals.

Finally, the Bill makes R84 million a year available to "disadvantaged South Africans", enabling them to have scholarships, participate in trade unions, private enterprise, alternative education, and community development programmes.

It may also be used for legal aid for South African journalists in challenging Government restrictions on the media.

Up to R6 million would be used for training and legal aid for viable trade unions, and R800 000 is earmarked each year for refugee education and aid for South Africans and SWA/Namibians.

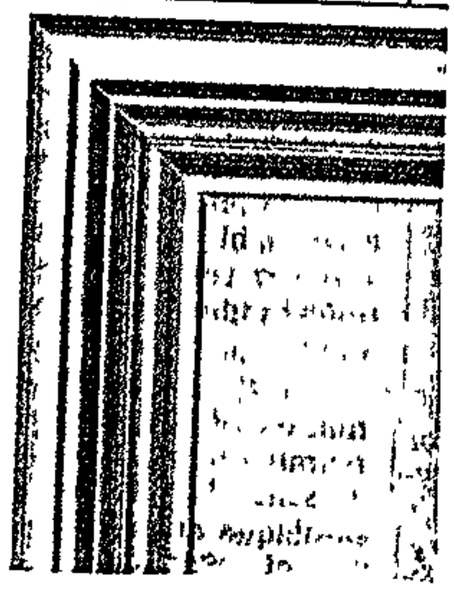
Seated on the Senate Foreign Relations Committee next Wednesday and Thursday, as it holds hearings on further sanctions, will be several lawmakers dubious about further squeezing South Africa.

Some will be dead against it this year.

Opposition

Uncertainty surrounding the House Bill's future heightened this week with an editorial in the influential *Washington Post* concluding: " ... We don't think any new sanctions are justified while such doubt exists about whether the old ones were wise."

Opposing the Bill also is the Reagan Administration: "It doesn't make sense," Secretary of State Mr George Shultz said this week.



3M dismisses speculation it is pulling out

By Sven Forssman

Mr Ed Ashe, managing director of 3M South Africa, this week laid to rest speculation that the company was planning to disinvest from South Africa.

"3M South Africa has been established in the country for some 30 years and is fully conscious of its responsibility to its customers and employees. We have no plans to withdraw," Mr Ashe said.

"And at the company's annual shareholders meeting in Minnesota recently, a proposal by the National Council of Churches of Christ in America for the company to withdraw from South Africa was defeated."

More than 90 percent of the shareholders voted against the proposal.

Mr Ashe added that 3M South Africa, which has 850 employees with its head office at Elandsfontein, had in recent years concentrated on acquiring locally sourced raw materials.

Chairman and chief executive officer of 3M St Paul, Minnesota, Mr Allen Jacobson, told investors recently that one of the company's strategies was to "expand global penetration".

He said although 3M derived 40 percent of its sales from international operations — of which the South African subsidiary contributed one percent — he saw large opportunities for further growth because the market share remained well below what it was in the US.

"To capitalise on this opportunity, 3M is systematically strengthening every area of its global operations with regards to research, manufacturing and marketing."

The company ranks 37th in sales on a list of the 500 largest US industrial companies. In 1987, 3M earned $918 million.



ED ASHE — "We have a responsibility to customers and employees."

'We want jobs' graffiti at Tutu home

Cape Times 17/6/88

SOWETO. — Attacks on Archbishop Desmond Tutu spread to Soweto yesterday when graffiti reading "Tutu we want jobs" was daubed on the garden wall of his home here.

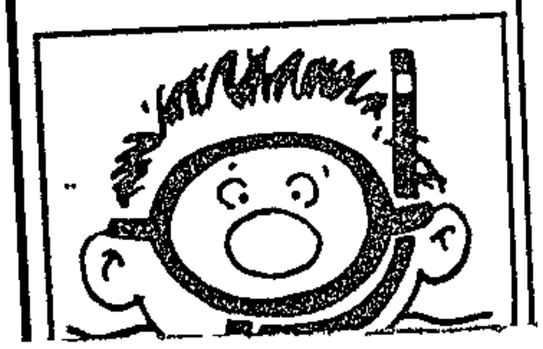
This was later amended to read "Tutu we do not want jobs under apartheid".

The Anglican archbishop has acknowledged that sanctions will exacerbate black unemployment but says blacks are prepared to pay the price to get rid of apartheid.

Bishop Tutu, who visited the Soviet Union this week, has been under fire from certain groups in South Africa because of his globe-trotting campaign to persuade foreign governments to impose tighter sanctions. — Sapa-Reuter

SHOWER DOORS

★ DOORS MADE



Business Da

DAY, JUNE 17 1988

60c (54c + 6c tax)

AL and CAPE 80c (71c + 9c tax)

A TIMES

Japan puts the lid on SA canned fruit

TOKYO — JAPAN's second-largest retail chain store, Ito-Yokado Co, has suspended sales of South African products because of SA's policy of racial segregation, company officials said yesterday.

They said Ito-Yokado halted imports of canned yellow peaches and fruit cocktail from SA — starting with the April shipments — in line with a decision made at a managers meeting late in April.

Officials said the company took the step because of growing protests worldwide against apartheid.

The situation could not be confirmed with the South African canning industry yesterday, DIANNA GAMES reports.

However, estimates for last year's total imports to Japan of prepared fruits and vegetables from SA amounted to $90m, which sources indicated was not a large market in terms of total imports to Japan from SA.

One company official said they had found there were many customers who did not like apartheid.

"Our basic policy is to find the least expensive products for our customers, wherever they are, in South Africa or the US but we also have to consider the feelings of our customers toward the products we sell," he said.

Ito-Yokado started importing yellow SA peaches in 1984 and SA fruit cocktail in 1985 through Mitsui and Co, a major trading house.

Company officials said Ito-Yokado would keep sales of SA products suspended for some time, until they again became acceptable to its customers.

Mitsui spokesmen in Johannesburg said they had no comment to make on the situation. — AP-DJ.

(280) B/Day 17/6/88

Firm no to SA sanctions

WASHINGTON — The Washington Post, mirroring mainstream Washington opinion, this week came out strongly against new sanctions against SA in its lead editorial.

"We don't think any new sanctions are justified while such doubt exists about whether the old ones were wise."

The newspaper cited in its support a plea from Helen Suzman, which it published opposite the editorial.

"In the unfounded hope of the rapid demise of the apartheid regime, it is surely senseless to blunt the only weapon with which blacks can improve their position — through their economic muscle,

SIMON BARBER

mobilised in trade union structures and through their consumer power in the market," Suzman wrote.

The Post agreed, noting: "Precisely this notion of giving blacks an economic base from which they can if they wish withhold their own labour and purchasing power stirs the strike movement that is becoming an increasingly important arena of black struggle."

Pretoria had made no progress towards ending apartheid since the passage of the 1986 Comprehensive Anti-Apartheid Act, the Post said, but sanctions proponents needed to understand why this was so.

"The South Africans know the costs are heavy and getting heavier, but, tragically, they think these costs are more bearable than the costs of letting go. Meanwhile, they have available the great powers of a modern state to inflict terrible costs on the majority."

The editorial said the congressional attempt to pass new sanctions was "hitched to the election campaign" and pointed out that Democratic candidate Michael Dukakis was "foursquare for sanctions".

It predicted the Senate would seek to soften the draconian measure now working its way through the House of Representatives so that it "would win enough votes to surmount the expected presidential veto".

SAPA reports the London Financial Times said in an editorial on Wednesday a period could be starting in which the rest of the world showed greater determination to bring pressures to bear against SA's apartheid system.

"It is time to start thinking straight about SA," the editorial said.

It said the SA government and some backbenchers in Britain's Conservative Party maintained the ANC was a "terrorist organisation" whose representatives should be shunned.

It said the label "terrorist" to describe either the ANC or the SA government as US Democrats had done, was not helpful.

The newspaper said it was one thing to condemn the shooting of unarmed civilians and demonstrators by SA forces, but it was quite another to place the SA government, which commanded the strongest economy and the strongest military force in Africa, outside the range of normal diplomatic pressures.

Gold loans could offset sanctions

GOLD loans could help fill the vacuum being created by the steady depletion of foreign investor interest in SA, say analysts.

The situation is gaining added urgency with the more stringent sanctions legislation under debate in the US.

Already US citizens are precluded from investing new capital in SA. The new legislation could force them to withdraw all their capital already invested — as much as R14,3bn in mining shares alone, Davis Borkum Hare economist Mike Brown says.

Finance director-general Chris Stals told the Vienna World Gold Conference on Monday the Reserve Bank was considering gold loans to mining companies for funding development, a Financial Times report says.

Although gold loans have been

REINIE BOOYSEN

available as a method of financing for many years overseas, they have become common in the last two years — particularly in North America and Australia, where about 6,5-million ounces of gold have been borrowed by mines.

Because only the Reserve Bank may hold unwrought gold in SA, this form of financing has so far not been possible here.

The principle is that mines borrow gold from bullion houses and then sell the metal to raise cash, which is used to fund development of the mine. When output comes on stream the loan is repaid out of production.

Both sides profit from the deal: Consolidated Goldfields analyst George Milling-Stanley says the banks that lend the gold charge low interest rates, "usually between 1% and 2,5%, because they see this as a way of earning a return on part of their gold reserves, rather than incurring the costs of storage and insurance.

"That helps to increase the appeal of gold loans for mining companies, especially at a time when the attractions of raising funds through the equity markets have suffered. in the wake of falls in share prices since Black Monday in October."

US-based Newmont Mining's first quarter report shows it is saving $25m a year in interest costs as a result of its 1-million-ounce gold loan in February.

The loan is repayable over a five-year period at rates of 2,5%, declining to 0,75% after Newmont's total debt falls to $1,25bn.

Influential US group finds . . .

'Most blacks not in favour of sanctions'

WASHINGTON — Most black South Africans do not favour sanctions and disinvestment, the Washington-based Investor Responsibility Research Centre concludes in a report published as Congress prepares to pass new sanctions legislation.

The IRRC, whose highly influential research has been a catalyst for the US disinvestment campaign, bases its findings on an analysis of existing opinion polls and interviews conducted independently in SA by its own researchers.

The report identifies considerable differences between black rank-and-file opinion and the positions of opposition elites whom congressional sanctions proponents cite to justify their actions.

IRRC discounts claims that the polls of have been distorted by fear of official reprisal. "The State appears more concerned with silencing public figures (than ordinary people) who are capable of mobilising sanctions campaigns."

Unlike most sanctions advocates, the

SIMON BARBER

IRRC finds the polling data sufficiently credible to conclude: "The majority of Africans in SA do not advocate that US and other foreign companies withdraw from SA and do not favour economic sanctions against SA as a tactic to help end apartheid if those measures will also increase black unemployment."

Based on the two most recent polls — the German African Foundation survey in June-July last year and the Orkin survey of August-September — IRRC feels support for sanctions at all costs measures between 14% and 26%.

The report also notes many more blacks might conceivably support sanctions if they were convinced they would not increase black unemployment.

In its analysis of organisation views, the study finds:

☐ The ANC, PAC, Azapo and Nactu sup-

● To Page 2

Most blacks 'do not favour sanctions'

● From Page 1

port sanctions and disinvestment unconditionally, with the SACC leaning strongly in that direction;

☐ Anglican Archbishop Desmond Tutu's views tend to be mixed, ranging between calls for sanctions specifically aimed at securing the release of political prisoners and open-ended negotiations at one extreme, and for the symbolic severing of diplomatic relations at the other;

☐ The SA Catholic Bishops' Conference and the Cape Action League seek specific, tactical sanctions — an international airline ban, for example — but are "anxious that sanctions not be imposed that will destroy the economy or increase black hardship"; and

☐ Cosatu, while broadly supportive of sanctions, appears to be shifting position, especially on disinvestment.

"Ideally, many Cosatu members would like to see the world impose comprehensive sanctions in one decisive blow that would disable the government relatively quickly.

"Instead, they have been forced to deal with a situation where disinvestment and sanctions have been imposed piecemeal, which hurts their members' interests but does not visibly affect the white establishment."

280

Dukakis, Jackson urge Congress to pass sanctions bill

WASHINGTON. — Democratic presidential contender Mr Michael Dukakis and the Rev Jesse Jackson urged Congress yesterday to pass a bill that would impose stern economic sanctions on South Africa.

During a rally on the steps of the US Capitol, a Dukakis aide read a statement in which the Massachusetts governor vowed "to lead the fight for economic sanctions" if elected president in November.

Mr Dukakis, who appears to have locked up the party's presidential nomination, "strongly supports the bill" now before Congress.

It would ban most trade between the United States and South Africa and force an end to all American investment in South Africa.

"When we assume moral leadership, we can move mountains," Mr Jackson told the rally, which attracted several hundred people.

"Our character is at stake ... our future is at stake," Mr Jackson said in supporting the bill, which is opposed by the Reagan administration.

"We must end apartheid in our day. It's good for the world," said Mr Jackson, a black civil-rights leader, who finished second to Mr Dukakis in the race for the Democratic nomination.

The rally was held to mark the anniversary of the 1976 Soweto uprising, which began as a protest against the use of Afrikaans in schools. More than 600 people died in the ensuing countrywide uprising.

The statement by Mr Dukakis pushes South Africa further into American domestic politics.

Earlier in the week, Democrats drafting a party policy agreed to condemn South Africa as a terrorist state. — Sapa-Reuter

d awards
all South African
which have won
nally have been
Productions, pro-
mpany.
eidman company

get to dominate
n is fierce?
● PAGE 12

The Star BUSIN

Gold

London close	$450,25 ($453,90)
Zurich close	$450,50 ($452,00)
Hong Kong close	$452,15 ($454,50)

JSE

Overall	1698 —21
All Gold	1235 —42
Industrial	1617 —3

Markets

Dollar	R2,2890 (F-rand R
FTSE 100 close	1850,1
Dow close	2094,24

US sanctions Bill has 'frightening' prospects

Star 18/6/87

280

The US Dellums Bill (Anti-Apartheid Amendments Bill of 1988) would have a devastating impact on South Africa's economy should it be approved by Congress next year, Mr Adrian Botha, executive director of the American Chamber of Commerce, said yesterday.

The proposed legislation would ban all investment in South Africa and would give companies one year to divest themselves of all existing interest.

The Bill would also place a blanket embargo on trade between the US and South Africa, subject to exceptions for minerals which are strategically important to the US, trade with South African companies entirely owned by non-whites, and publications.

The US government would be required to punish companies and individuals violating the embargo.

"The proposed legislation is unprecedented in US legal history," Mr Botha said. "The implications of the Bill are too frightening to contemplate."

SVEN FORSSMAN

The American Chamber of Commerce has met government leaders and various organisations, including the Junior Broederbond, in recent weeks to impress on them the seriousness of the new sanctions legislation.

Mr Botha said the sanctions already in place, which are restricted to specific imports from South Africa, and direct airline flights between the two countries, together with prohibitions against US bank loans to South Africa and co-operation with the country's armed forces, had not had a profound effect on South Africa's economy.

Disinvestment

"The companies that have disinvested — there are about 157 of them — disposed of all their equity, but they still remained viable. They could continue.

"Some of the companies reduced their staffing levels, with the result that a few jobs were lost, but this did not have a negative effect on the economy.

"But, with the Dellums Bill, all these companies would have to go, as well as the other American companies — about 150 — in the country."

American investors would be forced to sell their South African shares within 180 days of the passing of the bill. Non-compliance would result in a fine of R1 million.

"A stockbroking firm calculated recently that more than R14 billion worth of US-held mining shares would be wiped off the JSE," Mr Botha said.

"Those are not the only implications. There are many others, far more than most South Africans realise. We wouldn't be able to import spare parts for our Boeings, for instance."

The general feeling in the US at the moment, according to Mr Botha, is that the Dellums Bill would not find favour in the US Senate, unless there were any "blow-ups" in South Africa.

"By blow-ups I mean issues like the execution of the Sharpeville Six and the Promotion of Orderly Internal Politics Bill, which would curb the flow of foreign funds to local organisations. These issues are not only big in the US, but headline news in Europe.

"People overseas who have resisted sanctions until now, saying that more change can about by doing positive things, had the carpet pulled out from under them when the SA government introduced the Promotion of Orderly Internal Politics Bill."

Mr Botha said the restrictions on the 17 local organisations, had pushed the SA issue back to centre stage.

"Before that there was very little appetite for sanctions," he said.

Mr Botha said "sanctions busting" would be inevitable if the Dellums Bill was passed, but could the SA economy afford the massive increase in costs, especially in view of the fact that the country was not growing as it should be?

"South Africans must not underestimate the muscle of the US economy," he warned. "It is up to them whether the Dellums Bill goes through."

Setback for sanctions

LACK OF BLACK SUPPORT IN SA CAUSES RETHINK

By PATRICIA CHENEY
Washington

THE anti-South African sanctions campaign in the United States has received two major setbacks.

The prestigious Investor Responsibility Research Centre (IRRC) — which played a decisive part in getting the sanctions wagon rolling — has reported that the majority of South African blacks do not want sanctions.

And the influential Washington Post newspaper has cautioned against stricter boycott measures

Both developments reflect what some observers see as a rethink in many responsible US quarters about sanctions — much of it based on evidence that important black South African constituencies are also having second thoughts about the policy.

The shift could prove vital in ultimately defeating proposed trade and investment embargoes contained in new legislation before Congress.

The Washington Post threw its considerable weight behind the anti-sanctions arguments of South African MP Helen Suzman, whose views were prominently displayed in that day's edition under the headline "A wrecked economy won't end apartheid".

Mrs Suzman's article originally appeared in the Sunday Times.

On Thursday, the IRRC, a respected non-partisan body known for its balanced viewpoint, released a report that concluded the majority of South African blacks did not support sanctions and disinvestment if it meant losing jobs.

The report's author, Meg Voorhes, has been asked to testify this coming week before the Senate Foreign Relations Committee which is opening debate on the Bill with three days of hearings.

The fate of the legislation, which mandates a draconian cut-off of trade and investment links between SA and the US, rests with the Senate, where many members are reluctant to make the sanctions any harsher than they now stand under the 1986 Comprehensive Anti-apartheid Act.

Miss Voorhes said: "After pulling together all the data, I had to conclude that there isn't a majority of blacks who support sanctions at any cost, but there is a sizeable minority who will support them even if it costs them their jobs."

"The range of opinions among the rest seems to go from lukewarm support to adamant opposition."

She examined five public opinion polls taken in South Africa between June 1984 and September 1987, and also the public stances of "organisations that have identifiable black constituencies".

These included trade unions, church groups and an array of political organisations such as the ANC, the PAC, Inkatha, the UDF, Azapo and the Cape Action League.

Doubt

"Some of the polls also show that many blacks are not convinced that disinvestment and sanctions will help to end apartheid," the report concluded.

The Washington Post leading editorial on Wednesday said: "We don't think any new sanctions are justified while such doubt exists about whether the old ones were wise."

Mrs Suzman argued that it would be "senseless to blunt the only weapon with which blacks can improve their position at the work place and beyond the work place.

"Isolation and a wrecked economy may give moral satisfaction to some of those who oppose apartheid, but this course of action should surely be weighed against the unintended consequences that are likely to result."

● See Page 20.

...ow, held at Kirstenbosch at the weekend.
Picture: RICHARD BELL

'Russians want peaceful solution'

SOWETO. — The Russians have no selfish interests in South Africa and think the political injustice should be solved non-violently, Archbishop Desmond Tutu told reporters at his home here on his return from Moscow.

Archbishop Tutu and his wife, Leah, arrived in South Africa on Saturday after attending the 1000th anniversary celebrations of the Russian Orthodox Church.

"The Russians do not know anything about the Cuban build-up. The Cubans are not their 'clients'," Archbishop Tutu said.

He said the Russians wanted the crisis in South Africa to be solved equitably and believed that when things deteriorated it was the people who suffered.

Asked about his attitude to sanctions, he said: "The monster is apartheid. When that goes, there won't be any justification for sanctions."

The archbishop, who was faced with a barrage of placard-waving anti-Tutu campaigners at Jan Smuts Airport, said he was tired of the campaign to discredit him.

"I ask those organized anti-Tutu demonstrators to stop before someone gets hurt.

"Who tells these people my travel schedule?"

He said he was angry about the "scandalous" conduct shown to his wife last week. — Sapa

Same numbers win lottery for twins

BOCA RATON, Florida. — Identical twin sisters came up winners in Florida's Cash Three lottery, unaware each had bet on identical numbers.

Karen Snyder — who won about R2 160 from her three one-dollar tickets with the numbers 2-4-6 — and her sister Kathy, whose single ticket paid about R580, agreed it was a strange coincidence. — Sapa-AP

ivetti

Bitter fight looms over US sanctions Bill

Stars 20.6.88

280

By Neil Lurssen, The Star Bureau

WASHINGTON — The political fight over drastic new American economic sanctions against South Africa moves to the United States Senate this week where they will live or die.

It looks like becoming an even fiercer fight than the emotional debate of 1986 when the US Congress snatched South Africa policy away from the Reagan administration and imposed a set of limited sanctions.

The new punitive measures — based on a Bill drafted by leftist Congressman Ronald Dellums of California and known as the Anti-Apartheid Amendments Act of 1988 — are well on their way to approval in the House of Representatives.

But they will not become US law unless the Senate adopts them, too, and with a majority large enough (two-thirds) to defeat an expected veto by President Ronald Reagan.

Two years ago, members of the Senate, including Republicans, swept aside the President's veto and insisted on a bipartisan Bill that would not cripple the SA economy, but which would hurt enough to express America's moral outrage at apartheid.

This year, the dynamics of the debate are different and key senators, including some who supported the 1986 Bill, are not so sure any more that sanctions are the wisest course to follow.

Several factors are responsible for the doubts.

One is that sanctions do not force stubborn foreign governments to change their policies and serve only to hurt the people they are meant to help. The most dramatic example of this in 1988 has been the total failure of US sanctions against Panama's dictator, General Manuel Noriega.

Perhaps an even stronger factor is the belief here that a majority of South African blacks may not want the sanctions but would prefer instead American economic support as the basis for economic empowerment that would give them a fair stake in their country.

A third factor is fear of the loss of American influence with the South African Government and its consequences in a potential for unbridled South African oppression and a refusal to participate in peace initiatives such as the effort to negotiate an Angola-Namibia settlement.

And a fourth is that international destruction of the South African economy could lead to a violent wasteland where US interests — the access to critical and strategic minerals — would be seriously jeopardised.

Senate debate will take place on Wednesday and Thursday when the Foreign Relations Committee will hear public testimony from experts on all these issues. In contrast to similar hearings in House of Representatives committees, where many congressman seemed to have made up their minds long in advance, this week's evidence is likely to receive close attention.

Significantly, the chairman of the Foreign Relations Committee, Democratic Senator Claiborne Pell, is said to be among the doubters. Sources say that he diverted the debate away from the Africa sub-committee because he did not want its liberal chairman, Senator Paul Simon, to have control of the proceedings.

Big guns are being fired already, days before the hearings. They started last week when the *Washington Post* published an article by Mrs Helen Suzman, who continues to be one of the most trusted of South Africans in American eyes.

Mrs Suzman argued persuasively that sanctions served only to thwart the process of economic empowerment that had brought gains for SA blacks. The *Post* published an editorial on the same day which cautioned against new sanctions while doubts existed about the current measures.

At the weekend, Mr Dellums replied with an article in which he tried to refute the *Post* and Mrs Suzman, arguing that black trade unions had repeatedly stated a willingness to suffer short-term pain for long-term gain.

But, while the politicians clash, the respected Investor Responsibility Research Centre, which is an independent and non-partisan organisation, has issued a report analysing the attitudes of South African blacks towards sanctions and disinvestment.

The IRRC concluded after a thorough study of public opinion polls that it appeared the majority of blacks did not favour US economic sanctions and did not advocate that American and other foreign countries withdraw from South Africa.

The study cited two recent polls as describing a hard core minority of 14 to 26 percent who favoured sanctions even if many blacks lose their jobs.

IRRC experts are to testify before the senators this week. It is expected that their studies and statistics will weigh more heavily in the upper chamber than they weighed in the House of Representatives.

Links broken

LONDON — Oxford College has decided to break its links with nine companies with interests in South Africa.

The decision was taken after a campaign was mounted by students over the past two teams. Similar campaigns are being run at 11 other Oxford Colleges.

Meanwhile, at Cambridge University, lecturers and anti-apartheid campaigners have attacked the university's decision to award an honorary degree to one of South Africa's representatives on an international scientific body.

Powertech puts more emphasis on import replacement

By Sven Forssman

Powertech would continue to place a great deal of emphasis on import replacement in the face of threatening sanctions and technological disinvestment from the country, chairman Mr Fred Bell says in the annual report.

"In view of this we have embarked on a programme of even greater independence by extending and adapting licensed technology and by obtaining and exploiting alternative technology," he said.

"All that now remains is for our group to move further into the high risk arena of indigenous technology.

"It is a gradual move ... and the rate of progress is, to a major extent, determined by the customer. It is their acceptance of the unknown and their underwriting of the unproven that determines the scope and growth of an indigenous technology.

"In this respect, we have a duty to our customers. We have to take the lead and demonstrate our ability and establish our own credibility.

"The manner in which we achieve success with our major customers is the only departure point for eventually increasing our penetration of the international market."

Mr Bell said the group would have to manufacture innovative products limited in material and labour content, but high in intellectual content.

Asked how the Dellums Bill would affect Powertech, if implemented, Mr Bell said the group was only "in a small way" reliant on American technology.

"Sanctions have been in the air for many years. The group started preparing itself for any such eventualities many years ago."

US govt 'subversion' is blamed

Star 21/6/88 280

By Neil Lurssen
The Star Bureau

WASHINGTON — The Ford Motor Company's equity contribution of $61 million (R137 million) to help finance a SA car manufacturing company and US government "subversion" have weakened the impact of American economic sanctions against South Africa, a new report says.

The report is to be released today by Senator Paul Simon, a former Democratic Party presidential candidate, and Congressman Charles Rangel, both leaders of the pro-sanctions movement.

The argument over the success or failure of the 1986 anti-SA sanctions has become a key issue in the debate over whether new and tougher measures should be imposed this year.

Opponents say new sanctions should not be imposed because of the failure of the old ones.

Supporters say the Ford Company's equity move has reduced the effects of the 1986 Bill and that the embargo should be tightened and toughened.

● See Page 7.

115 non-American firms have disinvested

Big business pullout from SA widespread

Star 21/6/88

280

By Neil Lurssen, The Star Bureau

WASHINGTON — Most world attention has focussed on the withdrawal of American businesses from South Africa, but a new report here shows that a large number of non-American corporations have also quit — more than 40 percent of them since January 1987.

The report, compiled by the respected Investor Responsibility Research Centre, an independent non-profit research organisation, states that about 115 non-American multinational companies have joined the 162 US corporations which have disinvested from South Africa since January, 1984.

Economic sanctions

Of the non-American companies, the largest number — 49 — are British. The total of 115 includes 12 Canadian, eight French, seven Australian and seven West German corporations.

The IRRC report, released this week, comes on the eve of renewed debate in the US Congress over tough American economic sanctions against South Africa, and its findings are likely to be cited by opponents as well as supporters of punitive measures.

Opponents of sanctions will use it as evidence that the US needs more than ever to invest in South Africa, to provide the economic empowerment that blacks require to gain political power.

Supporters of sanctions will say that it shows disinvestment to be a growing world trend and that the US cannot afford to lose its moral leadership by going against an international movement against apartheid.

While most disinvesting companies that gave reasons for their withdrawal cited weak economic conditions in South Africa, some told the IRRC that domestic pressure in their home countries had become too difficult to withstand.

The IRRC itself has taken a neutral, non-partisan position, providing its findings in dry statistical terms as a service to investors.

The report also examines the 606 multinational companies that continue to have direct investment or employees in South Africa.

The largest number — 195 — are British, followed by 150 American and 137 West German companies.

British corporations also dominate the list of the leading foreign employers in the Republic — providing 16 of the 25 firms that provide the most jobs.

Of the remaining companies, 29 are from Switzerland and 24 from France. Others are the Netherlands (14), Australia (12), Canada (12), Italy (8), Sweden (6), Austria (4), Denmark (4), Belgium (3), Spain (2), Greece (1), Israel (1), Norway (1) and Portugal (1).

The report lists 88 European, Australian and Far Eastern corporations that do business in South Africa through non-equity links.

"A disproportionate number of these companies are Japanese since the Japanese government has prohibited companies from making direct investments.

It notes that investors whose policies prohibit the holding of securities in companies that have licensing, distribution and other non-equity agreements with South Africa would find the range of available international securities narrowed in view of the number of companies South Africa deals with.

Spain threatens sanctions over 'Six'

MADRID — Spain has threatened to take political sanctions against SA if it executes six blacks sentenced to hang for their part in the murder of a black official, the Foreign Ministry said yesterday.

A spokesman would not disclose what specific sanctions were being considered, but said they could include recalling Madrid's ambassador from Pretoria and reducing the number of SA diplomats in Spain.

SA ambassador David Louwe was told of the possible sanctions when he visited the ministry on Monday, the spokesman added.

Foreign Minister Francisco Fernandez Ordonez said recently Spain would take sanctions independently of its European Community partners if the "Sharpeville Six" were hanged.

☐ A four-man delegation from Satis, an arm of the Anti-Apartheid Movement, yesterday held a half-hour meeting with the British government in a bid to press Whitehall into intervening over the case of the Sharpeville Six. — Sapa-Reuter.

● See Page 7.

Court is told of street committees

SUSAN RUSSELL

ONE of eight young Alexandra men charged with treason had encouraged and assisted in the creation of alternative constitutional structures such as yard, street and block committees, it was submitted in the Rand Supreme Court yesterday.

This was said in argument by State counsel E du Toit, SC, referring to Ashwell Zwane.

Zwane, Vusi Andries Ngwenya, Andrew Mafutha, David Mafutha, Arthur Selby Vilakazi, Albert Ali Sebola, Piet Mogano and Phillemon Chick Phalongwane have all pleaded not guilty to treason and alternative charges of sedition and subversion.

Du Toit submitted that a quotation found in an exercise book saying, "The day is coming when the Boers will be made to pay for innocent African blood which is wasted day by day" had been written by Zwane.

Argument continues before Mr Justice Grosskopf today.

Sathaby's theft: mother a

Three Japanese chains refuse to sell SA products

TOKYO — Three major Japanese retail chains said yesterday they had suspended selling SA products amid mounting international criticism against Japan for its growing trade with this country.

Taking the step were supermarket chains Daiei and Jusco and a department store, Daimaru.

The SA products whose sales have been suspended include a sparkling apple drink.

The decisions follow a similar move earlier this year by Ito-Yokado, Japan's second-largest supermarket chain.

In explaining the move, Ito-Yokado officials cited at the time negative feelings toward SA products among certain customers.

Officials at the three companies denied, however, that their decisions were made because of political considerations.

They attributed decisions instead to slackening sales of SA products at their stores throughout the country.

Japan is facing rising international criticism over its trade with SA. Japan was SA's largest trading partner last year, with its two-way trade totalling $4,27bn, up 19% from the previous year.

Daiei, the largest Japanese supermarket chain, took four items, including canned yellow peaches and the apple drink off its shelves, while Jusco stopped sales of the latter two items.

Both companies took the action earlier this year.

As a result, the two supermarket chains no longer handle any goods from SA, officials said.

Daimaru, meanwhile, had not sold the apple drink since last year, officials said. — AP-DJ.

Sanctions loopholes studied

(280) 1/day 22/6/88.

SIMON BARBER

WASHINGTON — There were signs yesterday that the US Senate could end up closing loopholes in the existing Comprehensive Anti-apartheid Act rather than adopting the draconian new sanctions Bill moving towards passage in the House of Representatives.

On the eve of Senate Foreign Relations Committee hearings on the new Bill, chairman of the Senate Africa subcommittee Paul Simon yesterday released a detailed legal analysis purporting to demonstrate that "the administration has shot the sanctions full of holes".

Examples cited in the 144-page report, which was prepared by the Lawyers Committee for Civil Rights Under Law, included:

☐ The US Treasury's "acquiescence" in Ford's decision to contribute $61m to Samcor as part of its disinvestment deal which, the report asserts, Ford itself knew to be of dubious legality.

☐ The Treasury's decision to permit imports of SA-origin uranium hexafluoride on the grounds that it was a "substantially transformed" product of uranium ore

● To Page 2

US set to close SA sanctions loopholes

● From Page 1

(280) 8/8/88 2/6/88

and oxide specifically banned by the Act.

☐ The commerce department's failure to include petrochemicals or re-exported products in the ban on export of petroleum products.

☐ The administration's refusal to "seek a co-ordinated (sanctions) strategy with other industrialised countries" as called for by a non-binding "sense of congress" resolution.

While both Simon and the report's authors publicly favour a total trade and investment quarantine of SA, the report contains a list of recommendations to tighten existing law should such a quarantine not prove politically feasible.

These include a total ban on computer exports and language that would permit private plaintiffs to sue foreign companies that "take advantage" of US sanctions without having to prove "deliberate intent" on the part of the defendant.

ered to Soviet officials last week in

Toronto economic summit yesterday.

Indian extremists kill 25 in bomb attacks

Star 22/6/85

AMRITSAR (India) — Two bombs killed at least 25 people yesterday in a bustling street near the Golden Temple, Sikhdom's holiest shrine.

Sixty were injured in the simultaneous blasts which police blamed on Sikh separatists.

A third bomb was thrown at a packed Hindu temple but exploded in mid-air and caused no casualties, police said.

The blasts brought to more than 60 the number of people killed in northern India in the last three days in the latest violence by extremists fighting for an independent Sikh homeland in Punjab state.

Police fear the extremists are increasingly attacking unarmed civilians in an effort to create tensions between Sikh and Hindu communities and provoke a backlash. Members of both communities were among the Amritsar casualties.

In neighbouring Haryana state, shops and offices in the towns of Pehowa and Kurukshetra were closed yesterday in protest against extremist violence.

On Monday, Sikh gunmen killed six people in a gun and bomb attack on a crowd leaving a Pehowa cinema. In nearby Kurukshetra on Sunday, a bomb killed 16 people outside a shop. — Sapa-Reuter.

Dashing Di races to sports day win

The Star Bureau

LONDON — Princess Diana cut a dash by winning the mothers race at Prince William's school sports day yesterday.

On her elder son's sixth birthday, she gave him the perfect present by showing the other contestants a clean pair of heels.

Diana and Prince Charles joined 200 other parents of pupils at Wetherby prep school for the sports day at Richmond athletic ground, Surrey.

They looked on proudly as Prince William, second in line to the throne, finished second in the egg and spoon race.

Crisis as t waste exp

LONDON — An explosion and fire ripped through a chemical processing plant in the southern England seaport of Poole yesterday, injuring at least 14 people and forcing the evacuation of more than 2 000 residents, police said.

A police spokesman said 14 people were treated in hospital after inhaling fumes and were later released.

Police ordered the mass move after a series of explosions at the Bristol Drug Houses complex

Loopholes in the sanctions law

280

Star 22/6/85

WASHINGTON — The Reagan administration was dragging its feet in implementing sanctions against South Africa and US firms were taking advantage of loopholes in the sanctions law, according to a report by the Lawyers' Committee for Civil Rights Under Law yesterday.

The report comes on the eve of Senate hearings on sanctions which would ban almost all US-South African trade and require US firms to pull out of South Africa. — Sapa-Reuter.

Iran move for release of Britons

LONDON — The Iranian government is drawing up a provisional timetable for the release by Christmas of Britons held in Iran and Lebanon, Independent Radio News reported yesterday.

The commercial British network, quoting a reliable Iranian source, said two prisoners in a Tehran jail would be released first, followed by three held hostage in Lebanon.

The hostages include Anglican church envoy Mr Terry Waite, who will be freed last, after the US presidential election in November, it said.

The Foreign Office and Iranian Embassy declined to comment.

Four British parliamentarians flew to Iran on Sunday on a private mission arranged by the Archbishop of Canterbury, Dr Robert Runcie. The group, which says its goal is to improve relations with Iran, will return home today, a church spokesman said.

The radio said Iran was drawing up the provisional timetable because it was delighted at reaching agreement with Britain on June 10 to exchange compensation for damaged diplomatic buildings.

The agreement will net Tehran about R4 million. Star 22/6/85

Under the provisional timetable, the report said, British tourist Mr Nicholas Nicola (23), arrested in September 1986 on charges of firing shots at a checkpoint on the Iran-Pakistan border, would be the first to be freed. — Sapa-AP.

Many foreign firms leaving SA

The Star Bureau

WASHINGTON — Most world attention has focused on the withdrawal of American businesses from South Africa, but a new report here shows that a large number of non-American corporations have also quit — more than 40 percent of them since January, 1987.

The report, compiled by the respected Investor Responsibility Research Centre, an independent non-profit research organisation, says that about 115 non-American multinational companies have joined the 162 US corporations that have disinvested from South Africa since January 1984.

Of the non-American companies, 49 are British. The total of 115 includes 12 Canadian, eight French, seven Australian and seven West German corporations.

The IRRC report, released this week, comes on the eve of renewed debate in the US Congress over tough American economic sanctions against South Africa and its findings are likely to be cited by opponents as well as supporters of punitive measures.

Opponents of sanctions will use it as evidence that the US needs more than ever to invest in South Africa, to provide the economic empowerment that blacks require to gain political power.

Supporters of sanctions will say that it shows disinvestment to be a growing world trend and that the US cannot afford to lose its moral leadership by going against an international movement against apartheid.

While most disinvesting companies that gave reasons for their withdrawal cited weak economic conditions in South Africa, some told the IRRC that domestic pressure in their home countries had become too difficult to withstand.

The IRRC itself has taken a neutral, non-partisan position.

The report also examines the 606 multinational companies that continue to have direct investment or employees in South Africa.

The largest number — 195 — are British, followed by 150 American and 137 West German companies.

British corporations also dominate the list of the leading foreign employers in the Republic — providing 16 of the 25 firms that provide the most jobs.

Of the remaining companies, 29 are from Switzerland and 24 from France. Others are the Netherlands (14), Australia (12), Canada (12), Italy (8), Sweden (6), Austria (4), Denmark (4), Belgium (3), Spain (2), Greece (1), Israel (1), Norway (1) and Portugal (1).

The report lists 88 European, Australian and Far Eastern corporations that do business in South Africa through non-equity links.

"A disporoportionate number of these companies are Japanese since the Japanese government has prohibited companies from making direct investments in South Africa," the report says.

Survey tells what SA blacks want

Star 22/6/88 (280)

By Neil Lurssen,
The Star Bureau

WASHINGTON — When debate on a new round of anti-South African sanctions resumes in Congress today, both opponents and supporters are likely to cite black South African opinion in their arguments.

For two years now, apart from high profile visitors like Archbishop Desmond Tutu, South African blacks have been absent participants in the dispute about their attitudes, with opponents of sanctions claiming that they reject US sanctions, and with supporters insisting that blacks are willing to suffer short-term economic pain to win political control.

For the first time, there is now a reliable guide as to what South African blacks actually want — a survey conducted by analyst Miss Meg Voorhes of Washington's Investor Responsibility Research Centre.

The Voorhes study is a survey of surveys, an analysis of previous polls that have examined South African blacks' attitudes toward sanctions.

Miss Voorhes concluded: "As far as can be determined by public opinion polls, the majority of Africans in South Africa do not advocate that United States and other foreign companies withdraw from South Africa and do not favour other economic sanctions ... as a tactic to help end apartheid if those measures will also increase black unemployment."

She noted that three polls sponsored by separate organisations between June 1984 and May 1986 had shown evidence that a substantial minority of urban blacks — some 25 percent — advocated disinvestment by foreign companies.

The two most recent polls found a "hard-core minority" — ranging between 14 and 26 percent — that favoured sanctions even if they caused many blacks to lose jobs.

"What almost all of these polls also show is that many more blacks might conceivably support sanctions and disinvestment if they were convinced that such actions would not increase black unemployment.

"Some of the polls also show that many blacks are not convinced that disinvestment and sanctions will help end apartheid," she found.

Miss Voorhes said the ambivalence expressed in black opinion surveys was reflected by the leaders of organisations that had large black constituencies.

"The policies of major union, political and church organisations range from unconditional support for comprehensive economic sanctions, to support only for sanctions that will not increase black hardship, to adamant opposition to any form of sanctions or disinvestment."

It will be difficult for liberals who support tough new sanctions to dismiss the impartial findings of a respected Washington organisation like the IRRC.



Archbishop Tutu ... one of the few voices to be heard in the US.

POLITICS AND THE MASSES

Just an illusion for them says Dr Jatta

DR Jatta believes that politics is just an illusion for the masses.

Here are some of Dr Jatta's other views.

On sanctions and disinvestment: "I would say if they favour disinvestment the way they would favour it is by not buying those American products. Don't ask a third party to intervene on your behalf. Don't ask some white folks in America to pass laws on what you want."

On her needing a bullet-proof vest during her current speaking tour of America: "In America as soon as they hear you say 'no sanctions, no disinvestment' the ANC automatically sends people out to start attacking you

"People don't speak up because their speeches on South Africa are disrupted, they are accused of being sellouts and Government puppets.

"I wouldn't mind if people were given balanced information, but they are not."

Her own political ambitions: "Who knows, I may just run for President one day. We need a woman! Women always look after the future."

THE life story of black American lawyer, Dr Ophelia Jatta, reads like a fairytale. One of eight children who grew up in a shack in the backyard of a four-roomed house in Oklahoma, she was married and pregnant at 14 and divorced at 17. Yet she still managed to finish high school and received an MA degree in international business and a doctorate in law.

Now, through her New Africa Movement, she wants to focus on black development and changing American foreign policy towards Africa. And although she is doing for free what the Government spends millions of rands doing, she insists she is not funded by the Government. IVAN FYNN spoke to the woman behind the fairytale.



Dr OPHELIA Jatta . . . New Africa Movement.

Views

Her views on blacks: "We as blacks are like crabs in a barrel When one tries to crawl out, we say 'no, come on get back here' Because it means if you get out people are going to be pushing me to get out and achieve too."

On being a controversial figure: "I write controversial stuff and say controversial things to challenge people to stand up and prove me wrong.

At the end of the day the black man's going to have to say: 'I'm ready for a job in a white corporate environment.'

"It's tough being a successful black anywhere in the world. That's why I want to change the philosophy for blacks."

FOCUS

About the 31 organisations "working day and night to destroy South Africa": "They are not working against apartheid but against South Africa.

"They don't make any distinctions between black and white. They want total isolation

"They could be working in a positive manner to bring about change but they are not

"For example they could be coming up with strategies that would help the South African Government change the rules quicker."

On destabilisation of the Frontline States. "Who's destabilising Ghana, Senegal, Gambia, Uganda . There ain't no white Frontline States

"That's all jive Politics is an illusion for the masses."

On the recent three-day stayaway: "I won't give my impression but I'll give the impression of the taxi-cab driver who picked me up and took me to Parktown. He said 'You see, three days and somebody showed up on Thursday and didn't have a job.'

"The thing is at the end of the day who was hurt? You see, I am very conscious of trying to hurt in order to get an advantage. Because that still sets everybody back. Black folks lost wages."

(But remember if that little old American woman Mrs Rosie Parks didn't stand up and say she had had enough of bus apartheid in America things would have stayed that way for much longer. They also suffered in Montgomery, Alabama, for many months while they boycotted buses, but they won in the end)

On colour: "One thing I know is the colour all round the world is green. It's the money, or the gold or the platinum . It is your balance sheet that counts."

Don't delude yourselves on SA's resilience, Senate told

US warned on sanctions



BEIRUT BOMB: Christian Lebanese militiamen stand amid the debris of a car-bomb explosion near a Christian militia headquarters in east Beirut yesterday. At least one person was killed and 19 were injured.

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — The European Community and the British Government have told the United States they are deeply concerned that tough new anti-South African economic sanctions will spark serious trade disputes between the US and its major trading partners.

The Europeans and the British are especially worried about provisions in proposed legislation now before the US Congress that would impose American trade embargoes on third countries that continue to do business with South Africa.

Deeply concerned

The US Deputy Secretary of State, Mr John Whitehead, warned a Senate panel yesterday that passage of the Bill could lead to disputes between the US and its top trading allies in terms of the General Agreement on Tariffs and Trade.

He told the panel that the EC and the Thatcher Government had expressed their deep concern in official communications in recent weeks.

"It should be clearly understood that the Administration has consulted intensively with South Africa's main trading partners, all of whom are major allies of the United States

"For the most part these governments are strongly disinclined to either follow an American lead or act unilaterally in adopting further punitive sanctions.

"Our allies either reject or are highly sceptical of the premise that by destabilising the SA economy the West can somehow engineer a relatively peaceful transition to democratic rule in South Africa.

"Moreover, these governments judge — as does the Administration — that international sanctions cannot be effectively enforced without recourse to military measures"

Americans should not delude themselves into thinking it was possible to internationalise sanctions under American leadership.

"Our allies will resist this approach, at least until such time as we can demonstrate convincingly that cutting trade links, selling off assets and relinquishing contacts across the board in South Africa will result in something other than a costly, symbolic protest.

Wrong tool

"We must accept that the transition to a non-racial democracy in South Africa will inevitably take longer than all of us would like," he said.

The central fallacy of the sanctions approach was not simply that it was not feasible, Mr Whitehead said.

"Simply put, sanctions are the wrong tool brought to the wrong job."

There were no quick solutions to South Africa's enduring crisis and it could survive and even thrive without trade or contact with Americans.

SA delegation leaves for Angolan/SWA talks

By DAVID BRAUN
Political Staff

FOREIGN Minister Mr Pik Botha and a large South African delegation [illegible]

over certain African countries.

South Africa hopes to extract an agreement from Angola and Cuba for the total withdrawal of Cuban troops before allow-

Dutch consider diplomatic steps over Six

The Argus Foreign Service

THE HAGUE. — The Dutch Cabinet is considering reducing the number of South African diplomats in The Hague to pro-

EC worried over tougher US sanctions

Star 23/6/85

The Star Bureau

WASHINGTON — Both the European Community and the British government have told the United States they are deeply concerned that tough new anti-South African economic sanctions will spark serious trade disputes between the US and its main trading partners.

The Europeans and the British are especially worried about provisions in proposed legislation now before the US Congress — a series of amendments to current US sanctions laws — that would impose American trade embargoes on countries that continue to do business with South Africa.

● See Page 11.

Not enough votes to pass sanctions, says Simon

The Star Bureau

WASHINGTON — Liberal Democrats in the United States Senate probably will not be able to muster enough votes to hit South Africa with additional economic sanctions this year, according to one of their leaders.

This admission came from Senator Paul Simon of Illinois — one of the unsuccessful 1988 presidential candidates and a prominent figure in the sanctions campaign — during a committee hearing on new legislation to toughen the sanctions imposed by the US Congress in 1986.



Senator Simon

Arguing that new sanctions were needed to pressure the South African Government to negotiate fundamental change, Senator Simon said that passage of the legislation would be an important message to South Africa and the world.

But, candidly, he did not believe that supporters of the sanctions had enough votes to override a veto by President Reagan.

It was the first public confirmation of increasing signs here that a significant number of US Senators — including key Democrats — have doubts about the wisdom of tougher sanctions.

President Reagan is expected to veto the sanctions should they be approved by the Senate. They are certain to win approval in the House of Representatives soon, probably next week.



Senator Kennedy

One of the doubters is believed to be Democratic Senator Claiborne Pell of Connecticut who chaired yesterday's session of the Foreign Relations Committee.

Senator Edward Kennedy of Massachusetts made an impassioned plea for tougher measures, claiming that the hearing was a chapter in one of the most profound congressional debates about foreign policy in the history of the United States.

Conservative Republican Senator Steve Symms of Idaho told the committee that the sanctions against South Africa had served only to harm US business and security interests and that they were ... "foolish at best and hypocritical at worst".

US allies 'will resist' sanctions

Own Correspondent

WASHINGTON. — A top United States government official said yesterday that America's trading partners would resist any attempt by the Congress to "internationalize" sanctions against South Africa.

The US Deputy Secretary of State, Mr John Whitehead, told the Senate foreign relations committee that the European Community and Britain had made official representations against the sanctions legislation before Congress.

Meanwhile the Democratic leaders in the House of Representatives have agreed to delay a vote on sanctions until late next month, raising the possibility that the bill might not become law this year.

Mr Dan Rostenkowski, who is chairman of the powerful House ways and means committee which supervises tax and trade law, has refused to allow his committee to deal with the bill before next month.

At hearings on the bill before the Senate foreign relations committee yesterday, Senator Paul Simon, chairman of the panel's Africa sub-committee, conceded that the legislation would not survive a presidential veto.

At the Senate hearings, Mr Whitehead said: "It should be clearly understood that the administration has consulted intensively with South Africa's main trading partners, all of whom are major allies of the United States.

"These governments judge ... that international sanctions cannot be effectively enforced without recourse to military measures."

Airtight sanctions were not only undesirable, Mr Whitehead said, but impossible. "We estimate that even reasonably well-enforced comprehensive UN sanctions would cut (South Africa's) total export receipts by something less than 25%.

"Trade between South Africa and most neighbouring states has actually increased over the past year," he said.

"Even within staunchly pro-sanctions Cosatu, debate simmers over the wisdom of promoting international embargoes," Mr Whitehead claimed.

He cited playwright Gibson Kente's "Sekunjalo", which ends with the actors comparing the Xhosa immolation of the 1850s with the calls for sanctions and "bemoaning the self-destructive tradition of black South African resistance to white rule".

On the efficacy of existing sanctions, Mr Whitehead noted that since 1986, sanctions had "closed 80% of South Africa's traditional export market for steel, yet South African steel exports were only down about 2,9% through October last year".

He said the South African public and private sectors had spent "bil-

To page 3

From page 1

lions of dollars" stockpiling strategic imports, ranging from crude oil and bauxite to computer and aircraft parts, which would provide a cushion against shortages".

Warning that South Africa might resort to counter-sanctions, Mr Whitehead said that "even a temporary disruption of strategic minerals export to the US would have serious repercussions over a broad range of US industries".

● The British Deputy Foreign Secretary, Mrs Lynda Chalker, yesterday flew to Washington from London for top-level talks on South Africa.

Her visit co-incides with mounting pressure on Britain to agree to new sanctions against South Africa if the Sharpeville Six are hanged.

She will meet UN Secretary General, Mr Perez de Cuellar, and senior UN officials in New York, before going to Washington for talks with US Secretary of State, Mr George Shultz, and leading congressmen.

Ms Chalker had already held two rounds of talks on South Africa in Britain this week, the first with Anti-Apartheid Movement officials, and the second with an Assocom delegation, including president Mr Alec Rogoff and chief executive Mr Raymond Parsons.

Progressive whites will also suffer

The Star Bureau Star 23/6/88

WASHINGTON — White South Africans who work against apartheid will be victims of an international sanctions campaign, the US senate has been told.

The Deputy Secretary of State, Mr John Whitehead, told a senate committee yesterday that blacks would be the primary victims — but not the only ones.

Arguing against proposed amendments to toughen existing American economic sanctions, Mr Whitehead said: "Other victims will be those SA whites who most closely identify with American democratic ideals and who support black aspirations for a more just society.

"Leaders such as Frederik Van Zyl Slabbert, Wynand Malan, Helen Suzman, and Denis Worrall staunchly oppose an economic and diplomatic quarantine against South Africa.

"As they struggle to build bridges across South Africa's racial divide, they need the support that a strong US presence provides."

Mr Whitehead said neither National Party hardliners, nor the growing conservative opposition, nor more militant organisations even further to the right would mourn the absence of Americans from South Africa.

"Few familiar with existing power relationships in SA seriously believe that a rapid resolution of the crisis is possible — with or without sanctions," he said. (250)

Focus on sanctions

(280) Sowetan 24/6/88

Folks like Helen will be hit if US goes along with trade curbs

WASHINGTON — White South Africans who work against apartheid will be victims of an international sanctions campaign, the United States Senate has been told.

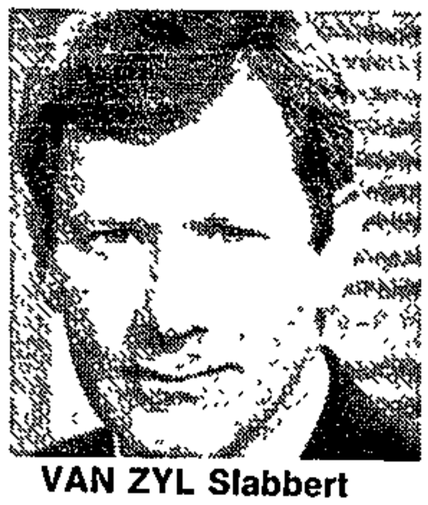
The Deputy Secretary of State, Mr John Whitehead, told a Senate committee that blacks would be the primary victims — but not the only ones.

Arguing against proposed amendments to toughen existing American economic sanctions, Mr Whitehead said "Other victims will be those South African whites who most closely identify with American democratic ideals and who support black aspirations for a more just society

"Leaders such as Frederick van zyl Slabbert, Wynand Malan, Helen Suzman and Denis Worrall staunchly oppose an economic and diplomatic quarantine against South



HELEN Suzman



VAN ZYL Slabbert

Africa

"As they struggle to build bridges across South Africa's racial divide, they need the support that a strong US presence — both official and unofficial — provides

"They have seen sanctions contribute to a siege mentality among whites which the ruling National Party has successfully fostered and exploited by converting to its ranks thousands of relatively moderate English-speaking voters over the past two years

They have also seen over the past year a steady erosion of fundamental civil liberties — even in the previous protected area of white politics

"The same noose which has been used to strangle black dissidents is now coiled expectantly around the white, reformist opposition," Mr Whitehead said.

"By dissociating ourselves from South Africa, we simply make it easier and less costly for authorities to pull that noose tighter"

Mr Whitehead said that neither National Party hardliners, nor the growing conservative opposition, nor more militant organisations even further to the right would mourn the absence of Americans from South Africa

He told the Senate panel that three years ago, at the height of the South African violent unrest, it was "fashionable" to argue that the country had entered its final crisis and that only a final push was needed to topple the system.

International sanctions were thought to be the push needed.

But these "prognostications" were wide off the mark.

"Few familiar with existing power relationships in South Africa seriously believe that a rapid resolution of the crisis is possible — with or without sanctions," he said.

"Surely it was unrealistic to expect the South African Government to respond to our pressure by ending the state of emergency, releasing political detainees or meeting any of the other conditions for lifting sanctions . . .

"Not surprisingly, the South African Government refused categorically to meet these demands," he said.

The US 'sanctions poll' group have not shifted their ground

The US sanctions report which aroused controversy this week, signals no turn-about on divestment, reports HILARY JOFFE

ALL the opinion polls indicate that while most black South Africans oppose economic sanctions, a sizeable minority support them, whatever the cost, a study by the Washington-based Investor Responsibility Research Centre has concluded.

IRRC researcher Meg Vorhies, author of the report, says most surveys have found about 25 percent of black South Africans would be prepared to support sanctions even if this meant unemployment.

The IRRC report, aimed primarily at an American audience, has been inaccurately interpreted by one Johannesburg newspaper as representing a shift in the IRRC's sanctions stance, from a pro-sanctions position to an anti-sanctions one.

The IRRC is, however, a research institute which, although it has monitored the activities of American companies in South Africa, says it has never had a stance on sanctions and does not make recommendations to its subscribers.

"We try to stay impartial," says Vorhies.

The IRRC's research is geared principally to American multinationals which do business in South Africa and to institutional investors, such as pension funds, foundations and universities, Vorhies said.

Vorhies was due to testify this week before the Senate Foreign Relations Committee which is hearing testimony on sanctions legislation presently before the House of Representatives and Senate.

For the IRRC report, she compared six public opinion surveys carried out since 1984 which polled black South African attitudes to sanctions and disinvestment and concluded that, on comparable questions, their figures tend to corroborate each other.

Included are two polls carried out last year: the German African Foundation survey of coal miners and the national survey carried out by sociologist Mark Orkin, of the Community Agency for Social Enquiry. The IRRC report says these reports indicate support for sanctions at all costs measures between 14 and 26 percent.

But Orkin this week challenged the IRRC's conclusions, arguing the surveys are not directly comparable.

While most of the surveys asked "two-way" questions (of the "sanctions versus no sanctions" variety), the CASE survey asked "three-way" questions, which provided for a qualified response.

And while the German survey was of employed coal miners, the CASE survey covered unemployed and employed people in urban and rural areas of South Africa.

"I am more cautious than the IRRC about comparing percentages," Orkin said."However it is not unreasonable to say an appreciable proportion of black South Africans are hard-line in favour of sanctions at any cost. But a much larger proportion would support a more conditional application of sanctions, especially if the unemployment consequences were not too drastic."

The CASE survey found 21 percent of respondents nation-wide supported unconditional sanctions, Orkin said. A further 46 percent of those interviewed supported a "conditional" sanctions position: they believed sanctions must be applied until the South African government stopped the Emergency, freed political prisoners, unbanned political movements and abandoned apartheid. And 26 percent opposed sanctions.

Orkin said he was bemused to find that those who last year criticised his survey as unscientific because it found most blacks supported a more or less stringent application of sanctions now welcomed his work because it allegedly showed blacks did not support sanctions.

The German-Africa Foundation survey, "Views of Coal Miners in South Africa on Sanctions", did ask some questions which provided for qualified answers, for example: "If sanctions were to cause the South African government to resign in a number of years' time, would you: Support all sanctions/support sanctions which did not harm you/oppose sanctions/uncertain?" In answer to this question, 34 percent of respondents supported sanctions even if they would be harmed by them, and an additional 30 percent supported sanctions if they themselves would not be affected.

Ask an expert about office space and he'll probably quote you these figures:

(011)
'833-4811'

Anglo American Property Services (Pty) Ltd

Law could cost taxpayer billions

Mobil set to sue US on sanctions

WASHINGTON — American taxpayers could be forced to pay billions of dollars in compensation if Congress forced US companies out of SA, the Senate Foreign Relations Committee was warned yesterday.

The warning was issued by William Coleman, former chairman of the Secretary of State's advisory committee on SA, whose law firm O'Melveny and Myers has been briefed by oil giant Mobil to sue should the Anti-Apartheid Amendments Bill become law.

"I don't think you'd want to add $2bn to $3bn to the budget deficit at this point," Coleman told Senator Paul Simon, chairman of the panel's Africa subcommittee, who was visibly taken aback.

Mobil contends the Bill's mandatory disinvestment provision constitutes a form of uncompensated expropriation expressly forbidden by the constitution.

SIMON BARBER

The warning was backed by Deputy Secretary of State John Whitehead, who told the committee: "At least some US companies will challenge ... this provision on the grounds that it results in the confiscation of assets without fair compensation."

The constitution's fifth amendment provides that "private property (shall not) be taken for public use without just compensation".

Continued US ownership of property in SA would become a crime punishable by fines and imprisonment within 180 days of the Bill's enactment.

Coleman argued this would force Mobil to abandon assets worth $400m or at least dispose of them "at firesale prices".

A brief prepared by O'Melveny and

● To Page 2

US would face lawsuits over sanctions

● From Page 1

Myers noted the SA government was likely to block the repatriation of any sale proceeds, which under the law, the companies would be barred from redeploying in SA.

"Mobil would find itself in the paradoxical position of violating the law if it did not divest and probably violating the law if it did and received some payment, however inadequate."

A number of recent court decision back Mobil's case.

In 1981, the appeals court ruled that "the government must pay just compensation when it furthers the nation's foreign policy goals by using as 'bargaining chips' claims lawfully held by a relatively few persons and subject to the jurisdiction of our courts".

Simon tried to argue oil companies affected by US sanctions on Libya had not sued. Coleman responded those companies retained title to their assets and had been required only to cease operations.

Coleman, a former cabinet member under the Ford administration, is one of the country's most prominent black attorneys.

Mobil's stand, coming on top of Whitehead's warning all America's major trading partners would resist the Bill, is an indication that sanctions opponents are now pulling out all the stops.

Natal Indaba lobbies over US sanctions

DURBAN — The KwaZulu Natal Indaba has appealed to the US Senate and House of Representatives to reconsider its stance on sanctions and disinvestment. Indaba director Professor Dawid van Wyk said the letter had been sent to all US senators and members of the House of Representatives.

The letter said the initial sanctions legislation had not persuaded the SA government to effect change.

"In fact it has had the effect of hardening the attitudes of both government and the white electorate on which government depends on for support."

The effect of sanctions was to create black unemployment.

"We believe Congress has seriously underestimated the positive contribution US companies active in SA have made to improving conditions in the workplace and furthering the cause of black advancement and empowerment." — Sapa.

Political comment in this issue by Ken Owen. Newsbills by Neil Jacobsohn. Headlines and sub-editing by Gordon Amos. All of Times Media Ltd, 11 Diagonal Street, Johannesburg

Sterling Drug workers return to work

ALL Chemical Workers' Industrial Union (CWIU) members were back at work at the Sterling Drug plant in Durban this week after a five-week strike over the terms of the company's withdrawal from SA.

CWIU general secretary Rod Crompton said workers had returned to work last week although union demands over the sale of the company had not been met. The dispute persisted, he said, and the union was considering alternative paths of action.

24/6/88 (289 $/day

NKGuS 24/6/88 280

Two Japanese supermarts ban SA tinned food

Staff Reporter

THE decision by two Japanese supermarket chains to ban South African canned goods from their shelves was possibly linked to a "very active" African National Congress presence in Japan, says the chief executive of a major fruit and vegetable cannery.

Mr Carel Stassen, of Langeberg Co-op, who recently returned from Japan, said the decision had made no impact on Langeberg's exports to the country.

"Unlike here, where a few chains dominate, in Japan there are hundreds of supermarket chains and 120 million customers."

Canned goods accounted for the biggest proportion of consumer-item imports from South Africa.

Sensitive issue

Mr Stassen said he had seen pamphlets distributed by the ANC calling on retailers not to stock South African goods, and described the organisation as "very active".

He was not prepared to disclose details of trade as exports were a sensitive issue.

Mr Robin Merry, managing director of Gant's Foods, said his company had lost a contract to supply one of the two supermarket chains with canned peaches and fruit cocktail.

However, it was "not of major consequence".

A spokesman for the Department of Trade and Industry said that because of sanctions, trade figures were no longer published.

'Clegg absence triggers row over 'boycott'

By EDDIE KOCH

JOHNNY Clegg's absence from the Nelson Mandela birthday concert in London has triggered a new row over his recent expulsion from the British Musicians' Union (BMU) and raised questions about the way the cultural boycott of South Africa is applied by anti-apartheid groups overseas.

Clegg and his band Savuka were not billed for the concert despite letters to the British Anti-Apartheid Movement (AAM), the concert's organisers, from the cultural desk of the United Democratic Front (UDF) and other affiliates of the UDF supporting their right to play.



Johnny Clegg

"I am sad that I could not perform at this event and share the birthday of a man whose ideals of building a truly democratic non-racial society I share," Clegg says in a statement this week.

The statement says Clegg was barred from the concert even though the recent Culture in Another South Africa (Casa) conference in Amsterdam had called for "a re-evaluation of the cultural boycott to allow progressive SA artists more freedom to perform internationally".

"Although the AAM in London received letters from the cultural desk of the UDF and other letters from UDF affiliates supporting Clegg ... it seems the issue of the cultural boycott could not be overcome and ... the AAM and BMU could not support Johnny Clegg and Savuka performing or pursuing their career in England."

A representative of the UDF's Johannesburg Democratic Action Committee (Jodac) has confirmed it sent a letter to the BMU and AAM supporting his right to play at Wembley.

"Johnny has shown his commitment to the progressive movement by playing for free at protest concerts and by participating in discussions about the role of music and culture in the struggle against apartheid," says the Jodac letter.

"As you should know, our understanding of the cultural boycott is that it seeks to isolate the Botha regime and related force of oppression, and not to isolate those who are active in the struggle against apartheid."

Representatives of the UDF cultural desk could not be contacted this week, but sources close to the desk have confirmed that it expressed similar sentiments to the BMU and AAM.

A letter from a senior member of the Detainees' Parents Support Committee (DPSC), a major UDF affiliate, says:

"I understand the complexity of the issue, and in particular the longstanding progressive role which the BMU has played in supporting the democratic struggle in South Africa ...

"However, I do feel that it would be extremely unfortunate for Johnny's participation to be blocked, since he is unquestionably one of the identifiably progressive musicians here."

The letter could not be written officially by the DPSC, as it is prohibited from doing so by government restrictions imposed on the organisation earlier this year.

'SA CAN RESIST'

SOWETAN FOREIGN SERVICE

Sowetan 24/6/88

WASHINGTON — South Africa has the resources to resist an economic siege and has been preparing for such a contingency for many years, according to a top United States government official.

"We believe that direct controls on shipments to South Africa would probably not prevent South African importers from obtaining the foreign supplies that they need," the Deputy Secretary of State, Mr John Whitehead, told US senators in Washington this week.

In testimony before the Senate Foreign Relations Committee which is considering a new package of tough economic embargoes, Mr Whitehead said that sanctions would not only be shrugged off by South Africa but would also be costly for the US itself.

US business would have to find new markets — if they were available — for over R2,4 billion in annual exports, and even a temporary disruption of South African strategic minerals to the US would have serious repercussions over a broad range of US industries, he noted.

Dependence

Mr Whitehead said that although heavily dependent on international trade, South Africa had domestic deposits of virtually every key material needed for an industrial economy — except crude oil and bauxite.

"The South African Government and private sector have spent billions of dollars stockpiling strategic imports — ranging from crude oil and bauxite to computer and aircraft parts.

"These stockpiles would provide a cushion against shortages until alternative sources of supply could be found or import substitution projects completed," he argued.



SA leader President P W Botha.

Mr Whitehead said that 65 percent of South African export earnings came from low bulk/high value items like gold, diamonds and strategic minerals, but most economists believed an effective boycott of these commodities would be difficult or impossible to enforce.

While the remaining 35 percent, mainly steel and manufactured products, would be more vulnerable, there could be no airtight boycott against them either.

"For example, in the past two years, sanctions have closed 80 percent of South Africa's traditional export market for steel, yet South African steel exports were only down by about 2,9 percent through October last year," he said.

Impact

"Given South Africa's proven capacity for trade provided with accomsion and its still-untested capacity for fullscale sanctions-busting, we estimate that even reasonably well-enforced comprehensive United Nations sanctions would cut total export receipts by something less than 25 percent," Mr Whitehead said.

The impact on South Africa was likely to be a moderate recession over the medium term, comparable to the 1982-86 period in the Republic.

Over the longer term, however, constraints on growth and competitiveness could push South Africa deeper into recession.— *SOWETAN Foreign Service.*

Big row over Tutu travels

ARCHBISHOP Desmond Tutu would like to know how anti-sanctions bodies and other protesters gain access to privileged information regarding his travel movements to and from overseas, his spokesman Mr John Allen said this week.

At a Press conference in Johannesburg last week on his return from Moscow Archbishop Tutu said he was curious to know how the protesters knew of his travel arrangements when it should only have been known to a small group within the church.

Mr Allen said when Archbishop Tutu arrived from the United States on May 19 he was initially due to travel on an SAA flight from London which landed at 10.30am at Jan Smuts. These arrangements were not published and at a later stage the travel arrangements were changed. Placard wielding protesters met the 10.30 flight.

No publicity was given to his departure from Jan Smuts to Cape Town, but again demonstrations knew exactly when he was due to fly, and also awaited him at DF Malan Airport.

Mr Allen conceded that there may have been advance publicity for Archbishop Tutu's visit to Port Elizabeth, but his travel arrangements for his visit to Moscow was privileged.

He left for Moscow on Saturday June 11 and on Friday June 10 anonymous leaflets were distributed in central Johannesburg calling on people to go and demonstrate at Jan Smuts, Mr Allen said. No advance information was given out on this trip.



ARCHBISHOP Desmond Tutu.

When he arrived back on June 18 very few people knew about his travel arrangements, but the demonstrators were waiting at the airport.

Mr Allen said he had also received a report that the travel agent of the church had been phoned and asked about the Archbishop's travel arrangements, but had been told that this information was privileged. — Sapa.

Expt. Mail 2/6/88

280

Spinks camp keeps SA in TV darkness

By JIM FREEMAN

A BAN on television coverage to South Africa of the heavyweight title fight between Mike Tyson and Michael Spinks has been blamed on the Spinks camp.

One of Tyson's managers, Mr Bill Cayton, claims the Spinks camp had insisted that no telecast be sent to South Africa.

"There's nothing we can do about it," Mr Cayton said.

Boxing promoters in Atlantic City and New York blamed Spinks's manager, Mr Butch Lewis. They said Mr Lewis was a "would-be community leader who under no circumstances would allow South Africans to view the fight".

● Mean Mike a man at ease? — Back Page

Immigrant group to oppose sanctions

Star 24/6/88

280

By Noel Ndhlovu

An organisation for immigrants will soon be placing advertisements in South African newspapers as part of a "worldwide effort" to inform "our own people in Europe" about the damaging effects of sanctions on immigrants.

A spokesman for the Society against Sanctions (SAS), Mr Stan Sherratt, said his organisation would place advertisements in several newspapers in a bid to recruit more members for SAS.

The SAS would offer members a possible overseas trip worth R10 000 to take part in a campaign to inform people in Europe about the negative effects of sanctions on European immigrants.

Mr Sherratt said if sanctions continued to be applied some immigrants might be forced to return to their native countries.

He said the SAS hoped to "get the message to the man in the street", who would in turn influence his country's policy on sanctions.

The Afrikaner, he said, could go back to his laager but immigrants cannot, hence "the immigrants here must fight back.".

The organisation would not have any political affiliation because "different members have different views", Mr Sherratt, a former British and Botswana policeman, said.

Sanctions or not, US still wants one top SA product

BETWEEN THE LINES
Margaret de Paravicini



THERE'S one home-grown South African product Americans seem pretty keen on importing right now, never mind sanctions.

I'm not talking about the one million-ton wheat surplus farmers are expecting, nor am I referring to minerals, precious metals nor yet enriched uranium.

The commodity that's being keenly negotiated for is something of far more value to all of us, no matter what colour we are, no matter how old, no matter how rich or poor.

This asset is not unique to South Africa although it's produced and refined here, but we have a reputation for the quality of our product.

In fact, up till now, we've hardly credited its existence, and we tend to take it very much for granted

But within the next few months, if we're not careful, it's going to quietly slip away under our noses.

And we're not going to notice until we need it most — in fact, this loss will hit us when we're lying down.

It's our nurses the Yanks are after, you see,

This week it was reported that at least 240 nurses have responded to a US recruitment drive in this country. One is already working in New York, four others are about to leave, we are told, and 33 are ready to write the US Foreign Nurses examination. That's enough to staff a small hospital.

Why do they want to leave, apart from the lure of travel abroad and the chance of more experience?

Well, says the report, "benefits offered by US hospitals include time-and-a-half for overtime, more for afternoons, weekends and night shifts, and bonus payments for volunteers to work on their weekends off".

It does not offer a comparison with nursing conditions in South Africa, but we can draw our own conclusions.

There's been a nursing drain for as long as I can remember, not of raw recruits unable to cope, but of qualified staff who've opted for commerce and other fields. One does not change careers in mid-stride without some soul-searching. It takes seven years plus to produce a doctor, but a lifetime of dedication goes into a fine nurse.

I've worked with several ex-nurses. Says one, who's now a magazine layout artist. "I really loved nursing and I miss it terribly, but I couldn't cope with continuous 12-hour shifts I was so tired, I found I was making mistakes. It wasn't fair to the patients"

So they leave, graduating to better conditions. And can we blame them?

To the enticing Americans, a good nurse from the land of Chris Barnard and the Bara twins can only gratefully echo the words of Florence Nightingale when she was handed the insignia of the Order of Merit on her deathbed. "Too kind — too kind"



Rob Lowe . . . "Any rule by a minority of a majority is a combustible and dangerous thing"

Brat-pack Lowe: I may join boycott

26/6/86 Times 280

By JEREMY BROOKS
London

ROB LOWE may join the list of American actors who have refused to allow their movies to be screened in South Africa.

The teenage brack-pack film star said he would "have to consider carefully" whether to join Jane Fonda and Dustin Hoffman in the boycott.

"I don't know what my contract actually states, but I like to think that I would take the same action as they have done," he said at London's Dorchester Hotel.

"Any rule by a minority of a majority is a combustible and dangerous thing — it's the very same situation that our country foundered on.

"It's just a matter of time before it is changed. I only hope that, for the people of South Africa, the change is peaceful and with little turmoil."

Lowe said he had desperately wanted to join the Nelson Mandela Tribute Concert two weeks ago but had not been able to get to London in time. He was consoling himself with a ticket to the Wimbledon finals instead.

"My attitude to South Africa is something I'll have to think about very deeply, and check out. That's my nature — I don't rush into things," he added.

MONDAY JUNE 27, 1988
OUTSIDE 40c

Sharpeville Six poser for the Govt

WHILE foreign governments call for clemency for the Sharpeville Six, Western diplomats are aware just how great are the difficulties President P W Botha faces over the issue.

They believe his greatest single problem concerns black participation in the October 26 municipal elections, which the Government regards as a priority in order to prove its reforms are working.

If President Botha granted clemency to the Six, it could be seen by thousands of potential black election candidates as a signal that their lives are in danger as the Government is weakening in its resolve to grant them maximum protection against physical attack.

The Six were sentenced to death in 1985 for being involved in the mob killing of Mr Jacob Dhlamini, the deputy mayor of Lekoa. The court relied on the principle of common purpose, which has been the subject of the controversy.

• To Page 2

Poser over 'Six'

• From page 1

President Botha has so far declined to exercise his right to grant clemency, saying his policy was to let the judicial process take its course.

Earlier this month the Supreme Court in Pretoria turned down an application to reopen the trial. Lawyers for the Six are to petition the Acting Chief Justice to be allowed to appeal to the Appellate Division to reopen the trial.

Political pressure on South Africa over the issue continues to grow.

Sanctions

The West Germans threaten new sanctions if the Six are executed. The Netherlands threatens to reduce the number of South African diplomats in the country and other countries are also considering punitive measures should the Six be hanged.

Diplomats privately believe President Botha would find it politically impossible to grant them clemency before October 26, as this could spread a feeling of physical insecurity among black municipal candidates, especially if the African National Congress aims to disrupt the elections.

Democrats skirt full call for sanctions

Own Correspondent

WASHINGTON. — Drafters of the Democratic Party election platform appear to have skirted calling for all-out economic sanctions against South Africa.

Instead, the final draft of the unusually brief 4 000-word document refers to South Africa as a "terrorist state" and commits the party to setting a date by which US corporations should leave South Africa.

Negotiators for Governor Michael Dukakis, the party's presidential nominee, and challenger the Rev Jesse Jackson wrapped up the manifesto's final draft in Denver at the weekend.

The manifesto is symbolic and not binding on a candidate.

● Mr Alan Keyes, whose call for the "democratic empowerment" of black South Africans has become a rallying cry for sanctions critics, has been chosen as Republican candidate for senator in Maryland.

Mr Keyes called for a $100-million (about R200m) programme to bolster black institutions, including trade unions and professional associations, in South Africa.

27/4/88.

Bldg

280

Pullouts hurt programmes

BRONWYN ADAMS

SOCIAL responsibility programmes had suffered with the withdrawal of 161 American companies, as local companies' contributions could not be independently monitored, American Chamber of Commerce executive director Adrian Botha said.

Botha said the Sullivan Code was still intact and the 154 US companies remaining in SA had increased their contributions over the past year.

He said during the last reporting period 134 subsidiaries contributed R84m to the programme.

Political comment in this issue by Ken Owen Newsbills by Trevor Bisseker Headlines and sub-editing by Gordon Amos, All of Times Media Ltd 11 Diagonal Street Johannesburg

Cape Times 28/6/88

280

Britain won't recall envoy if Six hang

From MIKE ROBERTSON

LONDON, — On the eve of the European Economic Community (EEC) summit in Hanover, the British Foreign Secretary, Sir Geoffrey Howe, has firmly rejected calls to recall the British Ambassador to South Africa if the Sharpeville Six are hanged.

EEC leaders, with the exception of Britain, are expected to ratify a sanctions package, drafted by West Germany in its role as community president.

The package, which will be put into action if the Sharpeville Six are hanged, includes the recall of ambassadors and cutting down the South African diplomatic presence in EEC countries to the same level as that of the 12 EEC states in South Africa.

This will result in South Africa's diplomatic strength being cut by almost two-thirds.

Interviewed by the International Herald Tribune, Sir Geoffrey said that as the Sharpeville Six were likely to be granted a stay of execution beyond July 19 it was academic to discuss whether the hangings would spark diplomatic sanctions.

"We don't think that a fact of that kind — however tragic and however deeply to be regretted it would be — should justify any change in our central view on economic sanctions nor, indeed, on continued representation by an ambassador in Cape Town and Pretoria.

"We belive that the removal of apartheid — which we devoutly wish — is more likely to be hastened by sustained advocacy, and not by the kind of isolation implicit in economic sanctions, which would drive the decision-makers in South Africa further in the wrong direction."

However, while Britain is standing firm, the conservative West German government has undergone a major policy shift on sanctions.

According to Dr Rudolph Gruber, the South African Foundation representative in Bonn, the banning of the UDF and other extra-parliamentary groups on February 24 marked a watershed for the change in West German attitudes.

West German opposition to sanctions, he says, was based on a belief that evolutionary change through negotiation was still possible.

"Now the feeling is that Pretoria has turned its back on negotiations and they can no longer hope for progress in this direction.

"The feeling is that the National Party is hanging on to white power and privilige and is not sincere in what it has been saying"

Foreign Minister Mr Hans-Dietrich Genscher, whose influence has grown since Chancellor Helmut Kohl backed him in a clash over South African policy with Bavarian leader Mr Franz Josef Strauss, has decided to link any future action against South Africa to the Sharpeville Six.

(280) 8/day 28/6/88

Let a US company say: 'We are in SA because we're capitalists'

SIMON BARBER in Washington

IN HIS new book "The Suicidal Corporation," former Fortune magazine editor Paul Weaver describes how, as an ardent convert to neo-conservatism, he went to work as a public relations executive at the Ford Motor Company in Detroit and came away with his faith profoundly shaken.

His discovery may be summed up briefly: many contemporary capitalists are bad for capitalism. The self-proclaimed champions of free enterprise are often nothing of the sort. They are the defenders and promoters of statist intervention.

In joining Ford, Weaver felt he was joining a crusade and dreamed that he would have the chance to put his cherished theories of the open marketplace into practice. What he found was a highly politicised bureaucracy every bit as craven as the giant apparatus of government he despised.

Neo-conservatives hold that excessive regulation and interference have rendered business inefficient and have thus caused American competitiveness in world markets to decline. A nice idea, says Weaver, except for one rather large detail — far from fighting state intrusion, corporations revel in it.

Instead of striving for better products, businesses look almost admiringly to government power to protect them from the marketplace and the need to strive. In return for such protection, they willingly submit themselves to laws and regulations that run counter to every ideal they are supposed to uphold.

After two years of vainly pleading with his masters to stand up for the capitalist, free enterprise economy he once believed they stood for and, among other things, to build cars the public might really want to buy, the author finally resigned in disgust.

Though it does not touch directly on the subject, his analysis has some bearing on the way US companies have handled political pressure to leave SA. Very generally, their approach has been to deploy their armies of Washington lobbyists to appease the politicians through mechanisms like the Sullivan Code and to seek succour in a sympathetic administration.

Like all bureaucracies, Weaver concludes, too many managements have been timid and sluggish in their responses to newly hostile environments. Instead of championing what they are alleged to believe in, they have allowed their enemies to seize the initiative and set the terms of the debate on a whole range of contentious issues.

One of those issues, I would argue, is SA. All too rarely have companies dug in their heels and flatly said no, there is nothing to negotiate: we are in SA because we are capitalists; capitalism has given the nations that practice it the highest and most broadly shared standards of living in history as well as unparallelled individual liberties.

The trouble is that to say no, outright and defiantly, managements would have had to believe in capitalism. But as Weaver notes, most do not.

The true capitalist, as any corner store owner will tell you, places his customers before all else. For any corporation, customers are not solely a faceless, external phenomenon with chequebooks, they are the employees who make, buy and benefit from capitalism's products. There is no capitalism without them.

Weaver reports that at Ford, most of his fellow executives never met production line employees to explain decisions or canvass opinion. Contact was solely through union officials who shared a power status similar to that of the executives themselves and who were equally alienated from the workforce.

Hardly surprising, then, the US corporations should have paid so little heed to their workers in SA until it became politically expedient to do so. Had they been true to the capitalist ideal they so lamely profess, they would have done so — well before the politicians began to intervene and the Sullivan machinery had to be created.

Their workers, after all, represented their most important customers as well a vast, then all but untapped, market. But no, management was content to deal solely with likeminded elites, and indeed would probably have had no idea how to behave otherwise.

It is notable that as the political pressures began to turn serious in the early Eighties, the first place managements turned was not to their workforce but to Pretoria, looking for governmental concessions that would validate their continued presence.

The next step was to take actions designed not so much to address the legitimate concerns and aspirations of employees but to help persuade political elites in the US that the companies were doing good — helping end apartheid by being nice to its victims. Again, the primary customers were scarcely consulted.

The assumption seems always to have been that, at the end of the day, government — if not Pretoria, then Washington and the Reagan administration — would provide relief.

Consider, for example, how in fighting the Comprehensive Anti-Apartheid Act, companies worked for a compromise under which the US State Department would promulgate and enforce employment standards similar to the Sullivan Code.

Genuine capitalists would have rejected such an intrusion outright on the grounds the standards were utterly unnecessary: mind your own business, we do not need to be told by the state to do things that as a matter of hard-nosed market self-interest we are already doing.

There is a solid legal basis for considering unconstitutional local laws that discriminate against South African-connected companies in the awarding of contracts.

Would business take the authors of these laws to court? Of course not. They ran to the administration's petticoats, pleading for the Justice Department to intervene on their behalf. When it declined, they sighed and did nothing.

Finally, at the eleventh hour and in large measure to appease politicians, the true path of capitalism is beginning to be taken. The marketplace and its customers are being directly addressed, though with half an eye over the shoulder to ensure that the powers that be are not offended.

True capitalism will work in SA because only it is fundamentally opposed to, and more powerful than, the status quo. Time and again it has been capitalism's needs and demands that have seized individual liberty back from the state without the state even being asked. Time and again, the state has been forced to make *de jure* the processes and developments that the forces of capitalism have already made *de facto*.

Tragically, the soi-disant captains of free enterprise have too long refused to recognise, much less proselytise, the ennobling beauty of what it is they claim to stand for. Instead, they have chosen to "do business" with everything they claim to stand against.

Now they have their backs to the wall. Most have already folded their tents. The survivors, as appeasers so often have to, are preparing to go to a war with the American government that should either have been fought long ago or should not have been required to be fought at all. They are mobilising to bring suit in the event that the Anti-Apartheid Amendments Act becomes law.

Their case, that mandatory disinvestment is an affront to the constitution's Fifth Admendment barring government expropriation without just compensation, is not a strong one. Indeed, the most frequently cited precedent, Dames and Moore versus Regan, which concerned compensation for property rights unilaterally negated by the Algiers Accord releasing US hostages from Iran, was rejected by the US Supreme Court.

Were the suit successful, it would have an extreme, and highly-desirable, deadening effect on the US government's glandular resort to economic sanctions and the bashing of capitalism as a foreign policy tool.

It will not be successful for the very same reason US companies allowed the South African mess to engulf them in the first place. By refusing to stand up for its principles — or, I am inclined to believe, not even realising that those principles exist — management has chronically acquiesced in being used as an instrument of government. That acquiescence has become a fact of life. The courts lack precedent to change it.

American corporations are like a frog sitting in gently warming water. By the time the water begins to simmer, there is no recourse. The frog is locked into suicide by the gross accumulation of its past ill-judgment.

SCOTT SKIFF in DONNER/John [illegible]

US Bill worries Shell

(280) STV 25/6/86

AMSTERDAM — Anglo-Dutch oil giant Royal Dutch/Shell says it could be forced to close its South African operations if the United States Congress approves a new anti-apartheid sanctions Bill.

The Bill would bar companies with South African interests from US government contracts.

But Democrat Senator Paul Simon, who favours the measure, doubts it will get the majority needed to override a presidential veto. — Sapa-Reuter.

Equity's boycott of SA continues

LONDON — Members of Equity, the British actors' union, have voted by three to one in a referendum against deleting wording in their constitution which could have reopened the whole issue of the cultural boycott of South Africa.

There were 5 138 members who voted in the referendum with 3 807 against the proposed change to delete several key phrases from Rule 3, and 1 331 for a change. — The Star Bureau.

Sanctions threat if Six are executed

HANOVER — South Africa will face sanctions by a number of European countries if the execution of the Sharpeville Six goes ahead. But Britain yesterday blocked a European Community move to try to halt the threatened hangings.

The Foreign Secretary, Sir Geoffrey Howe, said the British aim was to see that any actions taken or words used achieved the aim of saving the Six from execution.

The original draft statement would not have done that. British diplomats said the language used would have put such pressure on President Botha that he would not have been able to grant clemency.

As it was, the final summit communique was delayed while an extra phrase was written in at the insistence of France and The Netherlands. This noted "with great concern" that relations between the 12 EC nations and South Africa were in danger of worsening.

Earlier, Britain had argued that a similar sentence should be deleted, and this was done. But at the last minute the majority rejected Sir Geoffrey's advice.

Britain is opposed to sanctions and is likely to be on its own if action is taken against South Africa. Even West Germany, which has large investments in South Africa, has said it will withdraw its ambassador if necessary. — The Independent News Service.

Majority of firms want to stay on

British companies want to continue trading with South Africa and, apart from an arms embargo, are encouraged to do so by the Thatcher government.

While government funding for trade missions has ended, information and advice on the South African market is provided to businessmen, whether they travel to this country individually or as members of a trade mission.

South Africa represents about one percent of British export trade.

The British ambassador to this country, Mr Robin Renwick, has denied reports that South Africa is being written out of the books and the minds of British businessmen.

On the contrary, most British companies want to continue operating in the Republic, both because their businesses are profitable and because they believe they can make a real contribution to the prosperity of the whole community and to the advancement of blacks.

Companies such as BP, Shell, Rio Tinto and Unilever have led the way in providing health, welfare, pensions, education and training programmes for their employees.

British companies spent over R140 million on such programmes in this country in 1986.

"Whether these companies stay, as they very much wish to do, or whether they drift away is very much in your hands," Mr Renwick says.

It is a question of confidence in the South African economy and the country's political future.

If real progress is being seen to be made with political reform, and that starts to attract leaders who have support in the black community, a much better busines climate would prevail, Mr Renwick says.

The British government does not tell companies what to do — they make their own decisions. If they do not have confidence in the future here, they will leave. If they have confidence, they will stay, the ambassador says.

Sell-off of golds feared if US sanctions prevail

Star 29/4/88

250

US proposals for tough new anti-apartheid sanctions could force a heavy sell-off of gold shares by American investors and send prices tumbling, mining analysts say.

South African gold shares quoted in London are hovering around two-year lows. Further heavy falls are predicted if the US enacts legislation due to come before Congress next month proposing mandatory disinvestment by US corporations and individuals.

Brokerage firm Davis, Borkum, Hare estimated recently US investors held one-seventh of mining shares on the JSE, valued at last week's prices at about R14 billion. Most US holdings are in gold shares worth about R10 billion, according to Davis, Borkum, Hare,

The sanctions proposals have already cast a pall over the JSE, prompting local and foreign investors to steer clear of gold mining stocks.

This year South African gold stocks have drifted steadily downward. "The FT gold mines index, currently at 213,30, is at its largest discount to the gold price for many years," says London brokerage firm Warburg Securities.

The JSE's all-gold index has dropped more than 500 points from 1 774 at the beginning of this year to around 1 240.

"Undoubtedly, the Johannesburg market could absorb a sell-off, but it's going to be at a price," says Warren Meyers, chief gold analyst at Merrill Lynch Capital Markets in New York.

"The only thing that could cushion the shock would be the gold price going through the roof," he says.

US investors, anticipating tougher sanctions, have already started offloading local gold shares.

"We haven't seen everybody rushing for the exit, but there is a steady trickle of selling," Mr Meyers says.

"There is a certain feeling of inevitability that some form of restrictions will be imposed on American investors holding our gold shares," says JSE president Tony Norton.

"We are already seeing net sales by foreigners of about R30 million a week," he says.

Mr Norton believes, however, the effect of an American sell-off will be cushioned by the financial rand.

"This would cheapen share prices and and there will certainly be buyers in the Far East, Britain and Europe looking for bargains. That's what markets are all about," he says.

Stockbrokers agree that cheap South African shares could be snapped up if an American sell-off sends prices lower.

"European investors don't have the same sort of scruples that Americans have about South Africa. They would be looking for bargains," says Mr Meyers.

South Africans, their funds bottled up inside the country by tough exchange controls, take a rosier view of local gold shares and are likely to turn buyers if US holdings are unloaded at bargain prices. — Sapa-Reuter.

Bristol bans trade with SA

280
Star 30/6/87

The Star Bureau

LONDON — The port of Bristol is to become the first in Britain to ban all new trade with South Africa and Namibia, following a decision by the Labour-controlled council.

But an agreement will protect the right of existing customers to go on importing goods such as coal and forestry products from these countries.

Mr Doug Naysmith, chairman of the council's port committee, said: "I believe the city has taken a sensible and worthwhile step towards ending the Bristol City Docks' involvement with South Africa."

But Mr Bob Trench, leader of the Conservative group on the council, said publicity over the issue would harm the port. It was a sad day that had brought party politics into the livelihood of employees.

Bristol handled more than 3,4 million tons of cargo last year, of which 171 238 came from South Africa.

Anger over 'anti-Tutu' petition

Star 30/6/86 280

By Mike Siluma, Labour Reporter

The United People's Unions of SA (Upusa) has accused the management of an East Rand comapny, V R Engineering, of forcing employees to sign petition forms critical of the Anglican Archbishop of Cape Town, Archbishop Desmond Tutu, and his stand on sanctions.

Upusa's national treasurer, Mr Lucky Hlongwa, said management had distributed the forms among workers last week, threatening those who did not sign with instant dismissal. Mr Hlongwa claimed that the forms were issued on management's orders.

The union's claims that workers had been forced to sign the forms were, strongly denied by a director, Mr M J van Rensburg.

"I said to them that if you want to sign, you do it. This is a free country."

Mr van Rensburg said he would look into allegations that a member of the management had threatened workers with dismissal.

Prospective signatories were asked to declare, in part, that they did not support Archbishop Tutu, sanctions and disinvestment.

Sanctions stand angers priests

By RYLAND FISHER

THE Full Gospel Church has been criticised by three of its leading members for its stand on sanctions.

This follows a Network programme on SABC recently in which Pastor Martin Badenhorst, president of the 500 000-member church, spoke out against sanctions.

"Now the public will see us as being in the government camp," said Pastor Alfred Jacobs, chairman of the National Youth and Sunday School Board.

"We want to be seen as a church that stands for righteousness."

Jacobs, evangelistic committee member Pastor Eddie Edson and Natal district superintendent Pastor Kevin Dempsey have dissociated themselves from a statement issued by Badenhorst and the general moderature of the church after a meeting in Durban.

Not condone

The statement said the church could not "condone or support any measures taken against our country by way of punitive sanctions, boycotts, or disinvestment".

"We find no scriptural authority for depriving persons of the means to earn a dignified livelihood or condemning them to starvation through no fault of their own."

The church condemned apartheid and believed that a just and equitable dispensation should be instituted in South Africa only by peaceful and non-violent means, the statement said.

The three priests said it was ironic that the church condemned apartheid while the church itself was divided into four racial groups

Whites were normally in the majority at full conferences of the church although the church had mainly black members.

No mandate

They said the general conference of the church had not discussed the matter and their representatives had no mandate

"The statement did not reflect the views of the majority of our church members and no theological investigation has been made by any commission into the matter.

"The whole exercise was an exploitative attempt to undermine church leaders who have the courage to address the injustices in our country," the clergy said.

Pastor H van der Vent, secretary general of the "coloured" department of the church, issued a statement objecting to the way the church's position was portrayed on TV.

"We do not support sanctions but that does not automatically mean that we support government policies. This was not put across sufficiently on television.

"We have been used by certain members of the church, SABC and the Nationalist government to provide credibility to a system that is heretic and totally unscriptural."

Badenhorst could not be contacted for comment.

Highly critical of Reagan administration

Blacks suspect US sanctions motives

Star 30/6/88

280

By Esmaré van der Merwe

Black people's suspicion of capitalism has been strengthened by their perception that the American government and American companies pay lip service to punitive measures against South Africa to bring about political reform, according to a newly published Rhodes University survey.

Sanctions and disinvestment were a response to economic realities in America and South Africa, rather than support for black liberation

Mr David Hirschmann of the university's international studies unit interviewed 65 blacks countrywide — including trade unionists, businessmen, professional people, clergymen and students — between June and August last year as a follow-up to his 1986 survey on blacks' attitudes towards America. His provisional conclusions were published recently.

Although punitive economic measures heightened since 1986 and the Comprehensive Anti-Apartheid Act had been introduced, most of those surveyed doubted the intentions of the American government.

They were particularly critical of President Ronald Reagan's resistance to sanction legislation.

There was a widely held view that US companies were disinvesting because their profits were falling or because they were under threat.

While that could be interpreted as a victory for the pressures building up against South Africa, many blacks believed they had been tricked.

"The manner in which disinvestment has been taking place has strengthened these doubts. Management sell-outs to local white managers, or to Anglo American or the foreign companies, at discounted prices and with all production systems and licensing arrangements continuing, have meant that disinvestment has turned out to be a very different process from that anticipated.

"Corporations are not leaving, no crisis is resulting, pressure on the Government is not that significant Some white businessmen are in fact benefitting, and some black workers are suffering," Mr Hirschmann wrote.

VIOLENCE

Hostility against the Reagan Administration was expressed by most of those interviewed

For example, they strongly criticised the government's selective rejection of violence. While continually calling on the African National Congress to denounce violence, the American government used violence to its own advantage.

America was observed to be in "firm military alliance" with the South African Government because of its "overt support given to Unita" in Angola, he commented

Although most of those interviewed did not think the outlawed South African Communist Party would have much impact in future, they said the US trusted the "white Government and the white business community to ensure the continuation of capitalism".

While some of those surveyed feared that stronger punitive measures would lead to black suffering caused by growing unemployment, others supported "more carefully targeted, maybe selective" actions aimed directly against white interests and the Government, Mr Hirschmann found.

THE
AITING FOR
Drive
Main Board,
installed
d
295
LE!!
S MAKE
SON
AR LC 10
YMPIA
IKOSHA etc
RD DISK
20 MB R725
30 MB R850
40 MB R999
vill upgrade your own
at no extra charge
COMPATIBLES ONLY)
ssroads Centre
k Verwoerd Drive, Randburg
11) 886-3660
12) 322-8394/5
423390
011) 789-5042 0372801
WN
E
ANDBURG
frica with the
the public that
lt are FORCED

Baronet's flat is up for sale

Own Correspondent

DURBAN — Natal welterweight Brian Baronet's Berea flat is up for sale and moves have been started to close his clothing agency business, according to his father, Mr Ernie Baronet, a dual former South African boxing champion

"We are now in the process of winding up his affairs I have been given to understand that it would take between six to eight months because of the normal legal process which have to be followed to wind up the estate," said Mr Baronet today.

He said that Brian did not believe in insurance policies, but had money invested

"Brain took care of his money and his possessions, and ran his business efficiently He had absolutely no debts," said Mr Baronet

TRAGIC DEATH

Mr Baronet said that he and his wife, Phyllis, his son, Robbie, daughter Charmaine and Brian's fiancee, Miss Glenda Wallett, had still not overcome the shock of the boxer's tragic death

"He was a people's champion We have received more than 2 000 messages of sympathy Yesterday, we received more than 25 cards We have had telegrams, letters, flowers and telephone calls from so many people that we have lost count.

"We are most grateful to all those people who stood with us in our time of loss We are thankful for everyone who sent us a message We cannot thank them enough, but we hope that they will accept our sincere gratitude Please pray for us," said Mr Baronet

SADF in first Durban parade

Own Correspondent

DURBAN — Tomorrow, for the first time in its history, the South African Defence Force will have a birthday parade in Durban

LEGAL RESOURCE CENTRE*

Address:
P.O. Box 9495, Johannesburg 2000

or
401 Elizabeth House, Prichard Street, Johannesburg 2001

Phone:
(011) 836 9831

Director:
G. Budlender

Enquiries:
Lawyer on duty

Phone:
(011) 836 9831

Membership and Constituency:
Independent, non-profit, public interest law firm.

Aims and objectives:
To provide legal assistance to individuals and organisations

Facilities and Resources:
Training materials: para-legal manual

Publications:

Author	Title	Date of Publications	Price
LRC	Para-legal Manual	1/1986	

SANCTIONS - 19 88

DIVESTMENT TALLY

Spreading wound

In case you are keeping a running tally on the impact of the various anti-apartheid divestment movements in the US and Europe, the latest score shows that 162 US companies have divested from SA since January 1 1984, while another 115 firms from half a dozen other nations have also pulled out.

The running score is kept by the Investor Responsibility Research Centre (IRRC) in Washington, an activist shareholder group that nags company annual meetings about environmental, consumer, and, naturally, human rights issues. The centre's reliable statistical service regularly tracks divestment decisions out of SA.

According to the latest report, more than 40% of the 115 non-US emigrants from SA ventures have withdrawn since January 1 this year. "Like their US counterparts, some of these non-US companies have been influenced in their disinvestment decisions by domestic anti-apartheid pressures," said Alison Cooper of the centre.

Of the 115 non-US firms, the largest number — 49 — are British. Twelve Canadian, eight French, seven Australian and seven West German companies have also gone home.

"While most disinvesting companies that give reasons for their withdrawal cite the weak SA economy, some companies told us that domestic pressures had become too difficult to withstand. One company, Atlas Copco AB, of Sweden, said in December that it would disinvest due to Swedish sanctions legislation against SA and especially the fact that Atlas Copco was denied exemptions from recent trade legislation," Cooper added.

This leaves 606 multinational companies that continue to have direct investment or



US anti-apartheid demo ... the attrition mounts

employees in SA. The largest number are 195 British firms, then 150 American and 137 West German companies. Other major foreign blocs in SA ventures include Switzerland (29); France (24); the Netherlands (14); Australia (12); Canada (12); Italy (8); Sweden (6); Austria (4); Denmark (4); Belgium (3); Spain (2); and Greece, Israel, Norway and Portugal with one firm each. ■

THE SANCTIONS ISSUE

Flashpoint in Pretoria Central

If the Sharpeville Six hang, the international repercussions will be immediate and far-reaching.

In Vancouver in October last year the Commonwealth issued a declaration on SA that was notable firstly for the lack of any concrete punitive measure, and secondly for the phrase "with the exception of Britain" which preceded any clause that viewed sanctions as a means of bringing about change.

British diplomats were talking afterwards not just of the sanctions lobby having being stopped dead in its tracks, but of the chances of rolling back sanctions. They did not count on the SA government, as Dr Rudolph Gruber, the SA Foundation's representative in Bonn puts it, "shooting itself in both feet."

Sanctions are back on the agenda and the forum now is not the largely ineffectual Commonwealth, but the EEC.

Unlike the US, where a powerful sanctions lobby has been able to muster a majority to override opposition from President Ronald Reagan, in the EEC conservative leaders like British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl have been able to brush off sanctions pressure. The difference now is that instead of opposing sanctions, West Germany is drafting measures — leaving Britain alone in opposition. Gruber is in no doubt that the watershed came on February 24 when the UDF and other groups were effectively banned.

"The Germans did not like sanctions because they believed there was hope for evolutionary change through negotiation. But with the muzzling, for no apparent reason, of people and organisations who manifestly have a following, the perception here is that the SA government has turned its back on negotiation. The Germans see the National Party as being interested only in hanging onto white power and privilege and not being sincere," he says.

Accompanying this change in perception has been a marked growth in the influence of Foreign Minister Hans-Dietrich Genscher following a visit by Bavarian leader Franz Josef Strauss to southern Africa.

Strauss's visits to both Bophuthatswana and Namibia were perceived by Genscher's Free Democrats as attempting to give legitimacy by the back door to the independent homeland and the interim government. An internal crisis in the ruling coalition ensued, forcing Kohl to step in. When he did, the chancellor came down on Genscher's side, leaving the foreign minister with a much stronger hand. "As far as Genscher is concerned," says Gruber, "Pretoria's credibility is very low."

Given the changes, West Germany, as president of the EEC, has been far more amenable to pressure from the Netherlands and Denmark to apply sanctions.

It is still standing firm against trade sanctions because it believes they will result in the loss of black jobs. So coal sanctions, which even Britain is prepared to back — it imports negligible amounts — are ruled out. But diplomatic sanctions, with Britain dissenting, are on the cards. The trigger would be the hanging of the Sharpeville Six. Already the 11 have decided to recall their ambassadors for consultations if the death penalty is enforced.

As David Willers, Gruber's counterpart in London, says: "A lot of people who until now have had an empathetic identification with SA will see it as a violation of legal values which it has hitherto subscribed to."

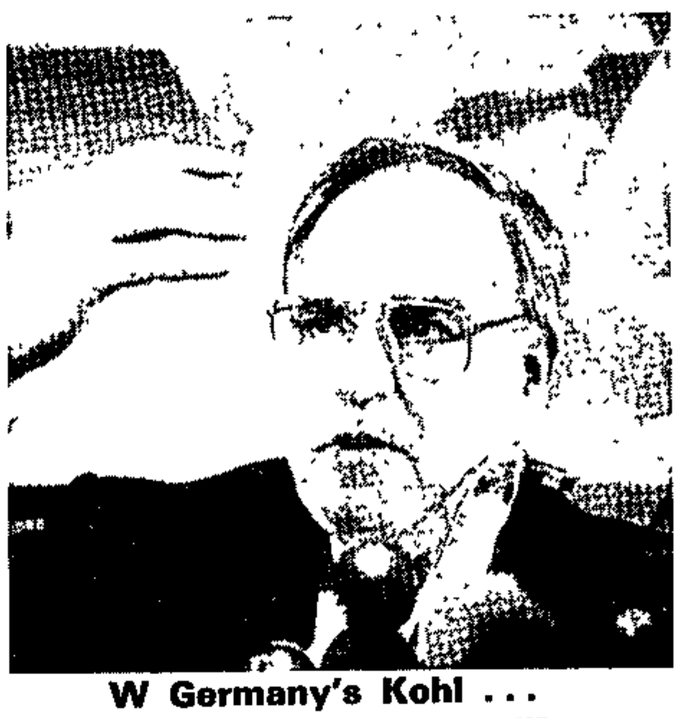
A sharp reduction in SA diplomatic personnel in Europe is also likely. SA representation in the EEC will be reduced to that of the EEC countries in SA. At present there are on average 2,6 SA diplomats in EEC countries for every one of their officials in SA Other non-EEC European countries, like Austria, have indicated they will follow suit. This would result in the SA diplomatic presence in Vienna being cut by 90%.

A third measure being dicussed is a restriction on SAA landing rights. This, however, is believed to be unlikely unless the SA government initiates a new clampdown or yet another major raid on a frontline state.

European diplomats are eyeing cautiously the passage of the Dellums Bill in the US. Of particular concern is the policing role it would enforce on the administration. British Deputy Foreign Secretary Lynda Chalker flew to the US last week to discuss this aspect with congressmen and Secretary of State George Schulz.

The perception, however, is that the Bill won't be passed before the presidential elections. As one EEC official said: "The Senate can't be that mad."

However, as in the case of SAA landing rights, the proviso is that the SA government does not indulge in provocative action. "The SA government," says Gruber, "must realise that psychologically we are approaching a situation where, as the Germans say, the last drop of water will cause the barrel to overflow. The hanging of the Sharpeville Six will represent the last drop and from that will flow a whole host of measures." ■



W Germany's Kohl ... another domino to fall?

Star 24 Aug 87

280

Britain still resists anti-SA sanctions

LONDON — BRITISH Foreign Secretary Sir Geoffrey Howe this week reiterated his Government's opposition to imposing sanctions on South Africa, saying it remained convinced that this would "hinder, not help, the chances of progress towards the non-racial democratic society that we all want to see".

Britain is undergoing pressure to join other Commonwealth countries in imposing economic sanctions.

And at the EEC summit in Hanover earlier this week, West Germany served notice that it was spearheading a new European drive for measures of this kind. This initiative is expected to gain momentum if President Botha declines to grant clemency to the Sharpeville Six.

However, Sir Geoffrey told the Commons during a Foreign Affairs debate this week that in the long term the British Government "remains firmly of the view that only by making full use of our contacts with South Africa to press the case for change can we expect to influence developments and bring apartheid to an end".

He repeated Mrs Thatcher's assurances that the British Government would appeal for clemency for the Six — but only after all legal channels had been exhausted.

SATURDAY STAR FOREIGN NEWS SERVICE

Social and Liberal Democrats frontbencher Mr Alex Carlisle said the British Government's method of "subtle negotiation" was not working.

"The South African Government is stiffening its resolve because it believes the British Government supports the way it is governing South Africa.

"I hope the British Government will recognise the barbarity of many aspects of the South African regime."

Conservative backbencher Mr Peter Morris feared the British position on sanctions would lead its isolation internationally.

"If we are to be isolated on anything, it should not be on our policy towards South Africa."

On the subject of the Angolan peace talks, former Tory Prime Minister Mr Edward Heath said recent Cuban military successes might persuade South Africa to get out of Namibia

Earlier this week it was reported that the SADF had lost 12 men during fighting after the Cubans and Angolans had attacked the water scheme at Calueque on Monday.

Mr Heath said Cuban successes "may bring home to the South Africans that they will not be able to overwhelm Angola, that the best arrangement is for them to get out of Namibia, as they ought to have done decades ago".

Bristol ban doesn't worry shippers

The ban by the British port of Bristol on new trade with South Africa and Namibia was expected to have a "very slight" effect on exports from the two countries, local shipping industry sources said yesterday.

It was announced in Britain this week that Bristol was to become the first port in Britain to ban all new trade with South Africa and Namibia, following a decision by the Labour-controlled city council.

But an agreement will protect the right of existing customers to carry on importing goods such as coal and forestry products from the two countries.

This agreement, coupled with the variety of other ports to choose from — the main one being Southampton — meant the effect would be slight.

The development of containerisation meant that overland transport from other ports was far easier than in the past.

The tonnages coming from South Africa last year were "not very much" in terms of SA exports, said shipping experts. Information on SA exports has been classified as secret since a 1986 Government decision.

Cargo from SA and Namibia last year made up just over 5 percent of the volume handled by Bristol.

The council's decision marks the second time it has decided to end trade with SA. A similar decision in 1986 was withdrawn because of opposition by dockworkers who feared job losses. — Staff Reporters.

Sanctions won't end apartheid — Inkatha

ULUNDI — The annual general conference of Inkatha yesterday resolved to tell the United States, Canada and western Europe that black South Africa supported Chief Mangosuthu Buthelezi in his campaign against sanctions.

It said it rejected disinvestment as a hindrance to the struggle to eradicate apartheid and called on the international community to stimulate economic growth in South Africa as an "effective way of opposing apartheid".

The conference also resolved to convey its "deep love" to jailed former ANC leader, Nelson Mandela.

The conference urged the State President to heed Chief Buthelezi's repeated calls for the release of Mandela "for the sake of South Africa".

It rejected Regional Services Councils because of the fundamental distinction the system made between own and common affairs and said they were no more than "regional legs" of the tricameral parliamentary system which it also rejected. — Sapa.

British TV looks at SA market

The Star Bureau

LONDON — A row has flared up in London over a letter to television companies by the Department of Trade and Industry (DTI) urging them to sell films and other material to South Africa.

The Opposition Labour Party has denounced the move, saying it exposed the "total hypocrisy" of the government's attitude to action against apartheid, and is a breach of international agreements.

But a DTI official rejected the claims, saying South Africa was a natural market for British television films because it was English-speaking.

CRITICISM

He added that while international agreements forbade government funding of trade missions or fairs, nothing prevented them from pointing out business opportunities to exporters.

He said Britain was "particularly well regarded in South Africa at present".

"The SABC's standard of programmes has attracted some local criticism, and there would appear to be a good market for quality imports."

Sanctions slammed by black US pastor

280 SE 4/7/88

By Ayesha Ismail

About 10 000 people flocked to the second national convention of the Federal Independent Democratic Alliance (Fida) at Crown Mines, Johannesburg on Saturday.

The doors of the hall had to be closed when many more people attempted to get in.

Guest speaker was Dr Franklin Garland Wiggins, a black pastor at the Mount Olivet Baptist Church in New York.

South Africa, he said, was a tribal and deeply divided nation. He considered the practice of apartheid to be "evil and sinful — contrary to the will of God". However, he strongly opposed sanctions.

SANCTIONS

Economic sanctions were counter-productive in the long-run, he said, and this was particularly true in South Africa where sanctions had hurt the very people who were in need of help.

Mr John Gogotya, president of Fida, said the organisation was committed to bringing about political change in a civilised, Christian and non-violent manner.

In two years Fida's membership had grown to 600 000 throughout the country.

The organisation was strongly opposed to sanctions and disinvestment, Mr Gogotya said.

He also urged all Fida members to participate in the October elections as a means of initiating peaceful change in a new South Africa.

kwaZulu leader slates call for disinvestment

DURBAN — Black people wanted to be "liberated on their feet and not as corpses and unemployed mendicants", Dr Oscar Dhlomo, the kwaZulu Minister of Education and Culture, said yesterday.

Opening a paint factory at Ezimbokodweni, he criticised the "sheer cruelty" of South Africans who advocated sanctions, disinvestment and the disruption of their country's economy.

Millions of workers would be deprived of their legitimate right to earn a living were such campaigns to succeed, he said.

"Apparently the rationale is that instead of breeding chaos, violence, repression and economic depression, black unemployment and poverty will bring order, peace, democracy, economic growth and liberation," Dr Dhlomo said. — Sapa.

280 B/day 5/7/88

Disclosure of information waived

SA concerns mask foreign business links

A GROWING number of companies are using a little-known legal provision to mask the identities of overseas affiliates in order to evade sanctions.

The authorities are now granting companies permission to limit financial disclosure under Section 15a of the Companies Act.

This exempts companies from normal disclosure requirements if government believes it to be in the national interest.

Section 15a says the Minister of Finance may exempt "any particular information or a particular fact concerning the affairs of the company, or any of its subsidiaries, which would otherwise be required under this act..."

A Mathison and Holldige analyst said: "Hundreds of companies are using it and you can cite just about any reason at all when applying for the exemption."

De Beers Consolidated Mines, which supplies and markets about 80% of the world's diamonds, is one company that uses the secrecy provided by the law to do business through associates in countries including the Soviet Union and in black Africa.

Anglo American also uses section 15a to obscure the identities of affiliates that hold mining and industrial interests on four continents.

"This state of affairs suits the aims of government and it has become more widely used since the onset of sanctions," the Mathison and Hollidge analyst said.

The Rembrandt group has long used the law to avoid disclosing profit derived from its foreign interests in Rothmans, Cartier, Dunhill and Piaget.

However, some of Rembrandt's secrets may soon be known. Last week the company announced it would distance itself from SA by forming an overseas holding company to be listed on an unnamed European stock market.

"They will definitely have to give out more information because they will have to meet much fuller disclosure requirements on any major European stock exchange," said one stockbroker. — Reuter.

As the sanctions war hots up . . .

More companies go for secrecy

Star 5/7/88

By Christopher Wilson

To evade anti-apartheid sanctions, a growing number of South African companies are using a little-known legal clause to mask the identities of affiliates doing business overseas and conceal information.

Pretoria has already clamped down on details of official trade statistics and no longer provides a breakdown of the country's trade with individual nations.

The authorities are now readily granting companies permission to limit their financial disclosure under section 15A of the Companies Act.

This essentially empowers the government to exempt companies from normal disclosure requirements if it believes it could be in the national interest.

Section 15A states that the Minister of Finance may exempt "any particular information or a particular fact concerning the affairs of the company, or any of its subsidiaries, which would otherwise be required under this Act."

"It's a pretty all-embracing thing," said an analyst at stockbroking firm Mathison and Hollidge Inc. "Hundreds of companies are using it and you can cite just about any reason at all when applying for the exemption."

Soviet Union

De Beers Consolidated Mines Ltd, which supplies and markets about 80 percent of the world's diamonds, is one company that uses the secrecy provided by the law to do business through associates in many countries including the Soviet Union and in politically-hostile black Africa.

Anglo American, the country's biggest company, also uses Section 15A to obscure the identities and activities of affiliates that hold a wide spread of mining and industrial interests on four continents.

"This state of affairs suits the aims of the government and it has become more widely used since the onset of sanctions," the Mathison and Hollidge analyst said.

Rembrandt Group Ltd, a tobacco, liquor and mining conglomerate, has long used the law to avoid disclosing turnover figures as well as any profit derived from its foreign interests in Rothmans International, Cartier, Dunhill and Piaget.

Rembrandt has steadfastly declined to reveal the size of its overseas assets.

Some of Rembrandt's secrets may soon be known however.

Last week the company announced that it would distance itself from South Africa by forming an overseas holding company to be listed on an unidentified European stock market.

"They will definitely have to give out more information than they have been because they will have to meet much fuller disclosure requirements on any major European stock exchange than they have in South Africa," said one stockbroker, who asked not to be named.

Rustenburg Platinum Holdings and Impala Platinum Holdings, the world's two biggest platinum mining companies, are believed to use the law to avoid disclosing production figures.

"The platinum producers say they don't disclose production for competitive reasons, but they have been giving shareholders less and less information over the past five years and it is because they view their product as being strategically important," said the stockbroker. — Reuter.

Anti-sanctions

A DELEGATION of black businessmen and a woman yesterday jetted out of South Africa with the aim of convincing the American community that disinvestment will hamper the upliftment of black people in the Republic.

HOW FIRMS EVADE SANCTIONS

TO EVADE anti-apartheid sanctions, a growing number of South African companies are using a little-known legal clause to mask the identities of affiliates doing business overseas and conceal information.

Pretoria has already clamped down on details of official trade statistics and no longer provides a breakdown of South Africa's trade with individual nations.

The authorities are now readily granting companies permission to limit their financial disclosure under Section 15A of the Companies Act.

Exemption

This essentially empowers the Government to exempt companies from normal disclosure requirements if it believes it could be in the national interest.

Section 15A states that the Minister of Finance may exempt "any particular information or a particular fact concerning the affairs of the company, or any of its subsidiaries, which would otherwise be required under this Act."

"It's a pretty all-embracing thing," said an analyst at stockbroking firm Mathison and Hollidge Inc. "Hundreds of companies are using it and you can cite just about any reason at all when applying for the exemption."

De Beers Consolidated Mines Ltd., which supplies and markets about 80 percent of the world's diamonds, is one company that uses the secrecy provided by the law to do business through associates in many countries including the Soviet Union and in politically-hostile black Africa.

Anglo American Corporation of South Africa Ltd., the nation's biggest company, also uses Section 15A to obscure the identities and activities of affiliates that hold a widespread of mining and industrial interest on four continents.

Assets

"This state of affairs suits the aims of the Government and it has become more widely used since the onset of sanctions," the Mathison and Hollidge analyst said.

Rembrandt Group Ltd., a tobacco, liquor and mining conglomerate, has long used the law to avoid disclosing turnover figures, as well as any profit derived from its foreign interests in Rothmans International, Cartier, Dunhill and Piaget.

The Afrikaner-owned Rembrandt has steadfastly declined to reveal the size of its overseas assets.

Some of Rembrandt's secrets may soon be known however. Last week the company announced that it would distance itself from South Africa to be listed on an unidentified European stock market.

Anti-SA sanctions: Lesotho calls for aid

ARGUS 6/7/88 280

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — King Moshoeshoe 2 of Lesotho has appealed for foreign aid to protect his kingdom and other neighbours of South Africa if further economic sanctions are imposed against the Republic.

He said the international community could press South Africa as it wanted, "but its members must not fail to build into such actions consideration for the special needs of South Africa's neighbours, willing as we are to sacrifice but not to die as nations in order to bring an end to apartheid."

Stronger hand

In his appeal in the New York Times yesterday King Moshoeshoe asked specifically for American financing for the Lesotho highlands water project.

"As a water exporter, Lesotho would for the first time have a stronger hand economically with South Africa, thereby creating a cost to Pretoria for its destabilisation efforts in Lesotho.

"It is vitally important to us to secure external financing for this project, especially from the United States, to reduce as much as possible the need to go to South African money markets."

"Where were you?"

The king said the faith in the United States of many Africans had been restored in 1986 when Congress passed a package of stiff sanctions against South Africa. The trade restrictions now under debate on Capitol Hill were even tougher, he noted.

"If Congress passes the latest measures they should be accompanied by relief for the people, such as those in neighbouring Lesotho, who are not intended targets but who would nonethless be adversely affected."

Lesotho recognised the international community's right to take whatever steps it thought necessary to end apartheid. "We are willing to endure sacrifices to help to achieve that goal, but the international community could ease our economic hardships by providing moral and financial aid."

Addressing those who argued against sanctions in the name of hurting black people in and near South Africa, the monarch asked: "Where were you while South Africa was imposing a blockade around Lesotho?"

Lesotho had heard little foreign protest over Lesotho's survival then, and did not find the new concern persuasive.

"We are as vulnerable as Berlin was in 1948, but so far the West has not shown it has the political will to rescue us with a comparable airlift should the need arise."

Hanging could lead to sanctions, says Cosatu

~~Star~~ Labour Reporter (280)

The hanging of the Sharpeville Six by the South African authorities would be seen as provocation, which could lead to sanctions, West German leaders have told a visiting Congress of SA Trade Unions (Cosatu) delegation. Star 6/7/88

In a statement released yesterday after the return of the delegation, Cosatu said it had met the West German Foreign Minister Mr Hans-Dietrich Genscher and his Labour Minister, Mr Norbert Blum.

Both Mr Genscher and Mr Blum had warned that the hanging of the six would be seen as "provocation", said the statement.

Japan's SA trade up

Own Correspondent

TOKYO. — Japan's trade with South Africa has continued to expand, despite the government's appeal to Japanese firms for "voluntary restraint".

Trade between the two countries rose 13,3% in the first half of 1988, over the same period last year, to $2,15bn, according to Finance Ministry statistics.

The figures leave little doubt Japan continues to be SA's largest trading partner.

The figures reflect Japan's brisk exports — up 45,6% to $1,14bn — while imports dropped 9,2% in the six months from January to June. Cars, including knockdown vehicle kits, account for about 40% of Japans exports to Pretoria.

Dutch company allegedly broke sanctions

The Star's Foreign News Service

THE HAGUE — A Rotterdam shipping company is facing prosecution by the Dutch government for allegedly shipping a cargo of mortar shells to South Africa

The company, Capelle Chartering, has denied the charges of sanctions busting. However, there have been reports here that the company offered to pay a "voluntary fine" of R20 000 which was rejected by the Dutch authorities.

The company is alleged to have transported the shells under a false bill of lading from Zeebrugge in Belgium to Durban in June 1985.

The destination was listed as Indonesia.

Armscor last night said it had no comment to make on the matter.

Reinhard Krause said. The Munich-based aerospace group On Wednesday, a

Two firms to pull out this year

Disinvestment cuts Canada's stake 58%

MANDY JEAN WOODS

CANADIAN investment in SA dropped 58% during the past seven years as a result of disinvestment and the trend showed signs of continuing, a Canadian government report released this week said.

The report, the Canadian equivalent of the Sullivan Code, was given to Canadian Foreign Minister Joe Clark by code administrator John Small who spent a month in SA this year collecting data.

Small said direct Canadian investment in SA dropped from $239m in 1981 to $100m in 1987.

This would drop even further in 1988 because two Canadian companies — Sternson (with a 24% shareholding in Sternson SA) and National Business Systems (with a 16% shareholding in ABS Computers) — said they would disinvest this year.

Small said: "Economic considerations have remained paramount in the minds of Canadian executives when deciding to disinvest or remain in SA."

The concurrent 84% decline in employment from a total of 26 000 (20 000 non-white) employees in Canadian affiliates in 1985 to 5 172 (3 084 non-whites) in March 1988 was of greater concern.

Small said: "Those seeking horror stories about employment practices will not find them among the affiliates of Canadian companies involved in SA."

Four companies disinvested in 1986, 11 in 1987 and nine remain.

The remaining companies include Bauer & Crosby, Bayer Foreign Investments (comprising Bayer SA, Bayer Miles, Chrome Chemicals, Haarman and Reimer, Rubber Chemicals and Vergenoeg Mining), JKS Boyles, Ocean Diamond Mining, ABS Computers, Richards Bay Minerals, Sternson, Fedmech Holdings and ILCO Unican.

Small said: "The remaining companies plan to continue their SA operations for the time being. This intention reflects their continuing confidence in the SA market for their products and services and, to some extent, a desire to remain in that market while their main competitors are still there."

The remaining companies are involved in mining, agricultural machinery, chemicals, computers, construction and security.

Four of the companies are equipment or commodity producers; and there is one each involved in distributing and manufacturing mining equipment; two are involved in mining exploitation and one is a mining consulting firm.

As of May 1988, half the remaining Canadian subsidiaries were 100% owned, while of the remainder the Canadian parent had less than 50% equity. Fedmech Holdings hold the least equity at 9,25%.

Small said with the decline in number of Canadian companies operating in SA had come a corresponding decrease in the significance of their affiliates to the SA economy.

Firms in US hit in anti-SA moves

Star 3/7/88

SIMON BARBER

WASHINGTON — The US House of Representatives, in one of the most bizarre anti-apartheid moves ever, has voted all but unanimously to punish small US businesses that trade with companies that have SA ties.

The measure, which was adopted unnoticed on Wednesday, bars any form of government assistance, including disaster relief and loan guarantees, to small companies that supply US multinationals operating in SA.

It is part of otherwise entirely domestic legislation funding the Small Business Administration (SBA), one of whose prime functions is to encourage black and other minority enterprises in the US.

Any business that provided so much as cleaning services or paperclips to the Mobil Oil Co, for example, would be denied assistance.

Furthermore, if black-owned, it would no longer be eligible for the award of government contracts under special set-asides for minority firms.

No impact

At the same time, the measure would have no impact on US firms still operating in SA, which appears to be why there was almost no lobbying against it.

Not one member of Congress spoke against the measure, much less tried to amend it, during Wednesday's debate. The full Bill passed by 342 votes to 40, the bill must now go to the Senate.

The only opposition surfaced last month in the House Small Business Committee, when just five of the panel's 16 Republican members filed a formal dissent arguing that the amendment's "practical effects . . . could well be nightmarish".

The committee, in its official report on the Bill, explained that it "believes sterner sanctions are now required".

World reaction in wake of SA arms embargo dodge

SOUTH Africa has again evaded the international arms embargo by acquiring a piece of high-tech military equipment – ostensibly for civilian use – which is made in Britain and West Germany, it has been reported in the London *Guardian*.

The newspaper said the equipment, called a multi-sensor platform, had been developed by British Aerospace and Messerschmitt and tracked the behaviour of any high-speed airborne object.

The Guardian said three systems had been ordered by the Department of Transport in South Africa and one had been delivered.

"Export licences have been granted by the British and German governments on South African assurances that they will be used to track weather satellites.

"Since the deal was discovered by an anti-apartheid organisation, the West German Foreign Minister, Hans-Dietrich Genscher, has promised an investigation.

"Information about the deal was passed to Abdul Minty, director of the Oslo-based World Campaign against Military and Nuclear Collaboration with South Africa, who promptly alerted the UN Security Council's arms embargo committee."

The Guardian said South Africa routinely bought sophisticated equipment from European countries which had a military application

"Britain has supplied military radar systems when the South Africans say they are for civilian purposes."

The Guardian said British Aerospace brochures described the equipment as an "electro-optical tracking system" for weapon trials.

A spokesman for British Aerospace told the newspaper that the company contributed only a "small module of electronics" to the German version.

Blacks seek buy-out chance

By Robyn Chalmers

A GROUP of 15 black businessmen and women are in America to appeal for a review of the disinvestment policy.

Led by Gainsworth Betshanger, owner of an auto-radio alarm and air-conditioning company, they will spend more than a month talking to congressmen.

They hope to convince politicians to review their approach to disinvestment.

Mr Betshanger says: "If they are set on disinvestment, it is vital that they leave some avenue open for black South Africans so we can uplift ourselves and have an equal opportunity to enter the economic centre."

He believes it can be done if disinvesting companies sell to black entrepreneurs instead of to large corporations.

"We do not stand a chance because the big boys jump in first and they have funds to take over these businesses.

"Several banks in SA are willing to lend the money to us. We will form a consortium if need be,'

Pressure on the US from anti-apartheid groups is increasing.

International companies are pulling out of SA, and almost without exception they have sold to the conglomerates at cut-rate prices.

"They are creating a monopoly. While the American Government is screaming disinvestment, big corporations are smiling this side because they are buying for next to nothing.

"We aim to reduce this situation by trying to get the US to give us the opportunity to prove ourselves."

He sdays that when a sound equipment manufacturer disinvested and was taken, it made no difference to the unemployment problem in SA.

"We can make a difference if we are allowed to buy these businesses — we need a chance to do so."

Sunday Times 10/7/88



Mr Neil Kinnock and his wife, Glenys, walk through the rubble of a house allegedly destroyed by South African commandos during a helicopter and motorbike raid in April 1987.

Kinnock attacks Maggie's stand on SA sanctions

LUSAKA — British Labour leader Mr Neil Kinnock, continuing his visit to Zambia, has made a strong attack on Mrs Thatcher's policy on southern Africa.

Speaking yesterday at Livingstone, on the border of Zambia and South West Africa, Mr Kinnock accused Mrs Thatcher of not caring enough about ending apartheid.

OPPOSED

Looking across the Caprivi Strip at a South African gun emplacement with a SA flag, "ended all pretence about Namibia not being occupied by South Africa", he said

Asked why he thought Mrs Thatcher was so opposed to sanctions, Mr Kinnock said he did not think she was sufficiently spurred by any feelings of moral obligation or deep-rooted understanding.

He described Mrs Thatcher's view that sanctions would hurt blacks in South Africa as "disingenuous"

If it was inspired by deep charitable concern, he said, the British government would have done more to pressurise apartheid and relieve the sufferings of its victims

He said the State President, Mr P W Botha, had come to the conclusion that Mrs Thatcher's attitude towards apartheid was limited entirely to words of condemnation without significant action

In London, senior Conservatives attacked Mr Kinnock for using his tour as a platform to attack Mrs Thatcher

They accused him of breaking a long-established convention that British politicians on overseas visits did not criticise their own government.

A Downing Street spokesman said Mrs Thatcher would view Mr Kinnock's remarks with disdain

She had scrupulously observed the convention when in opposition and, when abroad, had never taken advantage of her position as Prime Minister to attack her political rivals, he said

Mr John Patten, Minister of State at the Home Office, said "This shows that Mr Kinnock, who has opted out of effective leadership of the Labour Party for the delights of foreign travel, has lost all grip on political reality

"His criticism of the British government breaks with all normal conventions and is an absolute disgrace" — The Star's Africa and Foreign News Services.

AVIS AUX FRANCAIS

A L'OCCASION DE LA
FETE NATIONALE
L'AMBASSADEUR DE FRANCE ET
MADAME JACQUES DUPONT
RECEVRONT LA COMMUNAUTE
FRANCAISE LE JEUDI 14 JUILLET
DE 11h a 13h
807 GEORGE AVENUE, ARCADIA, PRETORIA
SUIVANT L'USAGE IL N'EST PAS ADRESSE
D'INVITATION PERSONNELLE

Sihanouk resigns as head of Kampuchean guerillas

BANGKOK — Prince Norodom Sihanouk has resigned as president of the UN-recognised Kampuchean guerilla coalition and will go into exile in France, he said here today.

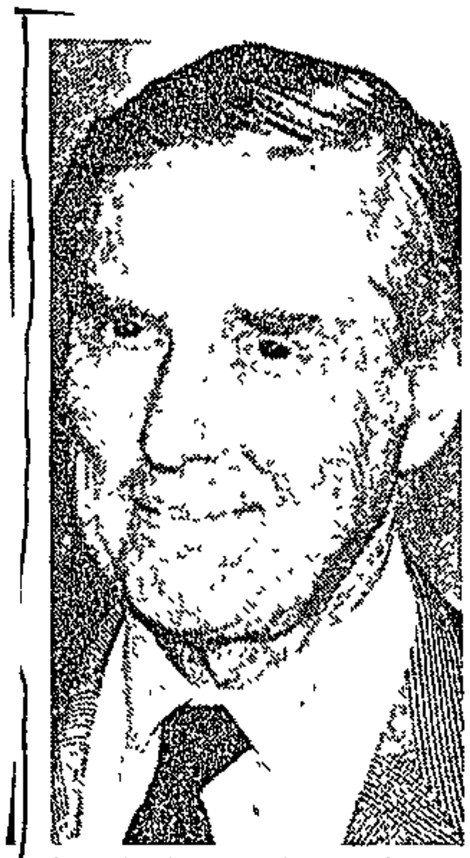
The prince's resignation follows a week of discussions with the Association of South East Asian Nations (ASEAN), Japan, the United States and other countries about ways to settle the nine-year Kampuchean conflict.

Prince Sihanouk ruled Kampuchea with various titles between 1941 and 1970. He has always had an uneasy relationship with the CGDK, which was formed of fierce rival factions in 1982 for pragmatic reasons under pressure from ASEAN and China.

The prince resigned as president in May last year to give himself more room to manoeuvre in individual peace efforts, which included two meetings with Mr Hun Sen, the Prime Minister of the Vietnamese-backed Kampuchean government in Phnom Penh He resumed the presidency earlier this year and last month said he had forged a common position for talks in Jakarta which would bring in all involved parties for the first time. — Sapa-Reuter.



Prince Norodom Sihanouk . . . to go into exile in France.



BENTSEN: Running-mate who voted for sanctions.

Bentsen is unlikely to sway policies on SA

Sun 11/7/88 230

ALAN DUNN

WASHINGTON — If he becomes president, Mr Michael Dukakis will try vigorously to turn up the heat on the South African Government and his vice-president, Senator Lloyd Bentsen of Texas, is not expected to place any blocks in his way

This is the early reaction of observers who know the senator and his policies.

They note that Mr Dukakis has in his months of campaigning for the presidency deliberately left many of his policies vague, giving him room to maneouvre should he get into the Oval Office.

South and southern Africa, however, are exceptions He has detailed what he plans for the region and his camp regards his emergence as the Democratic nominee as a mandate on this.

Those who know Mr Dukakis doubt he would soften much at the senator's behest after having been so public on South Africa.

A vice-president, analysts say, could not challenge that And Senator Bentsen, pro-business and anti-disinvestment as he is, may not want to — he went with the Democratic majority in 1986 when he supported a string of economic sanctions against South Africa

One Senate aide said he might, for instance, try to shape Mr Dukasis's policy on the Contra rebels in Nicaragua He fervently supports them, has been an active fund-raiser for them, but Mr Dukakis wants to halt US aid to them.

South Africa is regarded by many Democrats at this stage as an issue where politicians can only gain votes by taking a hard line. Those against sanctions risk losing support.

The question, observers say, is whether Senator Bentsen is prepared to venture political capital on an issue so far from home.

'Fewer strikes in 1988'

A SURVEY of man-days lost through strike action in the first six months of this year indicates the lowest level of industrial action for the period since 1983. Sowetan 12/7/88

This was a preliminary finding in a survey conducted by labour consultants, Andrew Levy and Associates.

Man-days lost this year were close to 90 percent lower than for the same period last year, the survey said.

"The sectors which have lost the greatest number of man-days through strike action so far in 1988 include the automobile industry and the public sector.

"Notable by their absence from the statistics are the retailing and mining industries, who, relative to 1987, are enjoying a strike free year."

The date was based on analysis of 76 strikes in the period under review.

The figures dealt only with legal and illegal strikes, not community stayaways such as occurred on June 6, 7, 8 and 16.

"Although it is still too early to predict that the year-end figures will reflect a similar trend, the successful conclusion of a number of important wage negotiations, such as that between the Chamber of Mines and the National Union of Mineworkers, may be indicative of a relatively quieter year as far as strike action is concerned

Preliminary explanations of the figures centred on 'what may be informal policy decisions by major unions to limit strike action in the wake of the damage suffered by the labour movement during the large numbers of high profile strikes which took place during 1987."

In many cases, the 1987 strike caused a significant loss of membership and imposed crippling legal, administrative and financial burdens on the unions involved, the report said.

"The figures may also confirm the commencement of a review of strategy and tactics on the part of the labour movement, evidence of which has emerged from the debates that have occurred at various union congresses and in union discussion papers in recent months." — Sapa.



SOUTH African-born musician Richard Jon Smith (above) arrived in South Africa yesterday for a ten-day visit. While here he will also promote his new album, *Africa*.

Smith will make appearances in Johannesburg, Port Elizabeth, Cape Town, Bloemfontein and Pretoria.

Smith (37), who lives and works in London, cannot perform in South Africa because he is a member of the British Musicians Union and Equity, both organisations are opposed to cultural links with South Africa.

He said that he "would have loved to perform at home for my people."

Also back home were artists Condry Ziqubu, Matsemela Manaka and his wife Nomsa. They formed part of the cast of Caiphus Semenya's musical *Buwa*, which toured Accra, Senegal, Bikina Faso, Dakar, Ghana, Nigeria and Ethiopia since April this year.

Dukakis urges UK sanctions

280 Sowetan 12/7/88

LONDON — US Democratic presidential candidate Michael Dukakis yesterday urged Prime Minister Margaret Thatcher to impose sanctions against South Africa, underlying a potential split in British-American relations.

Dukakis was interviewed during a 40-minute British Broadcasting Corporation television current affairs programme, *Panorama*, yesterday which focused on his challenge to Republican George Bush.

"I hope we can persuade Mrs Thatcher and the British Government that given the tragedy, the pain, the unconscienability of apartheid, that we have to take action as an international community," said Dukakis.

Mrs Thatcher is adamantly opposed to tough embargos against South Africa — in stark contrast with Dukakis whose platform calls for the white-minority government to be ranked along with Libya as a "terrorist state."

"I suspect we'll agree on some things and not agree on others," Dukakis said



MR MAHLANGU

Council plea to residents

Sowetan 12/7/88

THE Atteridgeville City Council, which is R2 million in the red, is seeking help from local residents on ways and means of wiping off the deficit.

One possibility is higher tariffs but no decision has been taken yet, according to the July issue of the council's newsletter.

The mayor, Mr Matthew Mahlangu, said: "My council has not yet decided on tariff increases. We have to consult with the residents on the council's proposal for tariffs increase.

He appealed to local residents to "come up with proposals that might help address the critical financial position of the council."

Mr Mahlangu said a decision would only be taken after public meetings had been held in the various wards.

The council has also announced that the building of a 850 metre concrete wall around the cemetery estimated at a cost R21 250 would soon be started

Residents have in the past complained about acts of vandalism at the cemetery.

Sanctions best way, says Labour leader

Kinnock: Violence in SA is not productive

LUSAKA — British Opposition leader Mr Neil Kinnock said yesterday that he believed the use of violence by the African National Congress (ANC) in South Africa was understandable but unproductive.

The Labour Party chief told a news conference in Lusaka after meeting ANC leaders that the issue of violence highlighted the need for world-wide mandatory economic sanctions against South Africa as the best non-violent way of ending apartheid.

"The issue of the path of violence remains in my view unproductive," he added. He was commenting on a spate of bomb attacks in South Africa on civilian targets in the past two weeks.

Mr Kinnock said attacks on civilians were regrettable but said they should be understood in the context of a situation in which the South African Government was itself using violence against civilians to stamp out all opposition to its white minority rule.

"Where there is an absence of opportunity for civil and political expression, there will be elements who will seek to pursue other measures," he said.

The Labour leader was speaking at the end of a four-day visit to Zambia, first stop of a 10-day tour of southern Africa. He is also to visit Botswana, Mozambique and Zimbabwe.

Mr Kinnock argued that if effective sanctions were imposed they would reduce the need for violence as a way of ending apartheid.

Mr Kinnock repeated criticism of Britain's conservative Prime Minister Margaret Thatcher for her refusal to impose mandatory sanctions against Pretoria. She has argued that sanctions would damage the economic livelihood of the black population.

Mr Kinnock referred to two bomb attacks in Johannesburg, one at a rugby ground and another at a hockey clubhouse, in the past two weeks and said it was possible they were carried out by white South African extreme right-wingers in a bid to discredit the ANC. — Sapa-Reuter.

Mwasa three: SAP replies

Three Media Workers' Association of SA (Mwasa) members reportedly detained last Friday are not being held under security legislation, the Police Public Relations Division in Pretoria said yesterday.

Replying to a Sapa query on a Mwasa statement that Mr Solomon Moloisane, Mr Simon Matau and Mr Obed Moholoane had been detained when they went to collect their pay from Perskor in Pretoria, the SAP said that according to their records none of the three is being held under security legislation. — Sapa.

Ministers to discuss tightening sanctions

Star 12/7/88

OTTAWA — Canada said yesterday that a committee of Foreign Ministers of eight Commonwealth countries, dedicated to speeding racial reform in South Africa, will meet in Toronto on August 2-3.

The Commonwealth Committee of Foreign Ministers on Southern Africa, created at the meeting of Commonwealth leaders last October, will examine the application of sanctions "with a view to tightening and intensifying measures," a statement by Canada's Department of External Affairs said. — Sapa-Reuter. (280)

Ex-Tambo bodyguard was needed for trial

Star 12/7/88

By Jo-Anne Collinge

A former bodyguard of African National Congress leader Mr Oliver Tambo, who was shot dead in Soweto last week, was likely to have given evidence in defence of Mr Ebrahim Ismail Ebrahim, allegedly the highest ranking ANC member to stand in the dock since the Rivonia Trial.

The legal defence team in the Ebrahim trial "was shocked and stunned" at the killing of Mr Sidney Jabulani Msibi (31), said attorney Mr Chris Watters

He pointed out Mr Msibi had been the only man known to them in South Africa whose personal experience put him in a position to dispute evidence given by State witnesses.

Mr Msibi ended up living in Soweto again after being kidnapped from Swaziland in July 1986 and detained by the South African police until November that year.

He was shot dead in Pimville on Tuesday night while he was helping a friend close his shop. He was certified dead on arrival at Baragwanath Hospital.

In recent weeks he assisted lawyers who are defending three alleged ANC men — Mr Ebrahim, Mr Simon Dladla and Mr Acton Mandla Maseko, who face charges of treason.

They are alleged to have been involved in the placing of landmines in the southeastern Transvaal in 1986

Mr Watters said part of the State's case was that Mr Ebrahim was chairman of the Swaziland-based body which controlled all ANC operations in the Transvaal and Natal from 1984.

Mr Watters said Mr Msibi's testimony had been sought especially in relation to this allegation.

English RFU sidesteps SA man

Star 12/7/88

The Star Bureau

LONDON — The English Rugby Football Union has avoided the potentially embarrassing situation of having an SA-born president in the year it helps host the World Cup

Mr Danie Serfontein, a Newcastle dentist who has lived in England since 1964, was due to take over the RFU in the 1991/92 season.

However, former England lock forward Mr Peter Yarranton will now get the job.

Mr Serfontein said yesterday he had agreed to the change and was not disappointed as "I can't afford the time that would be required to help run the World Cup".

South Africa will almost certainly be excluded from the World Cup, as it was in New Zealand and Australia in 1987.

Mr Serfontein has represented Northumberland on the RFU committee since 1972.

The RFU presidency is normally passed on every two years

Deaths | Deaths | Funeral Notices | Funeral Notices | Funeral Notices

Dukakis to pressure UK over sanctions

Star 12/7/88

280

By Sue Leeman
The Star Bureau

US presidential hopeful Michael Dukakis has made it clear that if he becomes the next occupant of the White House he will dramatically increase pressure on British Prime Minister Thatcher to impose sanctions on South Africa.

In an interview with BBC1's current affairs programme "Panorama", screened last night, Mr Dukakis confirmed that he had hopes of changing Mrs Thatcher's strong anti-sanctions views

Every policy statement by Mr Dukakis — expected to be confirmed as Democratic candidate next week — is being scrutinised by the British government, which is keen to find out the implications of having a Democrat in office

Under pressure from the Rev Jesse Jackson, Mr Dukakis has taken a particularly strong stand on South Africa, agreeing to add it to the list of "terrorist states" and acknowledging that he does not rule out the use of military force against South African "terrorist base-camps"

Mr Dukakis told "Panorama" "I hope we can persuade Mrs Thatcher and the British government that, given the tragedy and the pain ... of apartheid, that we have to take action as an international community.

Racism

"Most black leaders in South Africa want us to take that action. I met Archbishop Tutu just a few weeks ago. He wants that boycott because he despairs of breaking apartheid without it.

"Not only that, but South Africa is not just engaging in blatant racism against its own people, or even occasional terrorist acts. This is a country that is engaging in naked military aggression against its neighbours. And I think it's time for the international community to stand up and say so."



KINNOCK MEETS TAMBO . . . The president of the ANC, Mr Oliver Tambo, met the leader of Britain's opposition Labour Party in Lusaka yesterday. Mr Kinnock is on a tour of the frontline states. Picture. REUTERS

Cape Times 12/7/88 280

Sweden breaking sanctions, claims IPU chief

HARARE. — The president of the Inter-Parliamentary Union (IPU), Dr Hans Stercken, told Zimbabwean parliamentarians yesterday that Sweden was losing nothing from its sanctions on South Africa, since its goods were still being exported to South Africa through Asian countries.

He told members of the IPU Zimbabwe group executive that Sweden did not lose a penny by imposing sanctions, because Malaysia, Singapore and other countries had taken over exporting their goods to South Africa. He said he had pointed this out to the Swedish prime minister.

Sanctions, he said, could be a useful instrument if the world were united in imposing them.

Senator Patrick Chinamasa commended Dr Stercken's country, West Germany, for recently stopping shipments to South Africa of goods that could be put to military use.

Senator Chinamasa said he hoped Dr Stercken would urge strong measures against South Africa when he returned to West Germany.

Dr Stercken arrived in Harare on Saturday. — Sapa-AP

Kinnock: ANC violence in SA 'unproductive'

Cape Times 12/7/88

280

LUSAKA. — British opposition leader Mr Neil Kinnock said yesterday he believes the use of violence by the African National Congress in South Africa was understandable but unproductive.

The Labour Party chief told a news conference in Lusaka after meeting ANC leaders that the issue of violence highlighted the need for world-wide mandatory economic sanctions against South Africa as the best non-violent way of ending apartheid.

"The ANC is very well aware of the hostility that I and my party have for the use of violence for political ends," he said.

After being pressed to comment on a spate of bomb attacks in South Africa on civilian targets in the past two weeks, he added· "The issue of the path of violence remains in my view unproductive."

Mr Kinnock said attacks on civilians were regrettable but said they should be understood in the context of a situation where the South African government was itself using violence against civilians to stamp out all opposition to its white minority rule.

The Labour leader was speaking at the end of a four-day visit to Zambia, first stop of a 10-day tour of Southern Africa. He is also visiting Botswana, Mozambique and Zimbabwe.

Mr Kinnock argued that if effective sanctions were imposed they would reduce the need for violence as a way of ending apartheid.

He repeated criticism of Mrs Margaret Thatcher for her refusal to impose mandatory sanctions against Pretoria. She has argued that they would damage the economic livelihood of the black population.

Mr Kinnock referred to two bomb attacks in Johannesburg in the past two weeks, one at a rugby ground and another at a hockey clubhouse, and said it was "not beyond the realms of possibility" they were carried out by white South African extreme right-wingers in a bid to discredit the ANC. — Sapa-Reuter

Dukakis in pledge of tougher SA action

BY ALEXANDER HIGGINS
of Associated Press

Democratic presidential contender Mr Michael Dukakis would abandon the Reagan-Bush policy on southern Africa

WASHINGTON — Mr Michael Dukakis says he would partly abandon President Ronald Reagan's policy toward southern Africa by being "tough" on South Africa and ending US support for Unita.

Vice President George Bush says sanctions have not worked against South Africa and he would seek to win freedom for African National Congress leader Nelson Mandela, imprisoned since 1964.

Southern Africa is one of the foreign issues on which Democrat Dukakis differs most strongly from Republican Bush, who would continue Reagan's policy of remaining "engaged" and thus exercising some influence on South Africa.

In positions emerging from statements made during the campaign Mr Bush would go along with sanctions enacted by the US Congress against South Africa, but would not recommend additional sanctions

LIFT BAN ON ANC

Mr Dukakis, however, wants additional measures against Pretoria . South Africa does not end its state of emergency, release political prisoners, unban the ANC and negotiate the repeal of apartheid laws.

"I would be very tough," Mr Dukakis said, adding that he "very strongly" supports pending legislation to toughen sanctions.

He agreed with the Rev Jesse Jackson, his strongest challenger during the primaries, to include language in the party's platform declaring South Africa "a terrorist state".

Under United States' law, such a designation would severely limit, if not end, trade and diplomatic ties between Washington and Pretoria.

Party platforms are less binding in American politics than a candidate's personal position, but the inclusion was as symbolic step for Mr Dukakis to a stronger positon on South Africa.

'TIME TO CHANGE'

Mr Dukakis favours disinvestment, but opposes a complete diplomatic break with Pretoria.

Mr Bush thinks differently: "Our goal is clear: the complete ending of apartheid But to achieve that goal, I believe we must stay engaged.

"We have tried economic sanctions and we have tried disinvestment, and they haven't worked.

"Disinvestment has already hurt black workers — the very people we are seeking to assist."

He said he would work actively to cause South Africa to free Nelson Mandela without conditions.

At the same time, Mr Bush said, he would encourage the ANC leader to "renounce violence and walk in the path of non-violence trod by Gandhi and Martin Luther King".

"I will encourage an immediate dialogue between the government of South Africa and Mandela and other responsible black leaders, including Chief Buthelezi of the Zulus, Bishop Tutu and other religious leaders as well," Mr Bush said.

One point of accord is Mozambique, where both sides agree with present Reagan administration policy of backing the government, not the MNR rebels. — Associated Press

Public bombs 'immoral'

PRETORIA. — The Anglican Church here yesterday publicly expressed its abhorrence of the use of bombs in public places in an open letter to "those tempted to use or condone the use of violence".

In the letter, the church said it had made its total abhorrence to apartheid "crystal clear".

"We have also consistently and publically expressed our abhorrence of violence and force when used as a political instrument, whether in our townships, where many of us live, or beyond our borders."

To make innocent passersby the target of bomb attacks was immoral, the letter said. — Sapa

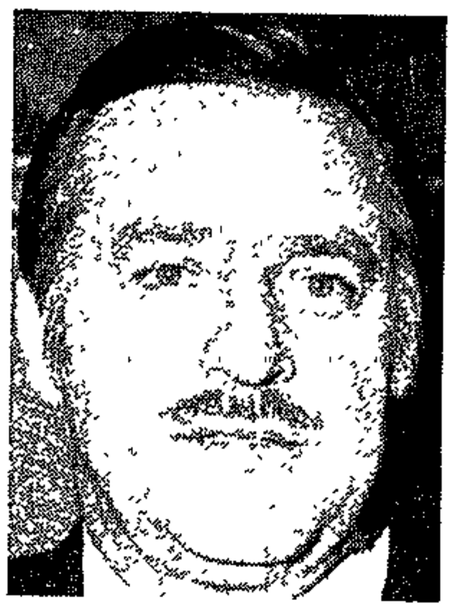
Dukakis's stance 'may be serious'

Star 13/7/88

The Star Bureau and Political Staff

The Minister of Foreign Affairs, Mr Pik Botha, has said a "very serious situation" could arise if Democratic presidential hopeful Mr Michael Dukakis had really supported the idea of using force against South Africa.

He was responding to an interview with BBC-TV's current affairs programme "Panorama", screened on Monday night, in which Mr Dukakis took a particularly strong stand on South Africa, and made it clear that if he became president he would dramatically increase pressure on Mrs Thatcher to impose sanctions on South Africa.



Mr Botha ... wants Mr Dukakis's exact words.

The "Panorama" programme also flashed back to a clip of a debate between Mr Dukakis and the Rev Jesse Jackson, a rival for the Democratic Party nomination, in which Mr Dukakis agreed to dub South Africa a "terrorist state" and acknowledged that he did not rule out the use of military force against South African "terrorist base camps".

Mr Botha said yesterday that he had asked his department to establish Mr Dukakis's exact words in their correct context and whether he intended them to mean that he would use force against South Africa before he replied.

SCRUTINISED

"But if the implication of what Mr Dukakis is reported to have said is that he will use force against South Africa within the borders of South Africa, then a very serious situation would be created."

Every policy statement by Mr Dukakis is being scrutinised by the British government, which is keen to find out the implications of having a Democrat in the Oval Office.

SA may try to topple countries — report

Star 13/7/87

(280)

BY SUE LEEMAN
The Star Bureau

An Economist's Intelligence Unit study makes an in-depth analysis of the interdependence of southern African states and predicts that the overall situation in the region will become more confrontational

LONDON — Faced with further sanctions or escalated domestic unrest, South Africa will simply step up its destabilisation of the Frontline states — and may even try to overthrow some of their governments, says a new report

But the study, by the influential Economist Intelligence Unit, says comprehensive mandatory sanctions could remain on the backburner for the next five years

The next major wave of internal unrest will probably only materialise around the early 1990s, the study predicts.

Transport sabotage

The report, entitled "Southern Africa: The Price of Apartheid", makes an in-depth analysis of the interdependence of the states of southern Africa — and concludes that it is South Africa's destabilisation policies, including the "sabotage of transport routes" which have helped it maintain its stranglehold on the region.

Despite the absence of comprehensive sanctions, the overall climate within the region seems bound in the long-term to become slowly more confrontational.

But for now, despite heated anti-apartheid rhetoric, cool heads are in control in the capitals of the sub-continent, it says

Author Roger Martin — a veteran British diplomat with more than 20 years' service in the region — says a relative easing of internal and external pressure on South Africa in 1987 has given Pretoria's pragmatists the upper hand, and they are pushing for "business as usual" between the southern African states.

Pretoria is now less likely to exercise the "Lesotho option"— an economic blockade like the one imposed on Lesotho in 1986 — and more likely to try the "flexible squeeze", a periodic but minor disruption of transport and other links.

But Mr Martin warns that by the early 1990s, South Africa could be under renewed sanctions and domestic pressure.

Reasonable hope

Its economic dominance will be undercut by the efforts of the Southern African Development Co-ordinating Conference, which plans to open a number of major new and repaired transport routes then

However, if in the meantime South Africa and the international community can understand the Frontline nations' anti-apartheid statements for what they are — "an expression of sincere principle and ... and essential safety valve for governments facing an extremely difficult balance act, not as statements of real desire for confrontational action" — then there is "reasonable hope" of a slow improvement in regional stability.

Dukakis says he is for tougher sanctions

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — United States Democratic presidential candidate Mr Michael Dukakis says he will sponsor international sanctions against South Africa and crack down on terrorists whether they live in "Beirut, Tehran or Johannesburg".

In one of his sharpest statements on apartheid, Mr Dukakis was clearly alluding to the terrorism he believes the South African Government commits and American action against officials or government agents rather than insurgents.

Addressing a predominantly black audience in his campaign for the White House, he said yesterday: "We're not going to sell arms to terrorists, we're going to crack down on terrorists, whether they live in Beirut or Tehran or Johannesburg".

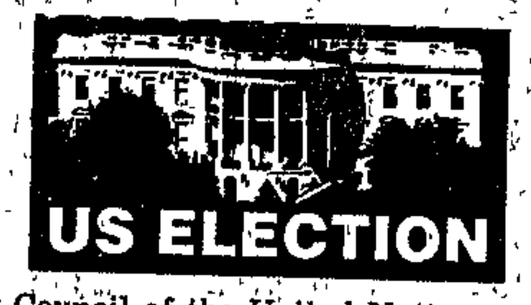
NEIGHBOURS

He did not elaborate, or explain exactly how the US would do this. Last month the Massachusetts governor accused South Africa of engaging in terrorist acts and committing aggression against its neighbours.

His negotiators also agreed last month, in negotiations with representatives of the Rev Jesse Jackson, to declare South Africa a "terrorist state".

But Mr Dukakis seemed later to back off that policy, saying he generally resisted labels. But he still supported economic sanctions against the Republic.

Speaking to America's oldest and possibly most influential civil rights group, the National Association for the Advancement of Coloured Peoples (NAACP), Mr Dukakis said: "In the Security Council of the United Nations, we're not going to veto sanctions against South Africa, we're going to sponsor them".



He was echoing liberal Democrats on Capitol Hill who have been urging an orchestrated sanctions effort with US allies to put pressure on South Africa in an effort to eliminate apartheid.

Pro-sanctions legislators began their calls for multilateral action against South Africa when they realised within a year of imposing tough trade restrictions on South Africa that they were not having the desired effect, or the results they had forecast.

The Reagan Administration is obligated to enforce sanctions passed by Congress in October 1986 — they are law — but it has steadfastly refused to budge on cajoling allies to do the same.

● From London it is reported that Anti-Apartheid Movement President Archbishop Trevor Huddleston has supported Mr Dukakis's statements.

Archbishop Huddleston yesterday reiterated his view that the South African Government was guilty of acts of terror.

"Any state which is prepared to torture its own children is a terrorist state and cannot be accepted in a civilised world," he said.

"Because the media are unable to show the terror does not mean it has stopped."

'Apartheid core of US sanctions drive'

ENTRENCHED legal discrimination in South Africa remains at the core of the United States sanction issue, KwaZulu/Indaba director Dawid van Wyk said in Durban this week.

Addressing the Durban Club on his recent US tour, Prof van Wyk said US government and powerful lobbies within the country would renew positive contact with South Africa should certain steps be taken.

"A first, and ultimately critical step in this direction, is the removal — once and for all — of statutory discrimination in South Africa. In other words, the removal not simply dilution, of apartheid," he said.

The US government, whether it be Democratic or Republican, had a genuine desire to see a reformed South Africa, but had little understanding of the emotively steeped, entrenched Afrikaner power. That international pressure and local reform were increasingly driving Afrikaners to the Right was also not understood, Prof van Wyk said.

The US, from its own confederal experience, expected South Africa to reach a compromise "based on generally and intentionally accepted norms and standards" and addressing:

- A new constitutional order for a united South Africa establishing equal rights for all South Africans without regard to race, language, national origin or religion; and
- A democratic electoral system with multiparty participation and universal franchise for all adult South Africans.

Dukakis pledges global sanctions

The Star Bureau

WASHINGTON — US Democratic presidential candidate Mr Michael Dukakis said he would sponsor global sanctions against South Africa and crack down on terrorists worldwide, whether they lived in "Beirut, Tehran or Johannesburg".

In one of his sharpest statements yet on the issue of apartheid, Governor Dukakis was clearly alluding to the terrorism he believes the South African Government commits, and American action against officials or government agents rather than insurgents.

Addressing a predominantly black audience on his campaign for the White House, he said yesterday his administration would reflect the values of Americans: "We're not going to sell arms to terrorists — we're going to crack down on terrorists, whether they live in Beirut or Tehran or Johannesburg!"

He did not elaborate, or explain exactly how the US would do this or whom it would target for what deeds. The governor accused South Africa last month of engaging in terrorist acts and committing naked aggression against its neighbours.

His negotiators also agreed last month, in negotiations with representatives of another presidential aspirant and runner-up for the Democratic nomination, civil rights leaders the Reverend Jesse Jackson, to declare South Africa a "terrorist state".

But Mr Dukakis seemed a few days after that to back off that agreed policy, saying he generally resisted labels. But he still supported virtually total economic sanctions against the Republic.

INFLUENTIAL

Speaking to America's oldest and possibly most influential civil rights group, the National Association for the Advancement of Coloured Peoples (NAACP), Mr Dukakis said: "On the Security Council of the United Nations, we're not going to veto international sanctions against South Africa, we're going to sponsor them. That's what we're going to do, that's what we're going to do," he said to applause.

He was echoing the current thinking of liberal Democrats on Capitol Hill who have been urging an orchestrated sanctions effort with US allies to squeeze South Africa in an effort to eliminate apartheid.

Pro-sanctions legislators began their calls for multilateral action against South African when they realised within a year of imposing tough trade restrictions on South Africa that they were not having the desired effect.

The strangeness of Kinnock's success

Star 14/7/88

BY TONY ALLEN-MILLS

British Labour leader Mr Neil Kinnock's southern African tour is a success, but he says his Frontline friends have heard an outdated message and describes how some issues have been skirted

LONDON — "There's a dreadful joke going round Westminster," Mr Neil Kinnock told a well-attended meeting of the Botswana Society in Gaborone on Tuesday night. "And I don't mean Nigel Lawson"

The audience — a multi-racial cross-section of Botswana's political and intellectual elite — rocked with noisy delight. The laughter redoubled when Mr Kinnock completed a cruel story about Mr Denis Thatcher on his death bed, struggling to utter his last words while his wife, Margaret, prattled on relentlessly beside him

The mirrored conference hall of the Gaborone Sun Hotel and casino complex seemed an odd setting for British parliamentary slapstick, but there has been no doubt here this week that the Labour leader is among friends.

His forthright support for mandatory sanctions against South Africa, his outspoken condemnation of the cross-border brutalities of Pretoria's security forces, and the passion of his moral outrage at the apartheid system have all proved music to the ears of his southern African hosts.



Mr Neil Kinnock and his wife walking through the rubble of a house in Botswana allegedly destroyed by South African commandos during a raid in April.

Masire makes an appearance

On Tuesday, the President, Mr Quett Masire, paid Mr Kinnock the compliment of an unscheduled personal appearance to hear the Labour leader's speech

Perhaps because the apartheid issue appears so clear-cut to Mr Kinnock, and because there is little division in the Labour Party over southern African policy, he has been in buoyant form since he left London last week

Disdaining the archaic diplomatic convention that requires civility from politicians abroad, he has laid into Prime Minister Thatcher's Africa policies with a venom matching any he has untapped in Westminster.

On Tuesday, he set out his proposals for mandatory sanctions against South Africa with a confidence and conviction that belied recent reports from London of leadership muddle and gloom.

On the surface at least, Mr Kinnock's southern African safari appears a morale-boosting success But to a casual observer, there has been something strange about the Labour leader's determined avoidance of South Africa itself.

By deliberately skirting its borders, he appears also in danger of skirting some of its more elusive but relevant concerns

Mr Kinnock has refused to visit South Africa on principle He will go, he says, when black liberation has been secured. This approach may be morally impeccable, but it has left Mr Kinnock's southern African equations seriously imbalanced — he is getting no input from the South Africans themselves.

That such input might be useful was evident from some of Mr Kinnock's comments about cross-border raids into Botswana this week.

The Labour leader routinely blamed Pretoria's notorious destabilisation policies for the murderous assaults on Botswana citizens that have occurred with depressing regularity over the last few years

But his analysis needed updating

Of all the Frontline states, Botswana enjoys the closest and most successful economic ties with South Africa The fabulously rich Botswana diamond mines have not only transformed the country's economy, they have bound it in a tight and mutually productive partnership with the diamond barons of Johannesburg.

South Africa has no conceivable interest in destabilising Botswana. The cross-border raids were carried out for an entirely different reason — to eliminate the African National Congress's supposed bases in Gaborone

Mr Kinnock appears not to have noticed a change in Pretoria's policy towards its neighbours It is true that elements in the South African Defence Force are still prone to behave like maniacs, but the diplomats in the foreign ministry have for many months been gaining the upper hand in regional policy-making

South Africa's effort in region

Their efforts are plainly visible in the Angolan peace process. They have been dramatic in Mozambique, where Mr Kinnock will spend next weekend. South Africa's past support for the MNRrebel movement now pales by comparison with the projects for economic development that both sides are beginning to promote.

If Mr Kinnock reverts to his destabilisation rhetoric in Maputo, he will sound badly out of date.

Mrs Thatcher has long argued that discreet diplomatic pressure was more likely to achieve results in South Africa than threats and insults.

Mr Kinnock is entitled to his view that the only reason sanctions have not worked is because they have not been tough enough, but there seems little doubt that the diplomatic approach has worked as far as discouraging destabilisation is concerned.

British efforts on Mozambique have undeniably helped to reduce tension between Maputo and Pretoria. That the first round of the Angola peace talks took place in London speaks for itself. — The Independent News Service.



The group of American Indians currently on a fact-finding mission to South Africa. From the left: Mr Wilbur Smith, Mr Ray "Black Buffalo" Wilson and Mr John McPherson.

End sanctions, urges US group

Star 16/7/85

Staff Reporter (280)

A group of American Indians on a fact-finding mission to South Africa yesterday issued a statement condemning sanctions and called for an end to disinvestment in South Africa.

This was coupled to a call for the repeal of the Group Areas Act and the establishment of a new constitution with equal representation for all races — a constitution arrived at after full negotiations with representatives of all races in South Africa.

The group of seven, including three North American Indian media representatives, visited South Africa for 14 days under the auspices of the National Religious Broadcasters, US, at the invitation of the South African branch of the association.

Addressing a press conference in Johannesburg yesterday, group leader Mr Ray "Black Buffalo" Wilson said the group would lobby Congress to reverse its position on South Africa "and undo the things it has done here" after finding that economic sanctions had aggravated the plight of those at the bottom of the pile.

"People are hungry and not able to find jobs as a result of sanctions," he said.

They met members of Parliament, Labour Party representatives, squatters in Crossroads, refugees from Mozambique, black business leaders and a number of "people in the street".

No meetings took place with the United Democratic Front or Archbishop Desmond Tutu.

He said while the group was excited to see the advances made in South Africa — such as the scrapping of beach apartheid in some cities and the scrapping of segregation on trains — there was still a long way to go.

"But every country, especially South Africa — a Christian democratic state — has a right to work out their own problems and should be left to do so," he said.

The impression created by the American media that South Africa was a terrorist state and in a state of war was untrue, Mr Billy Falling, president of the Christian Voter's League of America and a member of the group, said.



Nicky Price

Open

t alive a South
golf champion-
y one shot after

137, just a shot
eriano Balles-

Cape Times 16/3/88

'Big money' to lure top athletes

Own Correspondent

PORT ELIZABETH. — South Africa is set to spend big money in a bid to attract world-class athletes here, according to athletics sources.

South Africa has been banned from world athletics since 1976.

The president of the SA Amateur Athletics Union, Professor Charles Nieuwoudt, yesterday said that if the top names were signed up they would be allowed to compete in South Africa.

He also indicated that the athletes would be paid good money.

He said many international athletes had "become dollar millionaires from competing in international track and field meetings". "For this reason it is obvious anyone in South Africa arranging for top athletes to come here would have to match the payments being made overseas."

The search for stars is expected to focus on the United States and Europe.

'Cut the courtesies in the Commons' call

LONDON. — Opposition Labour MPs called yesterday for plain English to be used in the House of Commons.

Kinnock understands ANC violence but says sanctions the answer



Neil Kinnock

BRITISH opposition Labour Party leader Neil Kinnock said this week he believed the use of violence by the ANC in South Africa was understandable, but unproductive.

The Labour Party chief told a news conference in Lusaka after meeting ANC leaders that the issue of violence highlighted the need for worldwide mandatory economic sanctions against South Africa as the best non-violent way of ending apartheid.

"The ANC is well aware of the hositility that I and my party have for the use of violence for political ends, " he said.

"The issue of the path of violence remains in my view unproductive," he added.

He was commenting on a spate of recent bomb attacks in South Africa on civilian targets.

Kinnock said attacks on civilians were regrettable but said they should be understood in the context of a situation where the South African government was itself using violence against civilians to stamp out all opposition to its white minority rule.

"Where there is a complete absence of opportunity for civil and political expression, there will be elements who will seek to pursue other measures," he said.

He was speaking at the end of a four-day visit to Zambia, first stop of a 10-day tour of Southern Africa. He is also visiting Botswana, Mozambique and Zimbabwe.

South Africa says ANC members often enter its territory via Botswana.

However, Botswana says it does not knowingly allow the ANC to launch raids from inside its border.

The issue has heightened tensions between the neighbours in recent weeks.

South African security forces are attempting to stem a wave of recent bombings blamed on the ANC.

Botswana, meanwhile, fears another South African raid and has arrested five white South Africans on security charges in the past month.

Two of the men were picked up after a shooting incident with Botswana police last month. If convicted, all five could face life in prison.

Botswana's diamond mines and abundant cattle herds have made it one of black Africa's most prosperous nations.

However, Botswana remains heavily dependent on South Africa economically.

Botswana says it cannot afford to impose sanctions against South Africa, but that it will not discourage other nations from doing so.

British Prime Minister Margaret Thatcher and US President Ronald Reagan have opposed calls for more economic sanctions, saying black South Africans and the neighbouring black states would suffer most from any economic hardships that are created.

Kinnock leaves Botswana on Wednesday for Mozambiquwe and then travels to Zimbabwe.

Meanwhile, British government Ministers and Tory backbenchers are angry about the way Kinnock has used his tour of the frontline states to attack Thatcher's opposition to sanctions against South Africa.

They have accused Kinnock of breaking a long-established convention that politicians on overseas visits do no criticise their own governments.

Downing Street officials said Thatcher would treat Kinnock's attacks on her with disdain.

The officials said Thatcher had both in government and opposition never used an overseas trip to attack her political opponents at home.

Home Office Minister of State John Patten said: "This shows that Kinnock, who has opted out of effective leadership of the Labour Party for the delights of foreign travel, has lost all grip on political reality – his criticism of the British government breaks with all normal conventions and is an absolute disgrace."

The Minister for Overseas Development, Christopher Patten, said Britain was giving the frontline states R400-million a year for economic and social development.

"Our aid for positive measures is bankable. Kinnock's rhetoric is cheap," said Patten.

Tory Michael Mates said politics was the worse for the convention being breached by "Kinnock's ravings".

"It is very disturbing that a man in his position should break this long-held and important convention," he said.

"You do not sell your country short, but this is what he has done." – Sapa

British stance clear on Mandela issue – envoy

CP Reporter

THE British government's attitude to the release of ANC leader Nelson Mandela was spelt out by the Minister of State in the Foreign and Commonwealth Office, Lynda Chalker MP, in the House of Commons on June 8, a spokesman for the Britsh Embassy in South Africa said this week.

According to the spokesman, Chalker said: "We have long called for the unconditional release of Nelson Mandela. Our continuing and long-standing support for Mandela's immediate and unconditional release will again be voiced if there is not the most welcome 70th birthday present for Mandela."

The spokesman added that:

- **Chalker repeated her appeal for the release of Mandela in the House of Commons on July 6.**
- **The Foreign and Commonwealth Secretary, Sir Geoffrey Howe, told the House of Commons in the foreign affairs debate on June 30 that the British government would be continuing its efforts to help secure the release of Mandela.**
- **The British Prime Minister, Margaret Thatcher, has made it clear that these efforts would continue until Mandela was released.**

SA jumps the gun to put athletics back on the track

ARGUS 18/7/88

280

LONDON, — South Africa is set to break back into international athletics by buying up the leading Europeans and Americans who fail to make it to the Olympic Games.

South African promoters have finally lost patience with the International Amateur Athletic Federation and are preparing to break their blockade, imposed when South Africa was suspended in 1976.

Agents for the promoters are in Europe and the United States, armed with huge sponsorships and ready to offer them to any top athlete willing to risk suspension by competing in South Africa.

The South African Amateur Athletics Union, who have abided by IAAF rules since their expulsion in the hope of being invited back, deny they are behind the recruiting. But their president, Mr Charles Nieuwoudt, said: "Obviously some provincial and club officials are going ahead with these bold plans.

FRUSTRATED

"Athletes have said they want to come to South Africa to see for themselves and if they wish to compete here we would allow it."

Mr Danie Malan, chairman of the Eastern Province Track and Field Association and a vice-president of the SAAAU, said: "Athletes and officials here have been frustrated for too long. If the IAAF will not give us a chance to compete, South Africa must go out to find competition."

Senior athletics officials in the Northern Transvaal, home of most of South Africa's best athletes, are believed to be behind the moves. Major corporations, who receive a massive tax rebate on sponsorship used to import foreign sportsmen, are thought to be backing them.

OLYMPIC TRIALS

Mr Malan believes the first top athletes to compete in South Africa since 1974 would fill his 15 000-capacity stadium. "But then they would fill every stadium in the country," he said.

American athletes have already been approached, including blacks, and they have promised an answer after their Olympic trials, which began in Indianapolis at the weekend. An agent will be there talking with others.

Promoters in the South Africa expect the first of those lured by money to compete in their early season meetings in October.

● See pages 13 and 14.

SA jumps the gun to put athletics back on the track

ARGUS 18/7/88

280

LONDON. — South Africa is set to break back into international athletics by buying up the leading Europeans and Americans who fail to make it to the Olympic Games.

South African promoters have finally lost patience with the International Amateur Athletic Federation and are preparing to break their blockade, imposed when South Africa was suspended in 1976.

Agents for the promoters are in Europe and the United States, armed with huge sponsorships and ready to offer them to any top athlete willing to risk suspension by competing in South Africa.

The South African Amateur Athletics Union, who have abided by IAAF rules since their expulsion in the hope of being invited back, deny they are behind the recruiting. But their president, Mr Charles Nieuwoudt, said: "Obviously some provincial and club officials are going ahead with these bold plans.

FRUSTRATED

"Athletes have said they want to come to South Africa to see for themselves and if they wish to compete here we would allow it."

Mr Danie Malan, chairman of the Eastern Province Track and Field Association and a vice-president of the SAAAU, said: "Athletes and officials here have been frustrated for too long. If the IAAF will not give us a chance to compete, South Africa must go out to find competition."

Senior athletics officials in the Northern Transvaal, home of most of South Africa's best athletes, are believed to be behind the moves. Major corporations, who receive a massive tax rebate on sponsorship used to import foreign sportsmen, are thought to be backing them.

OLYMPIC TRIALS

Mr Malan believes the first top athletes to compete in South Africa since 1974 would fill his 15 000-capacity stadium. "But then they would fill every stadium in the country," he said.

American athletes have already been approached, including blacks, and they have promised an answer after their Olympic trials, which began in Indianapolis at the weekend. An agent will be there talking with others.

Promoters in the South Africa expect the first of those lured by money to compete in their early season meetings in October.

● See pages 13 and 14.

Sanctions fight to go on, vows US Democrat

Maggie will not give in to Kinnock

Star 20/7/88

280

The Star Bureau

LONDON — There was uproar in the House of Commons yesterday afternoon as backbench MPs shouted support for Mrs Margaret Thatcher and for opposition leader Mr Neil Kinnock as they argued the case for and against sanctions on South Africa.

Mr Kinnock, just back from a visit to the Frontline states, told the Prime Minister "Since 1981 nearly 700 000 children have died in the Frontline states and nearly 200 000 have been orphaned, and millions more have suffered hunger directly because of the war waged by South Africa against those states."

Increase aid

He urged Mrs Thatcher to increase aid to the Frontline states and to impose strong sanctions on Pretoria.

Mrs Thatcher replied: "If there were ever to be comprehensive sanctions against South Africa the number of people who would suffer, including children, would be infinitely greater."

Mr Kinnock claimed that every organisation in South Africa that represented the majority wanted sanctions.

Mrs Thatcher said: "By virtue of his recent visit he will know that the Frontline states themselves do not apply sanctions, because they are aware of the devastating effect on their own economies and their own people. He will know the effects of sanctions would vastly increase the number of starving children."

A Conservative MP, Mr David Evans, tried to tease Mr Kinnock about his arrest in Zimbabwe. He asked Mrs Thatcher to make sure that British consulates and embassies were adequately staffed to help travellers abroad, and added that she should ask the Zimbabwe government to commend the lance corporal who had arrested Mr Kinnock.

In another development, The Star's Washington bureau reports that pro-sanctions Democrats are entertaining the possibility of losing their campaign for almost total US trade restrictions against South Africa this year.

This emerged at the Democratic National Convention in Atlanta last night in a speech by Congressman Ron Dellums, the principal American lawmaker behind proposed legislation ending virtually all trade with South Africa and forcing US companies out of the Republic within six months.

Mr Dellums, a liberal Democrat from California, told convention delegates that his Bill faced an inevitable veto attempt by the Reagan presidency, and warned that he and others would re-visit the issue next year to press for their tough policy on southern Africa.

See Page 6.



Mr Hermann Burger soon
from a Maputo prison.
Picture by Stephen Davimes.

Students free after 5 days in Maputo prison

idents held
prison say
ng pictures
il's beach-
ng.
down, and
emfontein,
last night
m Mozam-

30 am yes-
cell with

"They tried to prove our passports were false," Mr Embleton said.

In jail they were not ill-treated and made friends with the other inmates, some of whom were Tanzanian and Kenyan.

Their diet consisted of fish heads and rice but at the weekend they received food from South Africa's trade representative in Maputo, Mr David Laubscher.

Mr Embleton, a University of Cape Town B A student, said they had gone

Star

newspaper.

LATE EDITION

From SiR'
With Lov
Undetectable Perfe
matched, natural ha
Tel: 331-5277
Suite 4704, Carlton Ce
Open 9 00 am - 6 00 p

"Disinvestment is ineffectual"

Star 20/7/88 (280)

By Neil Lurssen,
The Star Bureau

WASHINGTON — The wave of disinvestment by American companies from South Africa has had relatively little impact on the SA economy, according to a new report by a research group here.

The Investor Responsibility Research Centre, a non-profit organisation that prepares impartial studies for American businesses and investors, found that disinvestment had produced few changes in the labour practices of SA companies formerly owned by US corporations.

The IRRC's examination found that at least half of the disinvesting companies retained non-equity links with their former subsidiaries, such as licensing agreements.

"These agreements help to ensure that the disinvesting company will continue to earn income from South Africa, and keep its name and product visible there, without the costs of direct investment," the report states.

The American company can also get a higher price for its assets by including continued access to its technology in the deal, it says.

"Moreover, under South Africa's exchange controls, licensing royalties can be repatriated (to the US) at a more advantagous exchange rate than that for the proceeds of the subsidiary."

The existence of non-equity links has angered anti-apartheid activists in the US who are demanding that when a company leaves South Africa it must do so completely — until apartheid ends.

But those companies that have quit without any remaining links, the IRRC report notes, have done so mostly because they fear losing contracts in major US cities that forbid business ties with companies that trade with South Africa.

The new report — the third major study on South Africa from the IRRC in the past few months — provides powerful evidence for opponents of sanctions against South Africa.

Its finding that disinvestment has had little impact on the SA economy bolsters their argument that sanctions merely penalise US businesses and reduce US influence for no good purpose.

Storm message on complacency

Banker warns on attitudes to sanctions

Star 20/7/88

280

By Michael Chester

A leading South African banker has issued a stern warning against complacency over international sanctions, and has challenged the Government and business leaders to push for political change so that the country can grow at an acceptable rate.

Addressing the Executive Association of Southern Africa in Johannesburg today, Mr Henri de Villiers, chairman of the Standard Bank financial empire, said it was imperative to steer away from "defiance and bluster"

Shifts in attitudes and policies were crucial — from Government down to individual level.

Mr de Villiers said "In this day and age there is no such thing as economic self-sufficiency, and we delude ourselves if we think we are different South Africa needs the world"

It needed markets, skills, technology, and capital Without them, South Africa would survive — but with a tragic decline in living standards

"The self-sufficiency argument falls flat in the face of stark reality.

Inflationary binge

[illegible] capital to sustain us, it seems that annual increases of some 2 percent in gross domestic product are as much as we can attain without demand running away in an unacceptable inflationary binge

"If we do not do better than that we shall get poorer"

South Africa should be taking aim at a sustained economic growth of six or seven percent a year, as managed by Brazil in the 1960s, to return to a degree of international respectability

"It is imperative that we do not adopt poses of defiance and bluster It appals me that South Africa chose the forum of the United Nations for its representative to invite the world to 'do its damnedest'

"South Africa is one country in Africa that realistically could be expected to do fairly well in the competitive arena

"It has the land, the resources, the industrial base and the people to do it But the overriding issue is whether we can create an economic and political climate"

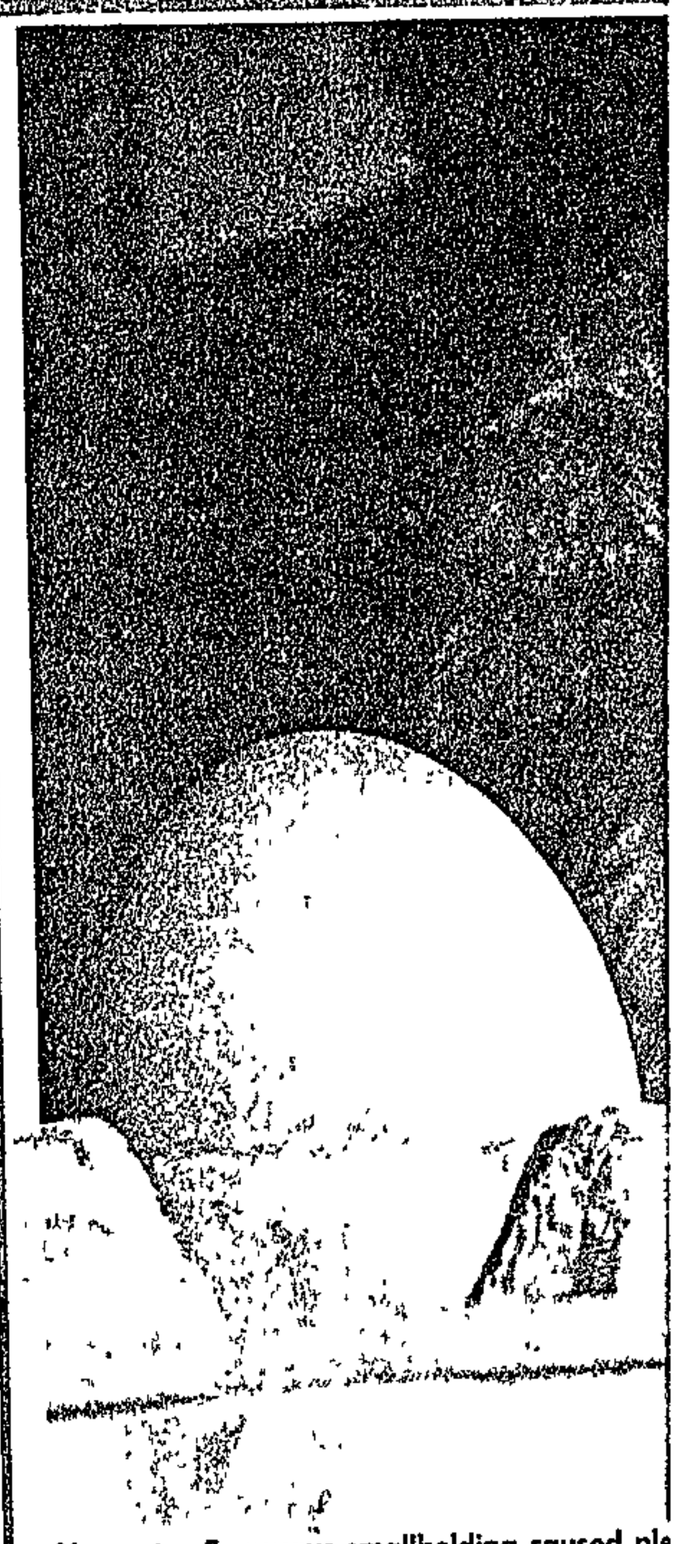
It was a tragedy that reform moves so far had been "too little — too late"

The business community, he said, had a special responsibility to press continually for accelerated political change in pursuit of a degree of democratisation

Mr de Villiers noted with concern that a growing lobby inside South Africa — including men of eminence and influence — propagated the view that somehow "sanctions are good for us"

He said "I consider that view dangerously misguided"

● See Page 3.



Hens at a Fourways smallholding caused ple
100 g egg was found by Mrs Reinett Potgiete

Eggceeding all

By Inga Molzen

A brood of hens out at a Fourways smallholding left Mrs Reinett Potgieter scrambling to fit all her eggs into one basket last week.

The small-time egg producer, whose egg production stands at 22 eggs a day "in this cold weather", said she was "amazed" when she collected the regular clutch and found one egg which eggceeded all eggspectations. It weighed 100 g.

Mrs Potgieter said she had

never seen
fore.
"I have 2
give me 2
However,
which lai
large one w
mystery —
one laid it,
teacher tol

Her hu
electrical
pleased w
size of the
to work w
colleagues'
Her thre

Warning as Japan cuts SA trade

Own Correspondent

JOHANNESBURG. — South African businessmen are being advised by the Association of Chambers of Commerce to look for other Eastern markets in addition to Japan in the event of Japan becoming an unreliable trade partner.

Reuters reported yesterday that Toyota had begun cutting back on its vehicle exports to South Africa last month.

It said exports, including knockdown kits, fell 13% in June compared with the previous year.

Export restrictions

A Toyota spokesman said the company planned to continue reducing such exports because of growing criticism of Japan's trade with South Africa.

Cars, including knockdown vehicle kits, account for about 40% of Japan's exports to Pretoria. Japan continues to be SA's largest trading partner, with trade between the two countries up 13,3% in the first half of 1988, according to recently released figures.

The chief executive of Toyota, Mr Bert Wessels, said yesterday restrictions on exports were being applied to all products from Japan

He said: "Toyota, in my opinion, has quite simply reacted more quickly than other companies."

Assocom has in the past two months informally taken over the Japanese External Trade Organization's (JETO) role of dealing with inquiries from South African businessmen on trade with Japan.

JETO was recently instructed by its head office that it could no longer deal with trade inquiries from South African businessmen

JETO spokesman Mr Kuniyasu Kobayashi said the office was now collecting economic information about South Africa, Botswana, Lesotho and Swaziland.

Mr Kobayashi refused to say whether the South African office would be closed

Japan is under increasing pressure to limit its trade with South Africa, and the Japanese foreign minister this week said his government would begin monitoring the amount and nature of trade between itself and SA.

However, the Ministry of International Trade and Industry said it had no plans to request industries to restrict trade with South Africa, a report last week in a Japanese financial daily said.

Statistics released last week showed Japanese exports to South Africa had surged 45,3% in dollar terms compared with a year ago. In yen terms it showed a decrease of 3%. Japan's imports from South Africa dropped by more than 9% in dollar terms in the first half of the year.

Assocom's foreign and domestic trade manager, Mr G Crystal, said they had had a flood of inquiries in the past two months from businessmen regarding trade with Japan.

Business briefing

Assocom is hosting a briefing tomorrow at which South Africa's vice-consul (commercial), Mr Georg Stroebel and his commercial officer will speak on the current situation in Japan and South Korea regarding the South African business community.

He said other Eastern markets for South African goods could include South Korea, Singapore and Taiwan. The automobile industry would be helped considerably by government's local content programme.

The Japanese consul-general, Mr Shigeaki Koga, said he had not received any notification from Japan on this week's meeting in Tokyo of Japanese ambassadors to African nations at which they expressed concern about Japan's trade with South Africa.

Democrats may drop SA sanctions call

Own Correspondent

ATLANTA. — Democratic congressional leaders speaking informally at the party convention here see peace between between presidential nominee Mr Michael Dukakis and Rev Jesse Jackson as a key to the sanctions debate receding into the background this year.

They believe that if Mr Jackson gets the respect he feels he deserves from Mr Dukakis, the party manifesto calling for SA to be declared a "terrorist state" and for the ouster of all remaining US companies by "a certain date" can be largely ignored.

They see SA as a "protest issue" which Mr Jackson and his supporters, particularly the congressional black caucus, will continue to push if he decides the party has slighted him.

The tenor of the platform debate scheduled for late last night was expected to be a key sign of whether Mr Jackson will drop his guerilla war against the nominee.

"The astounding thing is how little everybody is talking about SA," said an SA diplomat who has quietly been working the political crowd.

One respected member of the house foreign affairs committee, said even that panel, where the current sanctions bill originated, had "reached a turning point" and was losing enthusiasm for the legislation.

Another congressman, who chairs an influential panel overseeing minerals policy and who has publicly supported a measure to force international oil companies out of SA, privately allowed that he was "putting on a show" for powerful union and coal interests in his district.

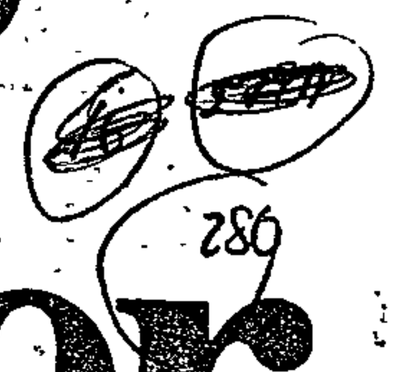
The only mention of SA by a major speaker at the convention came from former president Mr Jimmy Carter, who called for a foreign policy that would not engage in "appeasement in the face of apartheid".

Mr Dukakis, who agreed to let three Jackson amendments to the platform be debated last night — they call for higher taxes on the rich, self-determination for Palestinians and a "no first use" nuclear weapons policy — has promised his rival a major role in the general election campaign.

However, he has stopped short of promising Mr Jackson a role in the preparation and recruitment for a possible Dukakis administration.

Maggie rages at Kinnock over SA

CAPE Times 20/7/88



From IAN HOBBS

LONDON. — Mrs Margaret Thatcher yesterday raged at Labour leader Mr Neil Kinnock, rejecting sanctions outright during a blazing row in Parliament.

There was uproar as Mrs Thatcher denied Mr Kinnock's allegation that she had earned "the reputation of being the appeaser of apartheid", warning that sanctions would mean starvation for millions of black people in Southern Africa.

MPs hurled abuse across the floor of the House of Commons after Mr Kinnock, who had returned only hours before from his controversial tour of frontline states, launched his attack on Mrs Thatcher.

The Speaker called vainly for order and condemned MPs on both sides for "disgraceful" behaviour.

Red-faced and shouting directly at the prime minister, Mr Kinnock alleged that "since 1981 nearly 700 000 children have died and nearly 200 000 are orphaned and millions more have suffered hunger directly because of the war waged by South Africa against the frontline states".

He demanded that she should increase aid to those countries and introduce strong sanctions "against the apartheid regime of South Africa".

Mrs Thatcher, also shouting, told him: "If there were ever to be comprehensive sanctions against South Africa the number of people who would suffer — including children — would be infinitely greater.

"We do give considerable help to the frontline states and we have given special additional help to build pathways and roadways so that people can take their goods, not through South Africa, but through other ways to the ports."

But Kinnock leapt back to his feet responding that "every organization in South Africa that represented the majority of the people" wanted sanctions.

"Does she think she knows more about things to be done than those who live with apartheid and its aggression?" he bellowed.

● Kinnock mocked for 'losing cool' — Page 7

Shouting above the now-deafening noise, Mrs Thatcher replied: "By virtue of his recent visit he (Mr Kinnock) will know that the frontline states themselves do not apply sanctions because they are aware of the devastating effect on their economies and on their own people.

"He will know the effect of sanctions would vastly increase the number of starving children."

Again the livid Labour leader came back, shouting: "The vulnerability of the frontline states is no excuse for lack of action by this government. The prime minister earns the reputation of being an appeaser of the apartheid regime."

Visibly enraged, Mrs Thatcher roared straight back: "He knows I condemn apartheid. I totally disagree with him about sanctions and unlike him I am not prepared to sit in this House comfortably and impose starvation on millions of black South Africans."

Labour backbencher Mr David Winnick then accused Mrs Thatcher of carrying out a policy of appeasement towards South Africa "in the same way Neville Chamberlain appeased nazi Germany".

Mrs Thatcher tore into Mr Kinnock and Mr Winnick, saying: "There is a great difference between what the frontline states say, and what they do.

"They urge comprehensive sanctions but they do not themselves impose sanctions from their own countries because of the poverty it would cause to their own people."

Conservative MP Mr David Evans then infuriated Labour backbenchers by teasing Mr Kinnock over his arrest at Mutare airport in Zimbabwe.

He asked the prime minister to make sure that consulates and embassies were staffed adequately to help travellers abroad and suggested that Mrs Thatcher should ask the government of Zimbabwe to "commend the Lance-Corporal who arrested Mr Kinnock".

Mrs Thatcher told the House: "Consular services and embassies are very well staffed to deal with any situation. The aid we give to the frontline states is greatly appreciated as is the training we give to the Zimbabwe armed forces."

Signing against sanctions

By Carina le Grange

A group of black businessmen from Pretoria are funding a new body which has launched an anti-sanctions petition among blacks — with the aim of collecting at least one million signatures.

The National Christian Development Fund of Southern Africa said it was offering a "workable alternative" to sanctions and disinvestment at a meeting held this week for black church leaders and international business leaders.

NCDFSA chairman Bishop Mzilikazi Masiya said yesterday the fund believed there were alternatives to sanctions and disinvestment as methods to dismantle apartheid.

INTIMIDATION

He said the fund was financed by black businessmen around Pretoria but that they could not be named because of fear of intimidation.

Bishop Masiya said the fund — which expects to meet its deadline of "at least one million signatures" from blacks throughout the country and the homelands in six weeks' time — would hand the petition to the US embassy in Pretoria.

Copies will also be sent to the US Congress and the United Nations.

Bishop Masiya is also involved with the planning of a meeting between black political and religious leaders and the State President.

Israel 'enemy' of SA blacks, claims Chikane

JOHANNESBURG. — The general secretary of the SA Council of Churches, the Rev Frank Chikane, said yesterday black South Africans regarded Israel as an enemy state and this view will remain as long as Israel collaborated economically and militarily with the government.

In a statement sent from Geneva, Mr Chikane, who has just completed a seven-day tour of the Middle East, said Israel would have to choose between "collaborating with apartheid, and the struggle for a just, non-racist, democratic society in South Africa".

He said the attitudes of black South Africans and "all progressive, democratic organizations" towards Israel depended on the SA-Israeli relationship and how Israel dealt with the Palestinian question".

"If no significant moves are made on these issues, the negative image of Israel in South Africa will remain."

Calling on Israel to end all forms of "co-operation with apartheid", Mr Chikane said by supplying arms Israel was "helping the racist government to continue murdering our people".

"Our call to the Israeli government, public and private bodies, is to end all forms of military, scientific, agricultural, economic, commercial, cultural, sport and political co-operation with apartheid. Collaboration with the racist apartheid system is collaboration in our continued oppression, pain, suffering and death."

Mr Chikane visited Jordan, the occupied territories and Jerusalem at the invitation of the Middle East Council of Churches. — Sapa

Jaycee man amazed by Dellums

US legislators 'not interested' in white views

SUSAN RUSSELL

THE average American was not aware of the effects the planned new US sanctions Bill would have on black and white SA, according to Jaycees national president Vernon Matthysen.

On his return from an anti-sanctions campaign to the US, Matthysen said: "After meeting the author of the Bill (Democrat Congressman Ron Dellums) and Robert Brauer, aide to Dellums, I was amazed at their unwillingness to listen to reason.

"My impression was they do not care if their Bill will result in unemployment and misery in SA

"They discount moderate black leaders and label them as 'stooges of the system'," he said.

Dellums and his aide claimed they were encouraged by the support they were getting from Cosatu and Anglican Archbishop of Cape Town Desmond Tutu.

Matthysen said the presidential race was being fought in SA's back yard.

"The Democrats are trying to discredit the State Department's engagement policy.

"The State Department, on the other hand, is looking for results that will prove to the voters that their constructive engagement policy will influence SA to bring about change."

Matthysen said this message was repeated many times when his delegation met 20 aides to senators and congressmen on Capitol Hill.

"We believe if there was a greater awareness amongst the man in the street in America, more pressure would be exerted on Congress and the Senate not to pass further sanctions legislation."

He urged South Africans to write to friends, family and associates in the US to appeal to their congressmen and senators to stop any further sanctions legislation.

Very few black SA businessmen were seen by the legislators in Washington, Matthysen said.

"The message conveyed to our delegation was that most of the South Africans seen in Washington pleading against sanctions were white.

"They want to hear from the black business community."

Matthysen added that the Jaycees would offer advice and services to any individual or group planning a similar mission to Washington.

280

US DISINVESTMENT

Sugaring the pill

Sometimes you have to find out the truth alone: no one else can tell you.

So it is with the Investor Responsibility Research Centre (IRRC), a Washington-based shareholder activist group in the forefront of demanding that American corporations divest themselves of their SA business enterprises. Now the IRRC has discovered the obvious — the big losers in disinvestment are SA's black workers and their development-starved communities The big winners are SA businessmen who buy up the US properties at distress-sale prices.

Yet even when conceding the truth, the IRRC analysts have found a way to escape any acknowledgement of error. It seems, according to the group, that American businessmen have been cheating and only pretending to leave SA. What really has been going on, the report issued this week states, is that "at least half of the disinvesting US companies have retained non-equity ties such as licensing agreements with the new owners of their former subsidiaries" The statistics support this.

The report finds that of the 114 American firms that disinvested their SA holdings between 1986 and the first quarter of this year, nearly three-fifths sold their operations to a SA company or to local managers, "giving credence to fears that disinvestment is contributing to a consolidation of economic power by SA's whites." The report then notes that it "does not find much evidence that labour practices, on average, will change for the better or worse, with two notable exceptions."

These are, firstly, that black SA trade unionists "give US firms higher marks for labour relations," and, secondly, that American owners "clearly outperform SA companies in the minimum wages they pay. In mid-1987, the lowest wage paid by any US company that had signed the seven-point corporate responsibility code, known as the Sullivan Principles, was 40% above the median wage for unskilled labourers working in SA industry as a whole."

But the biggest disadvantage to SA blacks caused by the American emigration was in "the cutback in corporate funding for community development programmes and organisations active in challenging apartheid policies."

The thrust and tone of the IRRC report are clear. The disinvestment movement has failed to maximise the pressure on US companies — and thus against SA — by allowing corporate executives to certain ties to their old investments. These are clearly the next target on the agenda, despite the acknowledgement that black trade unionists, such as those in the Cosatu leadership, have withheld their own calls for disinvestment because of the inordinate price their working members must pay so that American liberals can feel virtuous.

FINANCIAL MAIL JULY 22 1988

'Millions hurt by sanctions'

Own Correspondent

DURBAN — The Chief Minister of kwaZulu, Chief Mangosuthu Buthelezi, yesterday told West German MPs in Ulundi that 2,5 million black South Africans had already been hard hit by sanctions.

He said because sanctions had failed politically, people were calling for stiffer sanctions.

Chief Buthelezi met a West German Christian Democratic Union delegation led by Mr Klaus Jurgen Hedrich.

Other members included Mr Klaus Daweke and Mr Klaus Lippold, officials of influential parliamentary boards.

Chief Buthelezi said it was not realised overseas that every wage earner in this country fed, on average, 12 mouths. The lower the economic scale, the greater the number of mouths affected.

About 60 000 jobs had already been lost through the withdrawal of foreign capital and the closure of plants — or from foreign plants being sold to local interests who had retrenched staff.

In addition to this, about 150 000 jobs had been lost through production cutbacks as a result of lost overseas markets.

Austrian MP condemns SA policies

HARARE — An Austrian MP, Mrs Waltraud Horvath, said yesterday that industrialised countries have an obligation to impose mandatory economic sanctions on South Africa and increase economic support to the Frontline states.

Mrs Horvath, who is on a five-week tour of three Frontline states, told Ziana, the Zimbabwe national news agency, that apartheid and South Africa's "destabilisation policies against neighbouring states" were major obstacles to achievement of peace in the region.

"The Western industrialised countries have the obligation not only to support the Frontline states, but also to impose comprehensive sanctions on South Africa.

"The oppression of the black majority in South Africa, the illegal occupation of Namibia, as well as the destabilisation policy against Frontline states by the Pretoria regime, are the main obstacles for reaching lasting peace and just development in the whole southern African region," she said.

Mrs Horvath, who is the spokesman of the Socialist Women of Austria and a member of her country's parliamentary foreign affairs committee, is on a fact-finding mission.

She is also to visit Zambia and Angola. — Sapa.

Welfare bodies battle without multinationals

By Winnie Graham (280)

Hard-hit welfare organisations in South Africa, doing vital work among the poor and handicapped in this country, had lost an estimated R100 million since the withdrawal of multinational companiess, Mr David Jackson, a community management consultant, said.

He was commenting on the critical financial problems being experienced by most welfare societies.

He said it was time the Government provided firms which contributed to the day-to-day needs of the under-privileged community with the same tax incentives as those received by companies sponsoring international cultural, educational or sporting events.

These firms received a 90 percent after-tax subsidy from the Government. Star 22/7/88

Mr Jackson said that while the multinationals were in South Africa many of the Signatories Association companies gave between 12 and 15 percent of their after-tax profit to community projects.

Those taken over by South African interests were now donating only about 0,5 percent after tax.

The physically disabled, the deaf, blind, mentally handicapped and, perhaps, the animal welfare societies remained the "Orphan Annies" of society.

"Some kind of tax incentive must be found to help these organisations," Mr Jackson said.

He suggested these organisations get together not only to lobby the Government, but also to coordinate their fund-raising activities.

24/7/88 Cape Times (28)

Frustration with SA has thrown caution to the wind

Sanctions would mean hardship for all

QUITE understandably, the evil of apartheid has driven the oppressed to a point where caution has been cast to the winds.

After years of peaceful protest and then an armed struggle, the cry these days is: "Bring on sanctions, nothing can be worse than apartheid."

Indeed, South Africa today occupies the centre stage – global attention is being focused on punitive measures designed to bring the Pretoria regime to its knees. And US presidential candidate Michael Dukakis has branded South Africa a "terrorist State".

But while the country is reeling from the US Comprehensive Anti-Apartheid Act of 1986, experts and diplomats fear the Dellums Bill of March 30, 1988, will achieve much more than its intended goal.

If it should be promulgated as law, which, according to observers, depends on South Africa doing something outrageous like hanging the Sharpeville Six, it will impact on the lives of middle class South Africa – in particular, blacks.

True, blacks have suffered for so long that one more major suffering will not make a difference. But beyond this rhetoric, fuelled by hatred for apartheid, are stark realities far too catastrophic to even contemplate, argue observers.



After years of peaceful protest and then an armed struggle, the cry these days is:

"Bring on sanctions, nothing can be worse than apartheid." But sanctions, the international buzzword on action against apartheid, have great implications for all South Africans.

DERRICK THEMA reports.

Much more than compounding the unemployment impasse, it is the perfect recipe for creating a revolutionary climate. It has the capability to see the South African economy crumble.

What is scary is that the Bill provides for influencing other countries with investments in South Africa.

Already Dukakis has indicated his willingness to sponsor global sanctions against South Africa.

American diplomats here believe that in the absence of an outrageous act by the South African government, the Bill has little chance of passing through the US Senate.

However, they point out that many influential people have supported the Bill, simply because the maxim exists that "a vote against sanctions is a vote for apartheid".

However, there is another school of thought which believes that if the Bill is passed, it will be vetoed by the new President. This fact is more possible should Republican George Bush succeed Ronald Reagan.

Should the Bill eventually be made law, the prohibition of trade between th US and South Africa would mean that American companies with 1 000 or less employees would have to cease operation within six months. Those with more workers would be able to apply for a six-month extension. Companies that pulled out in 1985 and 1986 would immediately cease shipping supplies to South Africa.

The implications go further. Multinational social responsibility programmes would come to a standstill. Black economic empowerment would also be affected.

Said one concerned black businessman: "This is a dilemma for blacks. How do we get into primary (producing) industries if we do not learn the skills to master them? Does this mean we will remain in the retail industry?"

He pointed out that not only would employees working for US companies suffer, but even independent black retailers and the white "fat cats".

Another black businessman who lived in New York for eight years, said: "Instead of foreign companies pulling out, why doesn't America pass a law allowing white resources to be withdrawn and the businesses sold over to black consortiums? This would be a positive way of assisting blacks suffering under apartheid."

The two options facing white South Africa are to assimilate blacks into the wealth of the country – even if it is under a majority rule – or to maintain the status quo and suffer the consequences of a crumbling economy worse than Third World economies.

The Dellums Bill provides for – among other things – prohibition on investments in South Africa, prohibition of imports and exports involving South Africa, prohibition of landing rights for South African aircraft and prohibition on importing Krugerrands.

Heavy fines and prison terms may be given to offenders.

SA should be free economic zone — PFP

CAPE TOWN — South Africa should fight back with as many sanctions-busting counter-measures as possible, including using the country as a tax haven and free economic zone, the Progressive Federal Party spokesman on economic affairs, Mr Roger Hulley, said in a statement at the weekend.

South African businessmen should be "let loose on the world armed with permission to operate through shelters, fronts and tax havens".

He said the world's more than 2 000 economic free zones had captured about 10 percent of total world trade.

"If South Africa should create such a zone, no amount of sanctioneering would prevent it from booming." — Sapa.

'How to beat curbs'

Sowetan 25/7/88

SOUTH Africa should fight back with as many imaginative "sanctions-busting counter-measures" as possible including using the nation as a tax haven and a free economic zone, the Progressive Federal Party's spokesman on economic affairs, Mr Roger Hulley, said in a statement from Cape Town.

Mr Hulley said South African businessmen should be let "loose on the world armed with permissions to operate through shelters, fronts and tax havens armed with facilitating legislation".

He said the world's 2000 plus economic free zones had captured some 10 percent of the total world trade.

"If South Africa should create such a zone, giving it economic sovereignty and independence ... no amount of sanctioneering would prevent this zone from booming," the statement said. — Sapa.

Dukakis would go for tougher sanctions

Bush seeks healthy economy for SA

STV 26/7/88

280

By Neil Lurssen, The Star Bureau

WASHINGTON — If Vice-President George Bush wins the US presidential election in November, his policy toward South Africa will be one of "democratic empowerment", an effort to bring apartheid to a peaceful end by supporting black businessmen and trade unions.

In sharp contrast to the policy of his Democratic Party opponent, Mr Michael Dukakis — which aims to squeeze the economy until the SA Government submits under pressure from belt-tightening white voters — the Bush approach is to use a healthy SA economy as a force for reform and change.

Its fundamental thesis is that blacks with economic power, management skills and training will have the means, such as threatened strikes and boycotts, to win political concessions until they have an equal say in the political control of the country.

Sources say that Mr Bush will not lift existing sanctions, which serve as an American expression of abhorrence toward apartheid, but that, as president, he will oppose congressional attempts to impose new measures.

Mr Bush, currently trailing Mr Dukakis in public opinion polls, is expected to outline his South Africa plan soon in a major foreign speech. Its details will be contained in the Republican Party platform to be released shortly before next month's convention in New Orleans where it could be debated

The vice-president has assembled a panel of a dozen expert advisers to help him devise the policy. One of them said: "The issue is to help bring about the kind of South Africa we all want to see — one that is at peace with itself and with its neighbours.

"And the responsible way to set about it is to look at the importance of economic development and black empowerment."

Republicans here recognise the difficulty Mr Bush will have in arguing for "democratic empowerment" among American liberals who tend to see economic and political sanctions as the only antidote to apartheid.

They acknowledge that the Bush policy lacks the emotional impact of sanctions.

But they are encouraged by recent surveys, including several by the Investor Responsibility Research Centre, which have highlighted the failure of current sanctions to advance reform and evidence of the growing opposition of SA blacks to sanctions and disinvestment.

kwaZulu leader slams sanctions

By Esmaré van der Merwe,
Political Reporter

International strategies of isolation, sanctions and disinvestment would signal an end to political dialogue and prospects of power-sharing, Dr Oscar Dhlomo, kwaZulu's Minister of Education and Culture, warned last night.

Addressing the Global Business Forum in New York, Dr Dhlomo said international pressures would accelerate prospects of a full-scale civil war.

Punitive measures would escalate blacks' hardships, decrease job opportunities and harden whites' attitudes.

PROGRESS

"In a country where 60 percent of whites are of of Afrikaans origin, there is a growing belief that nothing they can do will satisfy the community of nations.

"The Government, almost exclusively Afrikaans, has in fact made progress along the path to reform. But to the white South African, to the Afrikaner who has cultivated and lived through 40 years of apartheid, their progress has been unprecedented and far-reaching."

International governments and the private sector could act as vociferous agents for change by remaining involved in the country.

TRAINING

This could improve black skills through training and stimulate debate about democratic concepts.

Dr Dhlomo, the convenor of the kwaZulu/Natal Indaba, described the Indaba proposals and urged the international world to "join us in bringing the South African Government to the realisation that not only do the makings of a constitutional solution exist in their own country, but that such solutions would enjoy your support".

US investors may lose billions

Star 27/7/87 (280)

By Alan Dunn,
The Star Bureau

WASHINGTON — American investors in South African mining could lose billions of dollars in terms of legislation being debated in the United States Congress.

According to a new study they would lose $1,2 billion (about R3 billion) from the gold industry alone if a Bill presently before Congress, ordering an end to all US investment in SA, became law.

Findings of the study, conducted by Wharton Econometrix Forecasting Associates (Wefa), have emerged in a draft report largely supporting a similar forecast made last month.

Losses stemmed from investors flooding the markets with shares for sale, said the new report — people had already started selling their gold mine stocks in April this year, just after almost total economic sanctions had been introduced in Congress in the Anti-Apartheid Act Amendments of 1988.

Foreign holdings in South African mining had steadily fallen in the last six years, the study found, from 33,7 percent in 1982 to 23,6 percent last year. US investment in mining shares had fallen less rapidly, however, implying that Americans had tended to hold on to their shares.

On June 24, Mr Henry Bingham, executive vice- president of a leading US investment management firm specialising in gold, told the Foreign Relations panel that about 25 US companies similar to his dealt with more than 500 000 American shareholders.

"If the Bill as written is enacted," he warned, "the value of these shares could decline as much as 50 percent from present levels". Mr Bingham estimated a total loss of $2,5 billion, $1,3 billion more than Wefa's study suggested.

● American congressman Mr Philip Crane has warned that continued use of sanctions will help fan the fire of revolution in South Africa with catastrophic consequences.

White South Africans would defend themselves with all the force at their disposal, he told his colleagues, because no African country would welcome them as refugees.

can be fun ... if you are a Bara twin



Sanctions will hamper peace, says Thatcher

Star 27/7/87 280

The Star Bureau

LONDON — British Prime Minister Mrs Margaret Thatcher has reaffirmed her strong stand against sanctions, saying such measures would sabotage moves being made towards peace in southern Africa.

She was replying to a letter from Labour Party leader Mr Neil Kinnock — who has just returned from a tour of the Frontline states — once again urging her to reconsider opposition to comprehensive sanctions.

Accompanying his letter was a United Nations report which stressed that "above all, the children need peace".

Mr Kinnock underlined his belief that sanctions would help bring an end to apartheid and South Africa's destabilisation of the region.

Mrs Thatcher replied that her government preferred to take positive steps towards peace. It was, she said, doing all it could to encourage peace in the region.

"The parties to the negotiations on Angola and Namibia have announced an important step forward in the search for a comprehensive regional settlement. Mozambique and South Africa are making progress in their efforts to revive the Nkomati Accord."

Now Breedt faces the chop

The gulf between Transvaal players and rugby officials has widened following a report that captain and Springbok No 8 Jannie Breedt could be the next prominent player to be axed this season.

Last week's controversy over the sacking of scrum-half John Robbie in favour of new arrival Garth Wright and last Saturday's Currie Cup defeat by Natal has caused simmering tensions.

● See Back Page.

'More pressure' if no sign of reform

HELOISE HENNING

ECONOMIC pressure on SA would be intensified in the absence of political reform signals such as the release of Nelson Mandela and reprieve of the Sharpeville Six, according to a report-back by an Assocom mission which recently visited the US, Europe and Israel.

Assocom had already conveyed the strong message to the "highest levels" of government on the mission's return, chief Assocom representatives told a Press conference held in Johannesburg yesterday.

The mission also conveyed SA business attitudes on key issues to their offshore counterparts and governments.

They alerted EEC business and official decision-makers to the "extra-territorial" implications of the Dellums legislation which aims to impose sanctions on territories that fill the "gap" in trade with SA left by divesting US companies.

European Bankers and governments noted that the SA economoy had been well managed under the shocks following 1985 — including the meeting of foreign debt commitments — but they perceived that political reform had since been slower.

Assocom President Alec Rogoff said European business was positive toward the mission and said it would continue trade with SA but that they were experiencing new pressure.

Those highlighted included the Sharpeville Six, amendments to labour legislation, restrictions on the media and child detentions.

If these issues were not resolved EEC countries would consider implementing "measures of displeasure" such as removing landing rights to SAA and reciprocal airlines to SA, and reducing diplomatic representations. This would result in a deterioration in currently favourable attitudes towards SA.

Assocom CE Raymond Parsons, who visited Washington, said he liaised with and noticed a growing "middle road" among US senators. The Assocom report concludes that there was growing evidence the Dellums Bill would not be passed in the current year because a presidential veto would be hard to overthrow.

Sanctions could create another Hitler — Dhlomo

(280) Sowetan 27/7/88

By THEMBA MOLEFE

SANCTIONS and pressure to isolate South Africa from the international community would drive the whites further to the Right and could give rise to another Hitler, the co-convenor of the KwaZulu-Natal Indaba, Dr Oscar Dhlomo, told a business forum at the United Nations yesterday.

Addressing the Global Business Forum at the UN headquarters in New York, Dr Dhlomo said sanctions and disinvestment, it was believed, would cause the South African Government to negotiage or relinquish power.

Caution

"I must caution you against placing too much faith in isolating the pariah," he said.

"Far from their intended purposes of bringing apartheid in South Africa to its knees, sanctions and disinvestment are arousing a white backlash which has the potential to dwarf the historical violence and injustice which has gone before.

"Each successive tightening of the sanctions collar, each new disinvestment, each new boycott, deepens the anger and suspicion of the white community," Dr Dlhomo said.

He said: "This backlash had manifested itself in the dramatic growth of the Conservative Party with an attendant proliferation of fringe groups even further to the right

"These are the same pressures which isolated a post-World War I Germany and created a climate in which a monster, Hitler, could harness the anger and reaction of a nation under siege and turn it into a snowballing nationalist force."

Dr Dhlomo is also the Minister of Education and Culture in the KwaZulu homeland.



DR Oscar Dhlomo, Secretary General of Inkatha and co-convenor of the KwaZulu-Natal Indaba addressed the United Nations.

Foreign Minister to hold sanction talks

LONDON — The Commonwealth Committee of Foreign Ministers on Southern Africa will meet in Toronto next week where a leading item on the agenda will be "a Canadian strategy for counteracting South African propaganda and censorship," the Commonwealth Secretariat in London has announced.

A statement said Ministers would also consider "the progress of a major review of the application and impact of sanctions with a view to recommending action for widening, tightening and intensifying them.

"This review was commissioned by the Foreign Ministers Committee at their first meeting in Lusaka in February this year, and will include an examination of South Africa's trade and its relationship with the international financial system."

The Foreign Ministers Committee was set up by Commonwealth heads of government at their Vancouver summit last year to provide guidance and impetus in furthering Commonwealth objectives on South Africa.

The committee is chaired by Canada's Foreign Minister, Mr Joe Clark, and the other members are the Foreign Ministers of Australia, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe.

The statement said the meeting would be held in conjunction with a public forum "on the apartheid regime's censorship and propaganda."

Archbishop Edward Scott, who was a member of the Commonwealth Eminent Persons Group (EPG) which visited South Africa in 1986, will chair the public forum, and panellists will include the co-chairman of the EPG, Gen Olusegun Obasanjo of Nigeria.

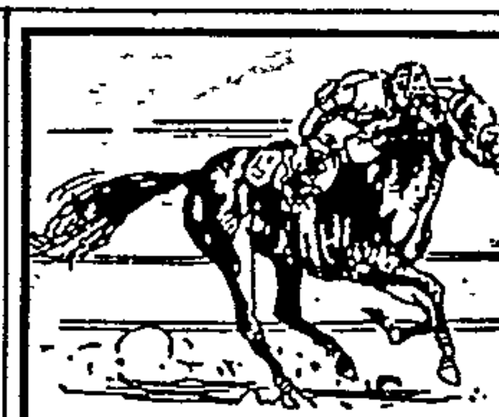
Personalities and media representatives from South Africa, United States, Britain and Canada will also attend the forum.

"A cultural festival and an exhibition at Toronto City Hall will bring the issues to public notice, culminating in the lighting of thousands of candles to symbolise action to end apartheid," said the statement. — Sapa.

Black pressure brought about changes in SA

PRESSURE from black people had probably been the most decisive fact in the limited changes that *Reform Revisited*, a discussion of current trends in government thinking, said astute

SOWETO ONLY
GARAGE & 2 ROOMS
DEPOSIT FROM ONLY R250
PHONE COMPREMARK ON 331-0001
Compremark CC (Reg. No. CK86/19261/23)
8 19843



BE A WINNER!
JOIN THE CLUB BIG CHARLES
238 JEPPE ST. Johannesburg
★ Special Jackpot Services ★
LATE INFORMATION BY TELEPHONE IS REWARDING
PHONE 23-8901
S 20016

Buthelezi at 10 Downing Street a 'snub to ANC'

The Star Bureau

LONDON — The British Prime Minister, Mrs Margaret Thatcher, saw Chief Mangosuthu Buthelezi at 10 Downing Street yesterday for a meeting regarded as a snub to both the ANC and the advocates of sanctions.

It contrasted markedly with her refusal to meet ANC president Mr Oliver Tambo Last year, she described the ANC as a "terrorist organisation"

She has made it clear that she regarded Chief Buthelezi as the leading voice of black moderation in South Africa

The admiration was mutual as he showed in a newspaper interview here, saying she had been "very brave" in holding out against international pressure to tighten the economic screw.

After the talks, Downing Street officials said Chief Buthelezi had made clear the widespread opposition among black South Africans to sanctions, while the Prime Minister emphasised the important role foreign companies could have in bringing down apartheid.

The two leaders agreed that the key to starting negotiations was the release of Nelson Mandela and the suspension of violence.

Chief Buthelezi said in the newspaper interview Pretoria would never allow itself to be seen to respond directly to outside pressure

He called for a truce in guerilla activity, coupled with a period of reduced criticism, to test the willingness of the State President, Mr P W Botha, to make concessions.

Chief Buthelezi believed Mr Botha intended to release Mandela, but was alarmed by reaction to the earlier release of Mr Govan Mbeki, the ANC's deputy head

"He is just petrified of the right wing

"If only there was a way of (us all) piping down somehow, because I don't think they (Pretoria) would want to be perceived to be doing anything under pressure Quiet diplomacy is likely to be the thing."

Sharpeville 6: Sanctions hanging

FURTHER sanctions could be considered against South Africa if the Government failed to grant clemency to the condemned "Sharpeville Six," Assocom president Mr Alec Rogoff said this week.

By LEN MASEKO

Mr Rogoff, addressing a Press conference in Johannesburg, said the question of the Sharpeville Six was "the biggest single factor" which dominated discussions on South Africa overseas.

Mr Rogoff, together with an Assocom delegation, recently visited overseas countries "to evaluate foreign perceptions" of political and economic developments in South Africa. Places they visited included Washington DC, London, Paris and Bonn.

The Assocom president said political issues paramount to "future relationships and in the context of the imposition of possible additional punitive sanctions" by the European Economic Community Council (EEC) included:

- The question of the Sharpeville Six and their possible execution.
- The implications of the proposed legislation to control the foreign funding of political activities in South Africa.
- The proposed amendments to the labour relations legislation.
- The restrictions placed on the Congress of South African Trade Union and other organisations on February 24.
- The restrictions on the media.
- The question of child detainees.

Mr Rogoff said the EEC — in the event of the Sharpeville Six being executed — would consider various punitive sanctions against the country including reduction of diplomatic personnel; requiring visas for South Africans to visit all EEC countries; withdrawal of landing rights for the country.

The motivation, he said, for "non-economic" sanctions was the EEC's strong desire to demonstrate to the black population that it was "deeply concerned about their well-being."

Mr Rogoff said South Africa had become a highly emotional domestic political issue in the United States, as reflected "in the completely negative approach of the pro-sanctions Dellums legislation."

He said: "An incorrect perception was being presented to the international community that all blacks in South Africa continued to favour sanctions against this country.

"Assocom pointed out that black opinion was divided on the issue of sanctions, and that independent surveys show that the majority of blacks do not want sanctions.

"It is noteworthy that the recent evidence presented (overseas) by the South African Black Taxi Association (Sabta) against sanctions played an important role in creating doubt among the middle-of-the-road views about the usefulness of further sanctions," he added.

Assocom has reported its findings to the Government. "The cost of further political isolation will be high in terms of economic growth and prosperity," Mr Rogoff said.

Observer Times

Water polo players who toured SA banned

Own Correspondent

LONDON. — Six members of the rebel English water polo team who made a secret tour of South Africa earlier this year have been banned from the sport for 18 months.

Their names are not being revealed by the Amateur Swimming Association (ASA) until the conclusion of an appeal against suspension by other members of the team.

The polo issue caused a massive row when the ASA susepended the sport in England, saying the rebel players were "selfish fools" whose action had risked the British swimming team's expulsion from the Olympic Games this year.

It was only after a major investigation and enforcement of the ban on all senior water polo events in England that the ASA managed to obtain the rebels' names.

ASA secretary Mr David Reeves yesterday said he hoped all people involved in swimming sports now realised the serious consequences of having any contact with South Africa.

Mr Reeves said the six suspended rebels had also been fined R80 and the punishments would stand, subject to appeal.

Sevvy writes off his SA links

Own Correspondent

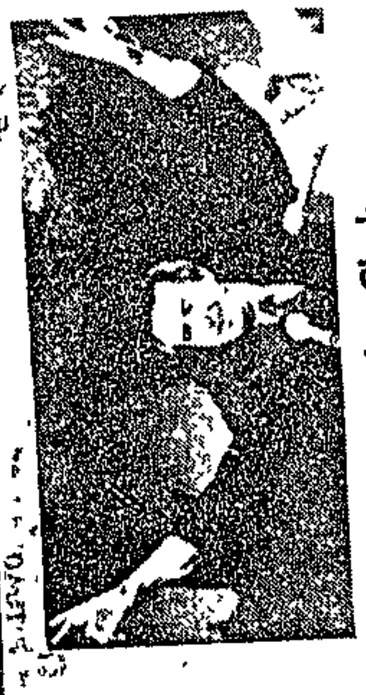
DROTTNINGHOLM, Sweden. — Spanish golfer Severiano Ballesteros gave a written undertaking yesterday that he would not play in South Africa again.

British Open winner Ballesteros, who starts favourite in the R1-million Scandinavian Open starting here today, made the declaration when he was told that if he did not, he would be stripped of all appearance money and face the danger of direct-action protests from Swedish anti-apartheid activists.

But Ballesteros is not eligible for his $60 000 appearance money anyway, as he is on the Sanroc "blacklist" for competing in the Million Dollar Challenge at Sun City.

CAPE TOWN, THURSDAY JULY 28 1988

Canada bans SA sports men



Mr Joe Clark

From ALAN DUNN, The Argus Foreign Service

WASHINGTON. — Canada has banned all South African sportsmen and women.

The Minister of External Affairs, Mr Joe Clark, told Parliament late yesterday that his government had moved to close loopholes to prevent all South Africans, not just those representing the country, from competing in Canada.

His announcement shows a sudden hardening of policy on South African participation in sports meetings.

Only a few days ago Canadian officials said professional tennis players and golfers did not fall under the prohibition in terms of the Commonwealth Gleneagles Agreement of 1977. They were regarded as individuals and business people, not official representatives.

Van Rensburg, Muller

Mr Clark's announcement was made during an brouhaha over the entries of South Africans Christo van Rensburg and Gary Muller in an open tournament starting on August 6. Danie Visser, who had also qualified to play, may also have entered.

But anti-apartheid groups, politicians and university officials at the campus where the tournament will be played, objected. They threatened demonstrations, disruptions and protests.

The South African Ambassador to Canada, Mr Hennie de Klerk, said from Ottawa last night: "We don't understand why individual South African sportsmen and women should be so vindictively punished when sport in South Africa has been fully integrated at all levels for many years.

"Isolating individual sportsmen and women makes no positive contribution toward change in South Africa."

A group of Commonwealth foreign ministers is due to meet in Toronto on Tuesday under Mr Clark's chairmanship to discuss South Africa and devise anti-apartheid measures to recommend to all Commonwealth countries.

Tournament director Mr John Beddington said in an interview that he had talked to Van Rensburg and Muller, warning them of demonstrations and disruptions.

He had told them what to expect: "I don't want to subject them to a lot of nonsense," he said, referring to disruptions of play.

Mr Beddington, of Tennis Canada, said his organisation did not see Van Rensburg, Muller or Visser as representatives of apartheid.

● From Stockholm The Argus Foreign Service reports that British Open champion Severiano Ballesteros has vowed never to play golf in South Africa again. He did so in a letter to the organisers of the Scandinavian Open, which starts today.

His name appears prominently on the United Nations blacklist of sportsmen who have competed in South Africa following his appearances in the Million Dollar Challenge at Sun City.

Ballesteros, who has waived his customary R150 000 appearance fee, and other top golfers have been under pressure for some time not to play in South Africa.

Several countries on the European golf tour have refused entry to South African players.

BODIES

Scottish firm to help SA

The Star Bureau

EDINBURGH — The South African Government is expected to sign a R60 million contract in the next few days with the RGC oil rig yard at Methil in Fife on Scotland's eastern seaboard.

RGC will be involved in work on the Mossel Bay offshore gas field.

Local members of parliament say they are hopeful the project will help safeguard the future of the men working at the yard.

However, the British Anti-Apartheid Movement condemned the move yesterday, saying it represents "serious collusion with South Africa's efforts to break the international oil embargo".

"That British firms can be in line to carry out this work for South Africa demonstrates the British government's contempt for its international sanctions commitments."

It said several other British companies, including Trafalgar House, Davy Corporation, NEI and BOC, were playing a leading role in the development of Mossel Bay.

The Scottish Trades Union Congress general secretary, Mr Campbell [illegible]istie, commenting on the RGC contract, said in the absence of mandatory sanctions, British firms would seek profits from apartheid.

But he conceded that, faced with an empty order book and 20 percent mal[illegible]employment, he could understand the decision of the workers.

New anti-SA Bill on cards

By Alan Dunn,
The Star Bureau

WASHINGTON — A key US lawmaker in the South African debate has warned that anti-apartheid legislators may still try this year to slip a Bill imposing almost total economic sanctions against the Republic on to the Senate's agenda.

And anti-apartheid sentiment was strong enough on Capitol Hill for senators to pass the legislation, which also forces prompt American disinvestment, Senator Richard Lugar of the Foreign Relations Committee said.

Senator Lugar said he had heard the Bill could be tacked on to another unrelated piece of legislation such as a Defence appropriation and senators would find themselves suddenly confronted with a surprise debate and vote on South Africa:

"I don't know the currency of these rumours," he said. "If it does arrive in full view of the House and Senate, it may well pass." But Senator Lugar, a Republican from Indiana who was largely responsible two years ago for moderating a tough package of sanctions presently in effect against South Africa, said President Reagan's veto of this Bill would be sustained.

He was confirming general wisdom this year in the US capital that the Bill would have enough support — more than 50 votes — for the Democrat-dominated Senate to pass it, but not the two-thirds (66 votes) to override Mr Reagan's refusal to sign it into law.

Hawke to tackle Maggie on SA

Sker 22/1/78 280

The Star Bureau

LONDON — Australian Prime Minister Mr Bob Hawke is expected to tackle Mrs Thatcher on the sanctions issue during her visit to the country which starts today.

The leaders clashed two years' ago at the Commonwealth summit meeting in London over whether to impose economic sanctions on South Africa.

And on the eve of Mrs Thatcher's visit, an unrepentent Mr Hawke declared: "I think that the things that I've said about Southern Africa have been proved correct.

"The real tragedy is that your Mandelas, your Tutus, the present leadership of the ANC, Tambo — these people still want to see a South Africa in which the whites will have a part to play. But time is running out for these leaders. The young militants want to smash everything."

However, the Australian premier is not expected to make much headway. Mrs Thatcher recently made it clear in a letter to Labour Party leader Mr Neil Kinnock that she still firmly opposes sanctions.

Sanctions moves

WASHINGTON. — Legislation that would virtually end United States-South Africa trade and force American firms to pull out of South Africa because of its apartheid policy was sent to the US House of Representatives on Wednesday.

The House Ways and Means Committee gave final approval after four other comittees had considered the Bill. A companion measure is making slow progress in the Senate Foreign Relations Committee.

Democrats on the Ways and Means Committee defeated Republican amendments before sending the Bill to the full House. But the committee adopted an amendent that would exempt from the trade ban South African firms owned by "people disadvantaged by apartheid economically and politically".

The Bill also exempts certain strategic minerals and publications from the ban. — Sapa-Reuter.

Sanctions lobby shifts focus to the 'invisible' links

IN Mail 29/7-4/8/88

THE sanctions lobby has shifted its focus from campaigning against direct investment in South Africa.

Sanctions campaigners are now concentrating on "non-equity ties" — those links which multinationals maintain when they pull out of the country, such as licensing and technology agreements and offshore trusts.

The sanctions lobby shifts focus to less visible economic links, with some activists accusing US firms of using 'smokescreen' tactics. HILARY JOFFE reports

In a new report from the Washington-based Investor Responsibility Research Center (IRRC), researchers Jennifer Kibbe and David Hauck wrote: "The last two years of disinvestment have raised the new issue of non-equity ties.

"Companies see these continuing economic links as a normal, viable business alternative to direct investment, while anti-apartheid activists view them as yet another pillar propping up South Africa's apartheid regime."

The report includes a comprehensive survey of the routes taken by the 114 US firms which disinvested from South Africa between January 1986 and April 1988.

Forty-five of the companies sold their operations to South African companies or investors, 27 sold to local management or employees, 15 closed their operations, 13 sold to foreign (European, Asian or Australian) companies or investors, seven sold or donated their assets to some form of trust, six sold to US companies, one donated its assets to a South African church, one moved its operations to a neighbouring country and one sold shares to the public. Seven have not disclosed what they did with their assets.

Some of the companies employed more than one method, according to the report.

The fact that sales to South African companies or local management account for almost three-fifths of the disinvestments has "lent credence to fears that disinvestment is contributing to a consolidation of economic power by South Africa's whites", the report said.

Departing companies will use their chosen method of withdrawal to achieve their own objectives, whatever their reasons for disinvesting, the report said, and these objectives usually have little in common with those of disinvestment activists

Companies most concerned with their image in the US are inclined to sever all economic ties with South Africa. Those more interested in reassuring workers and customers are likely to maintain non-equity ties and arrange profit-sharing or employee share ownership plans.

Companies keen to retain a foothold in a market they see as having potential tend to include in the package non-equity agreements such as licensing, franchising or distribution agreements with their former subsidiaries.

	By no. cos.		By no. emps	
Sold to South African companies	37	(35%)	14,172	(37%)
Sold to local management	25	(23%)	6,687	(17%)
Closed down	13	(12%)	1,164	(3%)
Sold to European/Asian/Australian companies	11	(10%)	5,135	(13%)
Sold or donated to some form of trust	7	(7%)	10,055	(26%)
Sold to U S companies	5	(5%)	674	(2%)
Donated to church	1	(1%)	5	(0%)
Moved to a neighboring country	1	(1%)	465	(1%)
IRRC unable to discover method	6	(6%)	365	(1%)
	106	(100%)	38,722	(100%)

Offshore trusts are used by companies which want to get as much as they can out of the country through the commercial rand — as opposed to the discounted financial rand. Another method is to sell assets at less than market value and recoup the price in lucrative licensing royalties

Kibbe and Hauck found half of the US firms had retained licensing or distribution agreements with companies in South Africa.

"The major reason so many departing companies have opted to maintain non-equity ties with their former subsidiaries is that these agreements help to ensure that the disinvesting company will continue to earn income from South Africa, and keep its name and product visible there, without the costs of direct investment," the report said. The US company can also get a higher price for its technology or management assistance.

And licensing royalties can be taken out of South Africa at a better exchange rate than the proceeds from the sale of a subsidiary.

Companies which opted to cut all ties did so mainly because of selective contracting ordinances adopted by major US cities which allow municipalities to discriminate in awarding contracts against companies which have economic ties to South Africa. Among these cities are New York, Houston, Los Angeles, San Francisco and Pittsburgh.

Many disinvestment proponents have labelled the intricate methods US firms have adopted to pull out as "smokescreens" and have called for full and complete disinvestment, the report said. But other activists feel "they should define their calls for disinvestment more precisely, so as to ameliorate some of its worst effects, such as the concentration of economic wealth in the hands of whites"

Kibbe and Hauck argue that the shift of focus to the issue of non-equity ties will make the disinvestment campaign tougher because of the complexity of such ties and the difficulty of identifying companies maintaining these.

The researchers found managers at most of the newly-South African companies said their labour practices and their commitment to black advancement were unchanged, trade unionists confirmed this for some cases but mentioned others where new owners were actively rolling back progress made under US ownership.

Kibbe and Hauck did find, however, that "The most noticeable change following disinvestment is a cutback in corporate funding of community development programmes and organisations that challenge apartheid policies"

280

Sanctions could devastate country's cane belt

By Dave Canning

DURBAN — The sugar industry — and large parts of Natal and the Eastern Transvaal — would be disastrously affected if the current clamour for sanctions was successful, Mr John Chance, chairman of the SA Sugar Association, said yesterday.

Making another plea for a positive Government decision on the proposed ethanol plant on Richards Bay, he told the association's annual meeting in Durban: "The clamour for more stringent sanctions to be applied to our country grows louder by the day."

Sanctions, if applied successfully, would undoubtedly have a disastrous affect It would cause the closure of some mills and untold hardship to some employees and cane growers — particularly black growers. More than 750 000 blacks were dependent on the industry.

Many towns throughout the cane belt would suffer. Satellite industries would be badly affected.

He said the Government had been made aware of the catastrophic effects on Natal and the Eastern Transvaal should sanctions threats become a reality. "We can only hope that political solutions to our country's difficulties will be resolved before any such actions take place."

An ethanol plant could materially assist in stabilising the economy of the sugar industry and he hoped the Government would take a final positive decision soon

He did not believe that the Government, which spent billions of rands on capital intensive non-renewable synfuel plants which create major pollution problems, could continue to ignore precedents in a number of leading countries which are diversifing agriculture into ethanol fuel production

He said the sugar industry's attempts to diversify into ethanol could be jeopodised by vested interests present at various stages of evaluation of the project.

A secretive "black box" approach had been adopted in re-evaluating the ethanol feasibility study, first by the oil industry and then a select sub-committee of the National Energy Council.

"The sugar industry does not query the State's expenditure on strategic indigenous fuels but I believe we have a right to receive similar treatment and to know what parameters are used to evaluate our ethanol project."

The better outlook had enabled the industry, in April, to repay R40 million of the R327 million in loans raised earlier this decade.

By this time next year the sugar industry could be in the fortunate position of having repaid at least half of its total loans.

Mr Chance said the association had generated a profit of R15 million from transactions covering the flow of export proceeds. No foreign exchange losses had been experienced on foreign currency loans which had been raised.

However he sounded a warning about SA's position as a major exporter and also warned against thoughts of expanding the industry in general.

The world free market was unlikely to become profitable — except for temporary surges as at present — until the US and EEC changed their agricultural policies.

There were signs that they were beginning to rethink their policies.

However it could be 10 years before agricultural trade barriers and protections were removed completely, if at all.

● Sapa reports from Port Louis that the United States is to buy more sugar from Mauritius this year.

The island says that Washington will purchase just over 12 000 tons of sugar, which represents an increase of 4 000 tons in the US annual quota from Mauritius.

The US has increased its quota this year because it will have to buy 300 000 tons more this year due to acute drought prevailing there.

The sale of the 12 000 tonnes will earn Mauritius about $12 million.

SOWETAN, Friday, July 29, 1988

SEARCH FOR KILLERS

WASHINGTON — An American congressman has warned that continued US sanctions will help fan the fire of revolution in South Africa with catastrophic consequences.

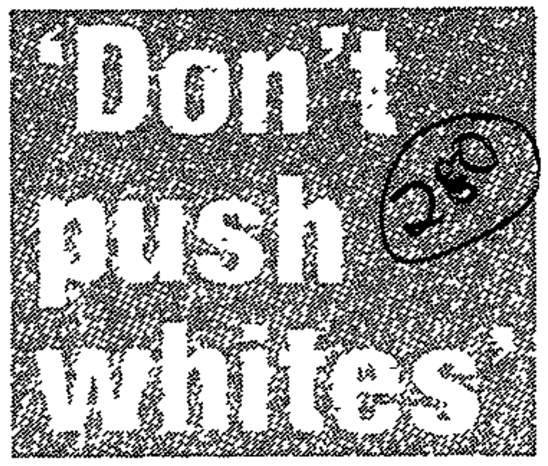
White South Africans, with nowhere else to go, will defend themselves with all the force at their disposal, Republican congressman Philip Crane of Illinois told his colleagues.

"No African country would welcome white South African refugees," he said.

Appealing to the congress to repeal the sanctions laws now in effect, Congressman Crane said it made more sense to end apartheid by increasing the economic power of blacks.

"The recent history of South Africa has shown the clear correlation between increasing levels of economic growth and black freedom.

"As the economy has grown — most significantly during the 1970s — white-owned firms have recognised that apartheid in the workplace constrains their ability to expand because of labour shortages in the skilled, white community."



Congressman Crane's argument for black economic growth is similar to the South African policy Vice President George Bush is expected to adopt in his party platform for the 1988 presidential election.

"History has shown that once an oppressed people gain economic power, they are able to negotiate with their adversaries from a position of power for additional rights," he said.

Congressman Crane cited two examples from US history where this had happened — in the case of Jewish and Chinese immigrants who pursued similar strategies to combat discrimination and "poor treatment."

Increased economic contact between the two countries would support reformers within the SA Government who sought to moderate and eventually dismantle apartheid, he said.

Such an evolution toward a just society was far better than continuing sanctions which only fanned the fire of revolution.

"Few Americans understand the ramifications of a total civil war in South Africa," he said. "Many white South Africans, particularly those of Dutch descent, come from families that settled there over three centuries ago. They believe it is their land."

To protect the country from foreign and domestic attack, the SA Government had built up the largest and best-equipped army on the continent.

Sowetan 29/7/88

SAPA Times 1/18/88 280

Ban on events with SA athletes

OTTAWA. — Canada will press its athletes not to compete in any event worldwide in which South Africans take part, a spokesman for the federal department of Fitness and Amateur Sport said in a published interview.

Mr John Scott, director of international sports relations, told the Globe and Mail newspapers the policy will affect any Canadian athlete or coach seeking to compete in events that involve South Africans.

"No Canadian athlete should compete against a South African," Mr Scott said.

He said details of the policy are still being worked out but will apply to both amateurs and professionals.

To enforce the ban, Mr Scott said, the government could threaten to cut off funding to sponsoring federations if the rules are not observed.

On Thursday, External Affairs Minister Mr Joe Clark announced a ban on South African athletes entering Canada.

Canada's tough policy comes on the eve of a meeting of Commonwealth foreign ministers in Toronto next week.

● Local travel agents have greeted with disappointment — but little surprise — the news of a total ban on South African tourists who wish to watch the Olympic Games in South Korea in September.

Seoul's decision to bar hopeful spectators from the Games is no sudden setback, but is an extension of the South Korean government's reluctance to admit South African tourists.

South African visitors to South Korea have in the past been granted visas primarily for business activities, said one Cape Town travel agent.

He said the South Korean Department of Internal Affairs asked visa applicants for guarantees from two South African companies as well as a reference from a Korean firm. The process took about five weeks.

Five Capetonians had applied for business visas through his agency in an attempt to see the Games, said the travel agent, adding that he was not very hopeful they would be approved.

The applications had been lodged with the South Korean government about a month ago and an answer should be forthcoming soon.

Other local travel agents agreed that there had in the past been little demand for tours to South Korea.

The spectator ban was announced on Friday by the president of the South African Amateur Athletics Union, Professor Charles Nieuwoudt.

He told the union's annual general meeting in Johannesburg that the move by the International Olympic Committee to isolate South African sport could also jeopardize the chances of enthusiasts wishing to attend other multi-national sporting events. — Staff Reporter and Sapa-Reuter

---

K∞ saves

Aid will end apartheid, UK official

2/18/88 Chep 280

APARTHEID would end quicker if international efforts were directed towards supporting the growth of black economic power in South Africa, the director-general of the British Industry Committee on South Africa, Nick Mitchell, said this week.

In a letter to the *London Times*, he said anger and emotion over the South African issue, which was understandable and in many cases justifiable, had also obscured the objective.

"Sanctions have become an end in themselves and a conduit for letting off steam at South Africa, apartheid, capitalism, racism and Margaret Thatcher.

"The real objective is the end of apartheid and the formation of a non-racial democratic South Africa, with a universal adult franchise."

Mitchell said a subsidiary but important objective must be to achieve this change with minimum violence and in a way that developed rather than destroyed the economy of the country.

"When measured against these objectives, it can be seen that sanctions have an effect that is totally counter-productive.

"Sanctions have strengthened the hand of the extreme right-wing and delayed the process of change," he said.

He continued: "Increased sanctions would lead to a gradual decline in the economy and make it impossible to provide the housing, education, health care and jobs required for a rapidly expanding population."

Mitchell said apartheid would end partly because it was immoral, but also because it was monstrously inefficient. – Sapa

Political comment by K Sibiya and ZB Molefe, Newshills K Sibiya. Headlines and sub-editing by C Fram, all of 204 Eloff Street Ext, Johannesburg.

280
21888 Times

Sanctions Senator on secret SA mission

By DRIES van HEERDEN and PATRICIA CHENEY

AMERICAN Senator Paul Simon, prime mover behind Washington's sanctions moves, arrives in Pretoria tomorrow on a four-day hush-hush trip.

And the disappointed presidential hopeful will have to do his travelling in a military aircraft because there are no direct commercial flights between the two countries any longer — scrapped at the behest of Mr Simon himself.

The Illinois politician, chairman of the Senate Africa sub-committee, will be accompanied on his "fact-finding mission" by his wife and Representative Richard Lehman, of California, and his wife.

The junket will also take the two couples to Mozambique and Botswana.

A spokesman for the US Embassy said the politicians will hold talks with "black leaders, journalists, businessmen and government officials."

However, a spokesman for the South African Department of Foreign Affairs said his department knew little about the visit.

Security

And he was not aware of any talks scheduled with SA Government officials.

Washington sources would not divulge with whom the Americans would meet, citing "security reasons".

Last year the short, bespectacled politician, wearing his characteristic bow-tie, led the Senate moves to impose punitive sanctions against South Africa.

Earlier this year he made a short but unspectacular attempt to win the Democratic presidential nomination.

He failed to gain even a victory in his home state, where he was beaten by the Rev Jesse Jackson.

Soon after his return on September 8, Mr Simon will lead attempts in the Senate to pass Congressman Dellums' sanctions Bill which would declare economic war on South Africa.

'SA oil shipment' to be probed

LONDON — Reports that a R28m cargo of North Sea oil has been shipped to SA from the Shetland Islands, in defiance of the British government's support for the UN oil embargo on that country, are to be referred to Energy Secretary Norman Parkinson by a Labour MP.

Bob Hughes (Aberdeen N) said at the weekend he would ask for a full investigation of the incident in view of the undertaking by Prime Minister Margaret Thatcher to Commonwealth leaders that she would observe the non-mandatory UN oil sanctions against SA.

He said he would also write to Shell to tell them that they appeared to be

Own Correspondont

admitting in their public statements on the affair that a third party had breached the terms of the original contract governing the sale of the oil by Shell.

According to reports, the 570 000-barrel consignment was originally owned by Shell, which has since strongly denied any involvement in breaking the embargo.

The tanker is reported to have sailed secretly to SA instead of to its stated destination.

2/8/88 Bl Dev

280

Bishops debate SA sanctions

2/18/88 B/Day 280

CANTERBURY — The Lambeth Conference of Anglican bishops will debate a draft proposal this week calling on governments to impose sanctions on SA.

A statement from Cape Town's Anglican Archbishop Desmond Tutu said yesterday that it also suggested governments should take steps to ensure the military protection of Frontline states against SA raids.

The proposals include a call for "direct aid to anti-apartheid organisations in SA ... with a view to assisting the unemployed and persecuted".

This proposal is one of several directed at human rights abuses in Africa. One condemning human rights violations singles out Uganda, Kenya and Sudan.

Another calls on SA to withdraw from Angola and implement UN resolution 435 on Namibian independence.

The proposals are subject to discussion and amendment.

The draft proposal on SA calls on the conference to reaffirm its belief that "the system of apartheid ... is evil and especially repugnant because of the cruel way a tyrannical racist system is being upheld in the name of the Christian faith".

It goes on to condemn the detention of children "without just cause" and calls, among other things, on Anglican churches around the world to press their governments to:

☐ Institute forms of sanction calculated to bring an end the "evil dispensation" and establish a just peace among all citizens;

☐ Push for the release of ANC leader Nelson Mandela and all other political prisoners and detainees;

☐ Push for the unbanning of organisations such as the ANC and PAC. — Sapa.

Pull-out penalty put at $2bn-plus

REINIE BOOYSEN

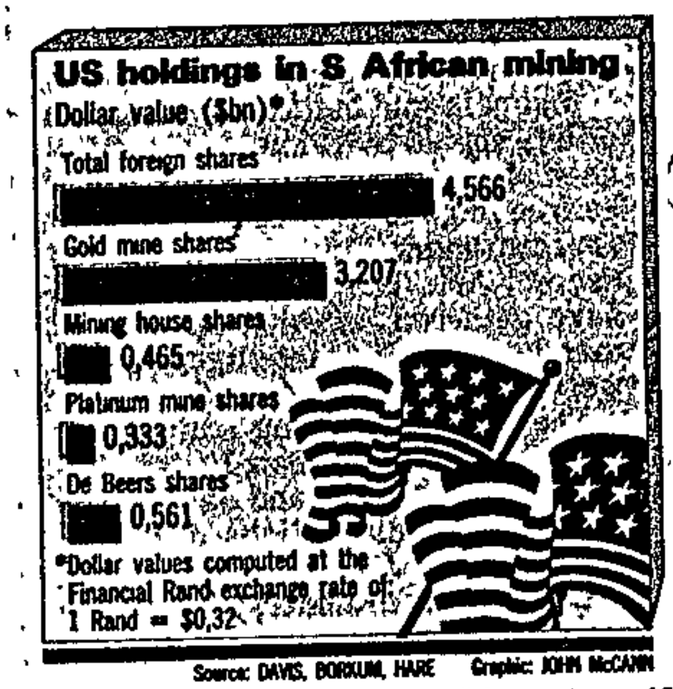
US INVESTORS could lose more than $2bn if they are forced by proposed anti-apartheid legislation to divest any interests in the SA economy, says US-based Wharton Econometric Forecasting Associates (WEFA).

The sudden unloading by US investors of SA gold stock — in the event that the stringent Bills before the US legislature succeed — would alone place immense downward pressure on these share prices and result in an estimated capital loss of more than $1,2bn.

The proposed legislation will prohibit US citizens or residents from purchasing, acquiring, owning or holding any investment in SA.

According to the July edition of International Gold Mining Newsletter "the publicity surrounding the latest US sanctions proposals has helped push SA gold shares to their lowest levels for two years on the London market and, in dollar terms, the stocks are currently sitting almost 50% below early-1988 levels".

Although the WEFA study estimates



the total capital loss for US investors, if they are forced to divest totally from SA, at more than $2bn, it concentrates mainly on the likely scenario for gold shares, because of the ready availability of extensive data concerning the market for these shares.

The WEFA study compares the likely

● To Page 2

US investors face $2bn pull-out penalty

● From Page 1

path of SA gold share prices assuming no divestiture with a forecast of prices US investors would receive under a forced sell arrangement.

The forecast takes account of variables such as the price of gold, the yields on alternative investments, inflation, and — in particular — the number of shares coming to the market.

It assumes that investors started unloading their holdings last April and that complete divestiture would occur by January 1 next year.

Depending on the timing of divestment in this period, the resulting price decline of SA gold shares would result in a loss for US investors of between $1,227bn and $1,246bn.

WEFA estimates that the same pattern of price decline in the case of other SA mining shares — such as mining houses, platinum and diamonds — would result in a capital loss of more than $1,6bn if US holdings in all SA mining shares are forcefully divested.

US investors would have to divest their SA interests within six months of enactment of the proposed legislation.

UK defied ban on SWA uranium

LONDON. — The British government has finally admitted receiving a shipment of 1 100 tons of uranium from SWA-Namibia in defiance of a United Nations ban — although it claimed the ore was not for military use, the London Guardian reported yesterday.

The newspaper said the statement came after months of denial in the House of Lords where Labour peer Lord Hatch had been pressing the Ministry of Defence since a Guardian article in December disclosed that the shipment was discussed at a cabinet meeting in 1976 and agreed to by the then Labour government.

First Lord Glenarthur, the Foreign Office Minister, and Lord Trefgarne, the Minister for Defence Procurement, twice denied any knowledge of the contract, said the Guardian.

"But at a meeting with Lord Hatch last week, Lord Trefgarne, flanked by 11 civil servants, conceded that the shipment had been received.

"Although Britain refuses to accept the ban, it is embarrassing to the government to be accused of breaking internationally-accepted sanctions."

Lord Hatch said: "I was convinced that the government was not telling the whole truth when successive ministers said they knew nothing about the contract.

"Now they are saying the uranium was delivered between 1977 and 1984 but not for military purposes.

"The wording of their answers makes me doubt whether we still have the whole truth."

The Guardian said the government had told Lord Hatch the uranium was imported under Euratom safeguards designed to prevent nuclear materials imported for civil use being diverted to the military programme. — Sapa

Rugby Board official flies to SA

Own Correspondent

LONDON. — Mr Keith Rowlands, the first full-time secretary of the International Rugby Board, announced last night that he was flying to South Africa, but denied that it was a crisis journey linked to the troubled International XV tour plans.

Mr Rowlands said it was purely an "administrative" trip. He would also be visiting Argentina.

However, he had been trying to keep the South African leg of his trip secret and the fact that he was travelling was leaked against his wishes to journalists.

He remained secretive about his travel plans, confirming only that he was leaving London today. He is expected to reach South Africa early next week after stopping over in Argentina.

Admitting that he had news that an International XV was expected in South Africa on August 13, he said this was a complete coincidence.

"My visits to Argentina and South Africa are not related to any specific problems. I am going strictly in my administrative capacity."

Mr Rowlands, a British Lions and Wales lock forward in 1962, is aware that the board's activities and influence are widely misunderstood.

Canada delays new Pretoria curbs

Commonwealth still split over sanctions on SA

TORONTO — The Commonwealth remains divided on the question of South African sanctions, although this time it is the Canadians and not the British who are dragging their feet over imposing curbs on Pretoria.

As eight Commonwealth Foreign Ministers yesterday began two days of talks on ways of increasing international pressure on South Africa, several officials expressed dismay over Canada's reluctance to approve new sanctions.

Before the talks, Canadian officials said the meeting of Foreign Ministers from Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe would focus mainly on Canadian proposals for combating South African censorship and propaganda.

Although delegates will also consider an interim Commonwealth report on additional punitive measures, Canadian officials said they did not expect any new sanctions to be adopted until the final report at the end of the year.

However, some Commonwealth officials insisted yesterday that the report — whose contents have so far been kept secret — contained measures which could be implemented immediately.

As one official remarked: "We will send the completely wrong signal to Pretoria if we don't take new action now. They will think we have given up on sanctions."

The case for new sanctions was strongly argued by Mr Shridath Ramphal, the Commonwealth secretary-general, at yesterday's opening session: "This meeting has a major responsibility to keep the Commonwealth in the vanguard of the global movement against apartheid."

Strongly denying there was a growing "weariness" with sanctions, he said: "Commonwealth governments, I know, will continue at the forefront of the international campaign which is gathering, not losing, momentum."

Mr Ramphal had reservations about the Canadian proposals for countering South African news censorship. He said it was "too one-dimensional" to beam more news into the country, when getting news out was more urgent.

Satisfaction

Britain, which is not a member of the Foreign Ministers committee because it opposes sanctions, will doubtless derive some satisfaction from seeing the Commonwealth again in a tangle over sanctions, especially as Canadian Prime Minister Mr Brian Mulroney strongly criticised Britain's refusal to approve new measures at last year's Commonwealth summit.

Canadian foot-dragging now is partly ascribed to the fact that Canada is expected to hold a general election soon and with US elections in November, any new moves on sanctions would have greater impact if introduced at the end of this year. — The Independent News Service.

● See Page 21.

CAPE TIMES 4/8/88 (18) 280

Commonwealth states urge more sanctions against SA

TORONTO. — The refusal of banks to lend new money to South Africa has severely stunted its economic growth, but bans on trade credits provided by other countries would hasten an end to apartheid, a Commonwealth states report says.

The report on South Africa's relations with the international financial system, following the withdrawal of lending here in 1985, also suggests a boycott by Commonwealth member governments of banks still making new loans to South Africa.

"While South Africa is not at present stretched to its financial limits, its margin for manoeuvre is very small," the report said. "The maintenance and extension of financial sanctions would hobble South African economic growth and maintain the economic pressure on the SA government to abandon apartheid."

Another measure Commonwealth foreign ministers are considering, is the supplying of "non-lethal" items to frontline states.

Nigeria's former head of state, Major-General Olusegun Obasanjo, told reporters that Mozambique and the Commonwealth states around South Africa had requested "non-lethal" items.

● In Australia, Mrs Margaret Thatcher yesterday urged SA to change its system of apartheid, but stressed her opposition to sanctions.

Getting rid of apartheid would not be helped "by an international conference in a five-star hotel deciding that there should be poverty and starvation on behalf of a large number of black people", she said.

The opposition Labour Party said Mrs Thatcher's forceful rejection of sanctions showed she was "stronger against sanctions than against apartheid". — Sapa-AP-Reuter

SANCTIONS REPORT

Capital loss fears

The Wharton report on the potential impact on US investors of proposed sanctions legislation offers more fuel for the bears who believe that SA gold shares will go nowhere until the issue is clarified. At the same time, the study provides support for those who think the current proposals have little prospect of acceptance.

The report was prepared by the Wharton Econometric Forecasting Associates, and commissioned by the leading US mutual fund, International Investors Inc. The figures are startling enough. Among the main conclusions are that 500 000 US citizens will lose about $1,2bn this year if legislation pending in the House of Representatives passes and forces them to sell shares of stock they own in SA gold mining companies. The legislation would prohibit Americans from purchasing, acquiring, owning or holding any investment in SA.

The analysis was limited to the capital loss attributable to the sale of gold shares because this is the sector on which data is most readily available (estimates made of the US holdings of the shares by stockbroker Davis, Borkum, Hare were used). However, the authors note that this limitation understates the likely total impact of the legislation.

"We feel that if the same pattern of price decline and selling were to occur for other types of SA mining shares — such as mining houses, platinum mines and De Beers — the capital loss would be over $1,6bn and if the losses of US firms who invested directly in SA are considered, the total capital loss accruing to US persons would exceed $2bn," they say.

For several reasons, these figures are seen as conservative. For one thing, the capital loss reflects an index of the average share price of SA gold mining stocks and to the extent that the US holdings do not reflect the average, the estimate may not be accurate. If, as the anecdotal evidence suggests, US persons tend to concentrate their holdings on relatively few, somewhat more risky stocks, then the price decline might be greater than the overall drop in the dollar price index of SA gold shares and the capital loss greater than estimated.

The report also notes that many US holdings are in US mutual funds. SEC rules require these funds to pay the proceeds of redemption within seven days of receipt. Thus, if the legislation passes, mutual fund shareholders might issue a large number of redemption orders, which in turn could trigger large sell orders by the funds.

Not considered in the study are the economy-wide effects of the legislation on either the US or SA economies. But two other telling points are made: The constitutionality of the legislation may be questioned and numerous legal suits by shareholders could result. And the legislation may not function as intended in that US persons would suffer while the beneficiaries could be SA investors who might purchase gold shares at reduced prices.

Andrew McNulty

Tanya tied for second place with [illegible]

Dispute over Congress Bill

UK, US clash on SA oil sanctions

By Alan Dunn, The Star Bureau

Washington

A clause in draft sanctions legislation against South Africa has sparked an international protest that the US Congress is trying to push its trade measures too far.

At issue is a clause inserted by Liberal Democrats into the Anti-Apartheid Act Amendments of 1988, trying to force oil, coal and gas multinationals into severing ties with South Africa and starving it of crude oil.

Britain this week privately warned lawmakers on Capitol Hill that the Bill, scheduled for debate by the House of Representatives next Thursday, would also hit some UK companies. "Then the British government would certainly come under strong domestic pressure to retaliate," the British Embassy in Washington told selected legislators in a letter.

The European Community has also objected strongly to the Bill and multinational oil companies are known to be lobbying furiously against it in Washington.

The new clause stipulates that the US would not grant any new oil, coal or gas leases to companies operating in the US whose parent or controlling companies had any interests in or links to South Africa.

The British Embassy's charge d'affaires, Mr Brian Crowe, wrote this week to key congressmen: "From the UK's point of view, this would be a very serious prohibition which would hit two major British companies (BP and Shell) with inevitable consequences for Anglo-American relations."

He said that if the Bill were enacted "the British government would certainly come under strong domestic pressure to retaliate against US oil companies operating, or wishing to operate, in the UK".

"Given the very substantial participation of US oil companies in the North Sea as well as the importance of the North Sea for their operations, this is a situation which we very much hope will not arise".

The letter was sent to three congressmen, Mr Morris Udall, chairman of the House Interior and Insular Affairs Committee and two other comittee members. The committee considered the Bill this week, becoming the seventh and final House panel to debate, alter and approve it before sending it on to the full House for debate and, probably, approval.

The Interior Committee, dominated 25 to 15 by Democrats, passed the Bill without changing it — paying no heed to Britain's warning.

Commonwealth seeks global ban

Trade credit move to 'hobble SA'

WASHINGTON — A global ban on trade credits to "hobble" SA's economic growth is in the offing now that a Commonwealth foreign ministers comm'.tee on southern Africa has agreed to push for a package of tough new financial sanctions.

The eight ministers met in Toronto this week to prepare their agenda for the heads of government meeting in Kuala Lumpur next year.

They indicated the measures were intended to stimulate unemployment by collapsing SA's current account surpluses, hampering its repayment of foreign debt and blocking import growth.

On the basis of a study prepared by Australian, Canadian and Indian committee members, they agreed the "most significant sanction" to date had been the "refusal of banks to lend to SA".

That had successfully restricted economic growth by "forcing large capital account deficits to repay maturing loans and requiring corresponding current account surpluses".

In addition to seeking a trade credit ban, the committee called on national bank regulatory authorities to make lending to SA even less attractive by raising loan loss provisioning requirements.

They said: "Ministers expect the SA country risk will be treated no more favourably than that of heavily indebted countries."

The committee also agreed:

☐ To press banks with SA exposure subject to the debt moratorium and interim rescheduling to limit rescheduling agreements to no more than one year;

☐ To demand an international ban in insurance cover by official export credit agencies for loans to SA;

☐ To provide data to anti-apartheid organisations enabling them to conduct boycotts and other campaigns against institutions that failed to co-operate with the new restrictions.

SIMON BARBER

THE US House of Representatives is set to pass its sweeping SA sanctions Bill next Thursday in what congressional leaders privately concede to be a "symbolic gesture".

The Speaker of the House, Congressman Jim Wright, set the date — the last day before Congress goes into summer recess — under pressure from the congressional black caucus.

The measures were required because "the SA economy cannot grow fast to prevent unemployment from rising further without strong import growth and a collapse of the current account surpluses necessary to repay foreign debt".

The ministers concluded SA had little scope to increase its non-gold exports and said gold "faced increasing global supplies and uncertain price prospects".

Other committee members included

● To Page 2

Trade credit move to 'hobble' SA growth

Nigeria, Guyana, Tanzania, Zambia and Zimbabwe.

☐ GRETA STEYN reports economists said yesterday a ban on foreign trade credits would put strain on the country's reserves and reduce the options to alleviate the balance of payments constraint on economic growth.

Bureau for Economic Research economist Glen Moore said foreign trade credits reduced short-term capital outflows, taking some of the strain off the current account surplus.

The Reserve Bank's June Quarterly Bulletin said importers had increasingly made use of foreign trade credit rather than domestic finance in the first quarter. As a result, short-term capital outflows decreased sharply to R386m from R1bn in the last quarter of 1987.

Trust Bank economist Nick Barnardt said last week's increase in domestic interest rates would encourage importers to use foreign trade credit instead of more expensive domestic finance.

Other economists said it was not feasible to stop trade credits and at the same time still trade with SA.

● From Page 1

● Stats on credits: Page 3

(280) Sowetan 5/8/88

Commonwealth acts on SA

FOCUS

Sapa-AP

TORONTO — A panel of Commonwealth foreign ministers has called for intensified sanctions against South Africa to hasten the end of apartheid and urged their banks to cut off Pretoria's credit.

The eight foreign ministers, concluding a two-day review of the impact of sanctions and troubles of Southern Africa, on Wednesday pledged concerted lobbying to get Britain and other hold-out countries to join Commonwealth sanctions

"They're not biting enough. There has to be a continuation of the pressure," Canadian Foreign Minister Joe Clark told a closing news conference

A report prepared for the two-day meeting showed that Japan, Taiwan, West Germany, Italy, Spain and Turkey have sharply increased imports from South Africa recently, while the United States and other countries imposing sanctions have reduced theirs

The reports said Mediterranean countries in particular have been buying thousands of tons of South African coal, providing an alternative market after the Commonwealth banned such purchases

The panel's recommendations to Commonwealth and other governments focused on wider implementation of existing sanctions, rather than dramatic new measures and called on governments to

- Abide by Commonwealth trade bans, especially on coal,
- Tighten customs scrutiny to prevent sanctions violations,
- Provide heavier penalties for such violations,
- Prohibit technology transfers designed to circumvent sanctions, particularly in the area of weapons, oil and computers,
- Better define the farm products banned from South Africa, and
- Increase publicity about companies continuing to trade with South Africa

Achieved

"I can't think of another Commonwealth meeting in which we've achieved so much in such a short time," said Sir Shridath Ramphal, secretary-general of the 49-nation organisation

However, a South African embassy official who sat among journalists at the news conference, second secretary, Patrick Evans, termed the proposals "very, very superficial" Asked of their impact, he said "None whatsoever We roll with the punches"

Commonwealth secretariat official acknowledged that the amount of trade credits its members provide South Africa is small and described the move as a "moral commitment" to press other countries to take similar steps

"A global ban on trade credits would have a very serious effect on South Africa's external accounts," the ministers said in a statement

They also agreed to press members of the organisation for economic co-operation and development for a ban on insurance coverage by official agencies for loans to Pretoria

Export

The export credit agencies in Germany, the United Kingdom and France continue to offer unrestricted insurance cover for export credits to South Africa, according to a report prepared by Canada, Australia and India on Pretoria's financial links

These agencies account for more than 90 percent of the roughly R16 billion of insured South African exposure outstanding

The report, debated by the ministers, said the refusal of banks to lend new money to South Africa has severely stunted its economic growth

"While South Africa is not at present stretched to its financial limits, its margin for manoeuvre is very small," it said "The maintenance and extension of financial sanctions would hobble South African economic growth and maintain the economic pressure on the South African government to abandon apartheid

"A survey of banks in the United States, Europe and the Far East revealed the lack of confidence in South Africa's longer term prospects in the absence of fundamental change," said the report, based on interviews with banks and regulatory authorities

The foreign ministers agreed to ask their bank regulators to rigorously apply bad loan provisions to make sure South Africa is not treated with special favour, to ask banks to extend rescheduled South African loans for no more than one year, to stop financing trade through new short-term credits, and to press official export credit agencies in all countries to discontinue insurance for South African trade

Mr Clark announced a one million Canadian dollar (about R1 660 000) programme to counter South African censorship and propaganda, including a legal advisory fund for black journalists and a scholarship programme for young reporters.



SIR Shridath Ranphal, general secretary of the Commonwealth

Broadcast

A proposal to broadcast news to South Africans over a short-wave service from neighbouring countries was referred for more study.

Joe Thloloe, deputy editor of the *Sowetan* newspaper, said censorship will get worse "But as it gets worse, you'll need more sophisticated journalists inside the country, so the training of journalists is very important"

Although the Commonwealth countries share a British colonial past, Britain was absent from the Toronto session because Prime Minister Margaret Thatcher opposes sanctions against South Africa.— Sapa-AP.

Pumas 'on the way' for rugby tests

280

Cape Times 6/1988

From IAN HOBBS

LONDON. — Seven Argentine rugby players — all test-match players — are on their way to South Africa to join an international team to meet the Springboks later this month in two tests, Buenos Aires sources said.

And they may be joined by several French players, including the great Serge Blanco, in spite of discouragement from the French Rugby Union to players planning on a South African tour.

According to sources in Buenos Aires, the Pumas players bound for South Africa are their captain Jorge Allen, Eliseo Branca, Fernando Morel, Serafin Dengra and Alejandro Scolni.

The Pumas' legendary flyhalf Hugo Porta is apparently not among them.

Yesterday the secretary of the Argentine Rugby Union, Mr Hugo Tucci, confirmed that seven Pumas had received invitations to tour.

The Pumas and possibly the Frenchmen will join the six Wallabies who were named on Thursday, as well as players from the South Sea Islands, the United States and Canada for the World XV

The president of the Argentine union, Mr Carlos Tozzi, had said it was unlikely the union would authorize the players to go to South Africa.

President of the French Rugby Federation Mr Albert Ferrasse, who is expected to fly to South Africa next week, blithely added to the confusion

Speaking from his home in Agen, south-west France, he said: "I myself am not sure what is happening. I cannot exclude the possibility that individual players are going to South Africa."

HE PLACE TO
DEPEND ON
mon
OF STYLE (CSK69605)

Cape Times

Jobfinder Inside

A TIMES MEDIA PUBLICATION

FOUNDED 1876 ☎ 208 4911 MONDAY, AUGUST 8, 1988 50c (45c plus 5c

Rugby tour: Changes expected

PRETORIA. — The Overseas XV rugby tour of South Africa will definitely take place this month, but changes could be made to the tour format.

According to the general manager of the Northern Transvaal Rugby Union, Mr Mac van Vuuren, whose union is organizing the venture, a final decision on the tour and its format will be made known today.

Speaking after a meeting last night, attended by the Australian right wing Ian Williams, Mr Van Vuuren said the tour would go ahead, but a few things needed to be finalized.

"I first want to discuss the findings of the meeting with SA Rugby Board chief Dr Danie Craven and NTRU president Professor Fritz Eloff.

"We also want to be certain of the composition of the side."

Though it was announced yesterday that the other five invited Australian Wallabies would be arriving this week, there is no certainty whether French and Argentinian players would be flying in.

At this stage, four Tongans, one Hawaiian, five Fijians and Williams have turned up. And SA rugby officials are obviously hesitant to go ahead with the vigorous tour itinerary if the opposition is not up to scratch.

For this reason, Northern Transvaal, who are scheduled to meet the tourists on Saturday in their opening game at Loftus Versfeld, have delayed naming their side.

At this stage, the tourists will also meet Transvaal, Western Province, Natal, Free State and the Springboks twice.

But the key issue facing Dr Craven and Prof Eloff is whether to put the tourists against the top provinces or revise the itinerary to suit their strength, thus making it a more realistic venture.

The other factor is whether to start the tour this Saturday or delay it until next week to allow the players who arrive this week to acclimatize to South African conditions. — Sapa

US senator warns SA on apartheid

By REVELATION NTOULA

SOUTH Africa faces the grim reality of severe economic sanctions unless it clearly states its unqualified intention to abandon apartheid and to embark on a one-man one-vote path.

This bold threat – which, if carried out – could have devastating effects on the already ailing economy, was issued by one of America's uncompromising anti-apartheid antagonists, Senator Paul Simon, chairman of the senate sub-committee on Africa.

Re-iterating America's intention to eradicate apartheid, Simon said the only thing which could save the introduction of more sanctions was for the government to "give a clear signal" that it was embarking on a programme to scrap apartheid.

The senator announced that the Department of Prisons has refused him permission to see imprisoned ANC leader Nelson Mandela

He was also refused permission to see the Sharpeville Six,tion at Pretoria Central Prison.

"A nation is judged by the broad principle of how it treates its citizens," he said at the Carlton Hotel where he was met by the Sharpeville Six's lawyer Prakash Diar.

The lawyer said he was indebted to Simon and to the fact that he had personally appealed to Botha for clemency

He said his clients had also expressed their gratitude to Simon and others who were concerned about their fate.



Senator Paul Simon greets Soweto residents during a flying visit to Soweto.

Commonwealth gears for more financial sanctions

SA economy 'ripe for the picking'

SIMON BARBER

WASHINGTON — External pressure and domestic mismanagement have made the SA economy ripe for the picking, concludes a Commonwealth study prepared to lay the groundwork for new financial sanctions.

SA's "margin for manoeuvre is very small", says the study, which was presented to the Commonwealth foreign minister's committee on southern Africa in Toronto last week.

It identifies "the fragility of the current-account surplus and the continued weakness of domestic savings and investment" as "the major areas of economic vulnerability".

Consumption, primarily government-generated, rather than exports or gross domestic fixed investment, now accounts for 80% of GDP growth, the study finds.

The collapse in real domestic investment — down by 31% between 1980 and 1987 — has become a "binding constraint ... As the existing capital stock becomes outmoded and run down and as the number of unemployed increases".

Gross domestic savings — needed to offset the drying up of capital inflows from abroad — have also shrunk dangerously in the face of large budget deficits "to counteract, partially, the economic consequences of political unrest".

In addition, as GDP growth has become more dependent than ever on consumption, "inflation and a growing personal tax burden have meant that consumers could only maintain that consuption at the cost of reducing their savings " — to 1,8% of personal disposable income in the first quarter of this year.

"At the moment when SA has been thrown back on its own savings for investment, its savings performance has deteriorated.

"The economic distortions inherent in apartheid, the impact of sanctions and political unrest have weakened investor confidence.

"Bad economic policies, which have led to negative real interest rates and high inflation have also added to the country's economic difficulties."

The study sees little chance for SA to redress these problems through increased exports and access to foreign credit.

It finds higher gold earnings unlikely, and the expansion of capacity to produce higher volumes of non-gold exports seriously hampered by poor savings and investment performance.

Also, SA has "limited scope to expand exports of diamonds, strategic minerals and coal without adverse effects on world prices ... Other manufactured and agricultural exports will be more difficult to expand, and in all cases SA would shortly encounter capacity constraints".

SA has become a "high-risk borrower" and access to international capital is now effectively limited to short-term trade credits, which the foreign ministers' committee has recommended banning.

Even without a ban, however, resorting to trade credits "is not a viable instrument through which the country can obtain the sustained net capital inflows it requires to avoid further growth in unemployment".

Though still a member, SA has no access to the IMF or the World Bank, benefitting solely from the latter as a source of procurement for regional development projects.

Efforts are being made to court new capital exporters like Japan and Taiwan.

Lighting candles and issuing windy communiques in Toronto

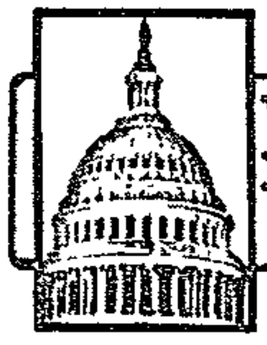
"CA NADA," I was reminded last week as Commonwealth foreign ministers met in Toronto to luxuriate in their hatred of South Africa, is Spanish for "there is nothing".

An utterly unfair thought, to be sure, but it somehow went to the core of Prime Minister Brian Mulroney's obsession with destroying the South African economy

The foreign ministers in question were members of the Commonwealth Committee on Southern Africa, comprising in addition to Canada's Joe Clark, worthies from Australia, India, Guyana, Nigeria, Tanzania, Zambia and Zimbabwe

It is notable that the only two industrialized nations on the list were a pair that have long held a grudge for not being taken quite as seriously as other Western powers, most notably America and their colonial mother, Britain

This, perhaps, explains their fascination with South Africa Just as much of Africa has found in apartheid a convenient rhetorical crusade that may be pursued in lieu of humane and competent governance at home, so Canada and Australia have discovered an international platform on which to strut and earn the prestige their officialdom believes has too long been denied them



Washington Letter by SIMON BARBER

No doubt they derive a considerable thrill from the opportunity to thumb their noses at Maggie Thatcher and her fellow Europeans, at Ronald Reagan and the newly emergent Pacific rim Yet it is all rather sad, an admission almost that they cannot hack it in the first division so are seeking to win the applause of Donald Woods in the third

A third division conference is unlikely to be an epochal event and the Toronto meeting wasn't. The British were studiedly absent and just across Lake Ontario the Americans paid next to no attention, even as the ministers lit candles in a televised ceremony on the waterfront hoping to persuade the rest of Canada to stop watching baseball and light up too.

This was supposed to symbolize the wonderful things Canada and its partners are doing to end or evade censorship in South Africa. for example a parallel conference at which Woods advocated recruiting South African journalists to "hand carry" dispatches out of the country. On cleft sticks and two official reports, one evaluating the application and impact of sanctions, the other assessing South Africa's relations with the international financial system.

For reasons its final communique made all too clear, the committee decided the former should not be released. The impact of sanctions, the statement allowed, was being "diminished" because a lot of states were ignoring the Commonwealth edict. Including, one might add (the committee did not), several whose foreign ministers were not a million miles from the conference room

Even so, the committee decided to get tough The communique endorsed "an action plan of individual and concerted démarches" on offending countries, raising the interesting prospect of Zambia's Luke Mwananshiku being obliged to dress himself through crocodile-infested rivers, perhaps.

The meat of the proceedings came in the form of down in front of a mirror.

In addition to démarches, the ministers also rather tellingly called for "stricter customs scrutiny and penalties", a tighter "definition of agricultural products" and a prohibition on "technology transfer that is designed to enable South Africa to circumvent existing sanctions, particularly in the areas of arms, oil and computers"

Evidently the report had revealed the Commonwealth's sanctions to be ludicrously porous and had mentioned not a few embarrassing names among them, according to a researcher who worked on it, the holier-than-thou Dutch who have taken to buying South African coal and reselling it blended with their own product

As uneasy as they were about their sanctions not working and being widely ignored, the ministers seemed downright infuriated by the growing body of evidence that black South Africans themselves do not relish the prospect of deeper poverty and unemployment. This evidence they called "a concerted propaganda campaign supported by massive financial resources".

To fight back, they decided, "it was specially important for the authentic voices of black South Africans, particularly of black trade unionists, to reach the outside world". As in other international forums, the 'authentic' has come to mean "sharing our pernicious, narrow-minded point of view"

If the committee decided to sit on its sanctions report, it was more than happy to release the financial one. The reason was again fairly obvious. the report outlines a whole new area of attack that the Commonwealth will find far less contentious to implement. It is called doing nothing.

Since the Commonwealth is principally composed of economic basket cases, none of its members, with the exception of Britain, uses trade credits to support exports to South Africa and even British banks (as the report itself concedes) have become highly circumspect about this form of lending.

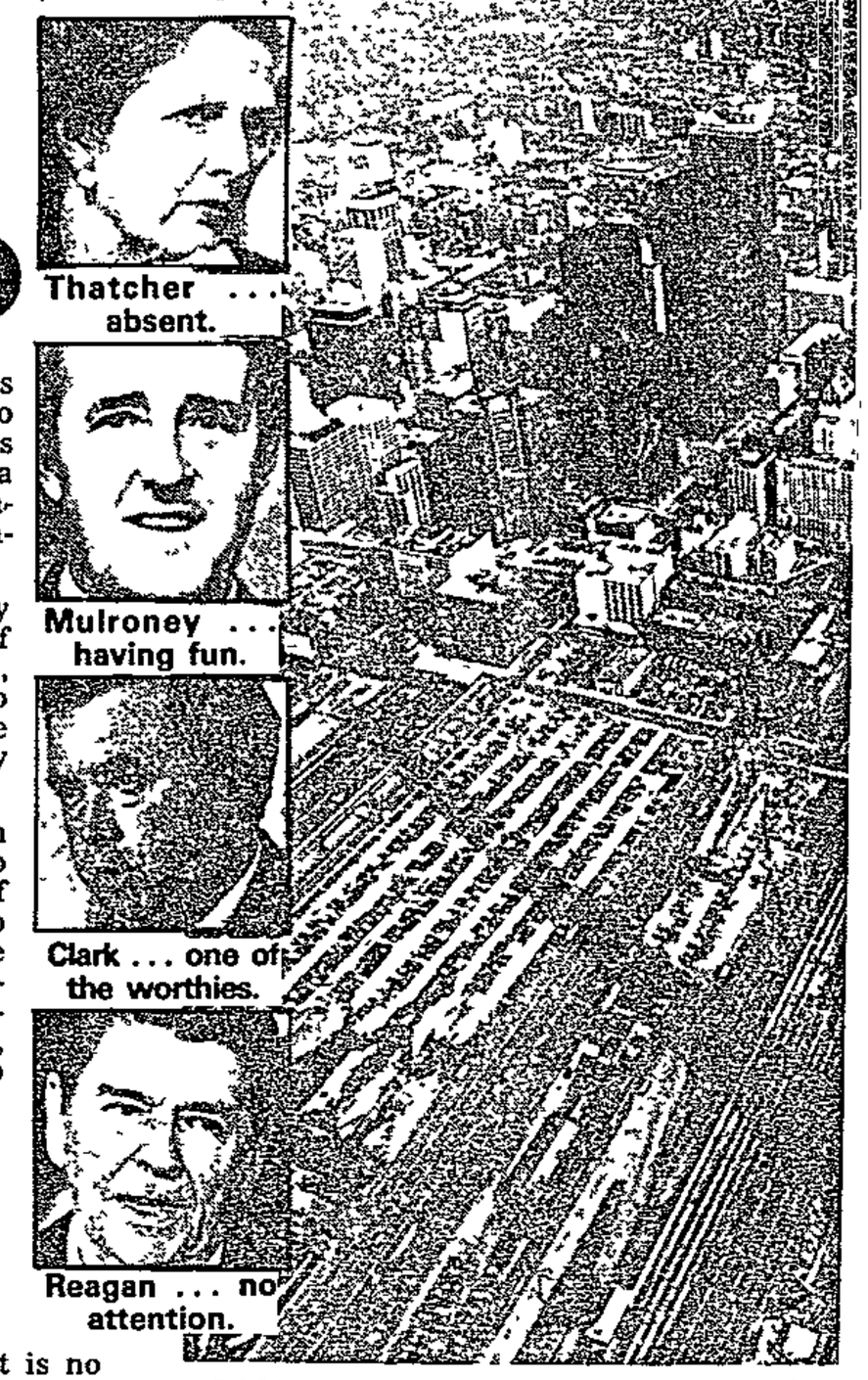
Short-term trade lines have become South Africa's last reliable means of access to foreign capital, says the report. Cut them off and South Africa will cease to be able to generate enough growth to stop a massive rise in unemployment and economic Zambianization That is exactly what the committee earnestly desires and, best of all, members will have to take absolutely no steps of their own to make it happen.

The ministers thus blundered into a spectacular truth: all they have to do is fly about the globe, lighting candles and issuing windy communiques and, guess what, apartheid will crumble because, with the limited and highly compromised sanctions already in place and thanks to the chronic mismanagement of the Nationalist government, it is no longer economically sustainable.

The central theme of the financial report is that South Africa is doing itself in. Disinvestment by foreign companies, it suggests, is infinitely less damaging than the disinvestment that is effectively going on internally, fuelled by government deficits, high taxation, inflation and an almost non-existent savings rate.

Without major infusions of external capital, which are not going to happen because, sanctions or no, South Africa is now regarded as a bad credit risk, South Africa is fast losing the capacity either for inward development or export growth

So long as the gold price remains stable, South Africa's export earnings look to remain flat. It cannot expand its manufacturing capacity Productivity gains are blocked by increasingly outmoded and unreplaced plants, as well as by political constraints and a giant welfare state for Afrikaners



Thatcher ... absent.

Mulroney ... having fun.

Clark ... one of the worthies.

Reagan ... no attention.

CANADIAN CHAT: Toronto, where the Commonwealth Foreign Ministers met to share their hatred.

In short, the report concludes triumphantly, South Africa's "margin for manoeuvre is very small".

Which neatly shows up the Toronto meeting for what it was· an exercise in self-congratulatory playacting By its own assessment, it really doesn't matter what the Commonwealth does now because South Africa is going down the tubes anyway

But as it goes, Canada's Brian Mulroney will have a lot of fun being important, ordering démarches and generally lording it over the first division His only problem is going to be finding those "authentic" black South African voices to tell him what a swell he is as they pick through rubbish dumps for scraps to feed their children

Sanctions: optimistic, Don't be too says Buthelezi

AK 645 9/8/88 280

The Argus Correspondent

JOHANNESBURG. — South Africans opposed to sanctions should not be over-optimistic and hope the international community would not impose stricter measures, Chief Mangosuthu Buthelezi has warned here.

After returning yesterday from an anti-sanctions campaign in Britain and the United States, the Kwazulu Chief Minister and Inkatha president said there was no hope that the international community could be persuaded to drop sanctions plans.

"We must just accept the worst. I want to warn people against being over-optimistic if people like Archbishop Desmond Tutu are not turned around."

But it was fortunate that Mrs Margaret Thatcher, who he spoke to in London, was not about to buckle under pro-sanctions pressure "because she is a strong woman who doesn't believe in dancing to the tune of the galleries".

Chief Buthelezi said Americans were now questioning the wisdom of sanctions.

"Exporter of violence"

He had warned in the US last week that by imposing stricter sanctions the US Congress would be coming dangerously close to being an "exporter of violence".

He said yesterday that those who believed that sanctions represented the only way left with which to avoid a bloodbath were wrong and had not read their history books correctly.

"I know that people march when they are hungry — just as the French peasants marched to the Bastille during the French Revolution. They were hungry and they wanted bread."

Criticising proponents of sanctions, he said: "The people who shout louder for sanctions are those who are committed to violence."

He had received a generally positive response in the US, even though "about five people" demonstrated against him in Cleveland, Ohio.

Police had later told him the demonstrators were members of the Communist Party.

"The media like to dramatise demonstrations as though they are a big deal. One can rent a mob, you know. I can gather a huge demonstration myself."

Rugby tour by World XV seems doomed

Cape Times 9/8/88

280

PRETORIA. — Unless there is a dramatic development today, the international rugby tour will be cancelled by Dr Danie Craven.

"It looks bad," Dr Craven, the president of the Rugby Board, said yesterday. He said he would issue a statement on the tour's future today.

The only players who have arrived for the World team are four Tongans, five Fijians, a Hawaiian and an Australian. No Argentinian or French players turned up.

It is believed that five more Australians, who were expected, will now withdraw because the team is not going to be strong enough to take on the Springboks.

When the tour was announced, a vigorous itinerary was planned, with the tourists meeting the Currie Cup provinces and the Springboks in two test matches.

At that stage, the team was expected to comprise the top Australian, French and Argentinian test players, with a few from the South Pacific Islands to increase the numbers.

The Northern Transvaal Rugby Union, who invited the World team as part of its 50th anniversary, would not comment. The union's president, Professor Fritz Eloff, said: "You must talk to Dr Craven."

However, the president of the Transvaal union, Mr Louis Luyt, urged Northern Transvaal to call off the tour "before it torpedoes all our rugby".

He said it was time to call it off but remained hopeful that a strong team would come next year when the SA Rugby Board celebrates its centenary. — Sapa and Own Correspondent.

Chamber blames SA for sanctions

By MICHAEL CHESTER

The Witwatersrand Chamber of Commerce and Industry blames the Government for sparking off the US debate on tightening sanctions against South Africa.

South Africa itself had triggered the intensified debate inside the United States about sterner sanctions measures, according to the Witwatersrand Chamber of Commerce and Industry (WCCI).

Chamber president Mr Hennie Viljoen, one of the key figures in a recent special Assocom mission to the US and Europe — aimed at defusing more overseas sanctions — says South Africa itself must carry the blame for proposals under discussion in the US Congress to introduce new legislation to tighten the sanctions blockade.

Mr Viljoen argues in the latest edition of the WCCI *Chamber Bulletin* that the "trigger mechanisms" to the escalation of sanctions threats had been the following:

- The clampdown on a list of 17 organisations in a wave of restrictions announced on February 24.
- The trial of the Sharpeville Six, which had become "a highly emotional issue abroad".
- Plans to restrict overseas funding in South Africa.
- The detention of children.
- Restrictions on the media.

Mr Viljoen warns: "Any events of a similar nature in South Africa in the period ahead would also shape the outcome of the legislation now before the American Congress."

He adds: "Friends of South Africa abroad seemed under a great strain."

Govt is preoccupied

Countries inside the European Community suspected that the SA Government was so preoccupied with the internal situation that it did not pay adequate attention to outside issues and perceptions.

"Friendly Western nations were anxious to see South Africa taking its rightful position in the international community and to end its growing isolation," he said.

Mr Viljoen reports that the EC felt that, since the imposition of sanctions in 1986, South African business was no longer playing a leading role in encouraging the reform process.

The mission had set out to spike the accusation, stating that representations by business were as strong as ever — "but business had chosen its own methods and channels of communication with the authorities".

"Although it was accepted overseas that political reform in South Africa would be a long-term process and would not materialise overnight," says Mr Viljoen, "there appeared to be a lack of direction and a time-frame in regard to the reform process".

It had been concluded in final discussions that more overseas tours were needed to confirm that black protagonists of sanctions were not fully representative of black opinion inside South Africa.

Mr Viljoen said the mission, on its return, had discussed its findings with several Cabinet Ministers in South Africa.

ICC slams US sanctions bill

By AUDREY D'ANGELO
Financial Editor

THE International Chamber of Commerce (ICC) — representing organized business and commerce in 59 countries — has objected strongly to proposed US sanctions legislation which would affect trade between SA and the rest of the world.

In a statement to the US Congress it says the legislation would not do away with apartheid but would "have a far-reaching negative impact on world trade and investment".

The statement has been circulated to business organizations and other opinion-formers in the US. Copies have been sent to member chambers world-wide, urging them to approach their governments for support.

Pointing out that it has consistently opposed apartheid, the ICC emphasizes its belief that "sanctions and disinvestment will not speed up the necessary process of reform" in SA.

The statement continues: "The ICC strongly urges the US Congress not to enact the proposed sanctions and legislation.

"This legislation is unlikely to do away with the SA system of apartheid. It is, however, likely to create major tensions between the US and its trading partners."

The ICC says it is "deeply concerned by the extraterritorial aspects and mandatory retaliation provisions" incorporated in the legislation, which would affect trade between other countries and SA.

It says "serious negative effects could flow from claims by national governments to apply their policies and laws to business conduct occurring outside their own territory.

"These effects include the undermining of the integrity of business transactions, the creation of a climate of commercial and legal uncertainty, the distortion of investment and trading decisions, the creation of unwarranted costs for business and the imposition on enterprises of conflicting legal requirements."

The ICC points out that "a number of provisions in the legislation referred to above have a sweeping extraterritorial reach.

"For instance, they would prohibit overseas subsidiaries of US controlled companies from exporting to SA products made entirely abroad with US technology.

"Moreover foreign companies taking advantage of a prohibition imposed by the legislation would be exposed to US sanctions in the form of restrictions on their exports to the US and on their freedom to contract with the US government.

"The bills also seek to force companies not subject to US jurisdiction to disinvest from SA by imposing severe penalties in certain cases on their subsidiaries in the US."

The ICC says it believes that, if passed, this legislation "would lead to serious confrontation between the US and its major trading partners as evidenced by the demarche already made by the European Economic Community to the US government."

It says the mandatory retaliation by the US against companies in other countries continuing to trade with SA "would undoubtedly be challenged by foreign governments and compensation sought in the General Agreement on Tariffs and Trade (GATT)."

Proposed Bill would 'destroy SA to save it'

By Neil Lurssen
The Star Bureau

WASHINGTON — A comprehensive anti-South African sanctions Bill, denounced by its opponents as a "scorched earth policy", goes before the full US House of Representatives today. It is expected to pass by a wide margin.

But the same Bill also has to be approved by the upper chamber of Congress, the US Senate, where its final passage is in doubt.

The measure, which cuts virtually all US-SA trade, apart from strategic minerals, and which reduces the SA diplomatic presence in America, will probably be approved.

The majority, though, is likely to be too small to survive a veto by President Reagan.

Senate liberals, led by Senator Edward Kennedy of Massachusetts, are said to be examining ways of attaching the Bill to other legislation that is certain to win approval.

Its main sponsors in the lower chamber are Democratic congressmen Mr Ron Dellums, of California, and Mr Howard Wolpe, of Michigan, both long-term anti-apartheid activists.

Conservatives charge that Mr Dellums and Mr Wolpe want to "destroy South Africa in order to save it".

Republican opponents of the Bill have introduced a series of measures, ranging from a Bill to end all sanctions to legislation that would promote black empowerment through US aid.

'Bills will lead to confrontation'

Anti-sanctions plea to Congress

By Michael Chester

The powerful International Chamber of Commerce (ICC), based in Paris, has made a dramatic plea to the US Congress to block enactment of proposed new legislation seeking to tighten and widen the sanctions net around South Africa.

The ICC, which claims to represent business in more than 50 countries around the world, has issued warning that if passed the legislation would lead to "serious confrontation" between the US and its major trading partners.

It expressed "deep concern" over the threat of outside nations being penalised under the terms of the controversial Dellums Bill.

PROVISIONS

"A number of provisions in the legislation have sweeping extra-territorial reach," the chamber said.

"For instance, they would prohibit overseas subsidiaries of US-controlled companies from exporting to South Africa products made entirely abroad with US technology.

"Moreover, foreign companies taking commercial advantage of a prohibition imposed by the legislation would be exposed to US sanctions in the form of restrictions on their exports to the US and on their freedom to contract with the US government.

"The Bills also seek to force companies not subject to US jurisdiction to disinvest from South Africa by imposing severe penalties in certain cases on their subsidiaries in the US."

The ICC believed that if passed the proposed legislation would lead to serious confrontation between the US and its major trading partners.

"The mandatory retaliation provided for in the legislation would undoubtedly be challenged by foreign governments and compensation sought in GATT.

"The ICC, which has consistently opposed the system of apartheid in South Africa, would emphasise its belief that sanctions and disinvestment will not speed up the process of reform.

"This legislation is unlikely to do away with the South African system of apartheid. It is, however, likely to create major tensions between the US and its trading partners and will have far-reaching negative impact on world trade and investment."

The ICC statement, also circulated in all 59 countries it covers, was released in Johannesburg by the South African council of the chamber.

Mum-to-be climbs the Eiger

LONDON — A British woman mountaineer who is six months pregnant has climbed the treacherous north face of the Eiger.

It took Mrs Alison Hargreaves (26) and a climbing partner four days, during which she endured a terrifying electrical storm, indigestion and hours without sleep.

She reached the 22 400 m Swiss summit almost 50 years to the day since the first conquest of the route that has claimed more than 50 lives

Now she is back home relaxing on a beach in north Wales — and has promised her doctor that she will not climb another mountain until after the birth of her baby in mid-October.

"My 'bump' didn't really affect my performance, though I didn't sleep too well on the ledges," she said.

Her husband Jim (42) said: "It's a great achievement for anyone, let alone a pregnant woman." — The Star's Foreign News Service

21 dead in MNR attack

MAPUTO — At least 21 people were killed when a group of rebels attacked the sugar centre of Maragra, about 75 km north of Maputo.

About 300 rebels, many of them said to be young boys, attacked the Maragra workers' quarters. People were shot in their rooms and the quarters were ransacked.

It is feared the death toll may be higher. —The Star's Africa News Service.

Commerce plea to Congress

International bid to stifle Dellums Bill

THE International Chamber of Commerce has sent a strongly worded objection to the US Congress urging it not to enact the anti-apartheid legislation on its agenda today.

The chamber, meeting in Paris last week, represents 59 national committees. It objected to the extra-territorial aspects contained in the Dellums Bill. The 59-member chambers have been urged to take the issue up with their governments.

The document was released in Johannesburg yesterday by the secretary-general of the SA Council of the chamber.

Sovereignty

The statement said that, instead of achieving change in SA, the legislation, if passed, would create tensions between the US and its trading partners with a far-reaching negative impact on world trade and investment.

The tension could also jeopardise achievements and objectives in the current Uruguay round of Gatt negotiations.

The ICC pointed out the US not only supported the Gatt objectives, but was also a signatory to

HELOISE HENNING

an Organisation of Economic Co-operation and Development (OECD) 1987 report on extra-territorial application of national laws which took "into account the sovereignty and legitimate economic law enforcement interests of other member countries".

As a consistent opponent of apartheid, the chamber said it emphasised that sanctions and disinvestment would not speed up the process of reform in SA.

"A number of the provisions in the Dellums Bill have sweeping extra-territorial reach which will prohibit overseas subsidiaries of US-controlled companies from exporting to SA, products made entirely abroad with US technology.

"Moreover, foreign companies taking commercial advantage of a prohibition imposed by the legislation would be exposed to US sanctions in the form of restriction on their exports to the US."

The bills, it said, also sought to force companies not subject to US jurisdiction to disinvest from SA by imposing severe penalties in certain cases on their subsidiaries in the US."

to 30 182.

Vote on 'Dellums'

WASHINGTON — The "Dellums" Bill that would impose sweeping new US sanctions against SA was expected to be passed by the House of Representatives yesterday, Speaker Jim Wright said.

However, the Bill's fate in the Senate is uncertain. The Administration strongly opposes the measure and it faces a presidential veto. — Sapa-Reuter

B Day 12/8/88

THE ECONOMY

Go for the gold – and trade credits

A Commonwealth report on how sanctions will hurt South Africa's boxed-in economy was aptly timed ALAN HIRSCH reports

THE Commonwealth Economic Secretariat's report last week recommending financial sanctions against South Africa could not have been better timed — or worse, depending on your perspective

The report noted how vulnerable South Africa's open economy was to foreign pressure on its balance of payments

In the same week the country's gold and foreign reserves fell to $2,3-billion, 28 percent below December 1987's United States dollar level And the rand crashed to R2,5 per US dollar for the first time since the depths of the 1985 credit crisis

The report notes how the South African economy has boxed itself into a corner in recent years and argues there would be no better time than the present to apply effective sanctions on South Africa

The place to apply them, it argues, is in the area of international financial flows, and the ideal place to apply pressure is on trade credits

There is little reason to argue against the logic of the report

It is true South Africa won lenient terms from the committee of its creditor banks when the $10-billion short-term debt rescheduling was negotiated in March 1987. Debtors only had to repay $500-million a year, five percent of the debt.

But since 1985 it has been very difficult for South African borrowers to raise new medium or long-term finance The old-fashioned syndicated loans that flowed into South Africa like water in the 1970s and early 1980s are now nowhere to be seen South African international bond issues are equally rare.

However, the disinvestment movement, though it hasn't been that effective in getting firms completely out of South Africa — they sell plants, license out products — has proved a huge drain on capital, compounding the shortage of foreign finance

But not all avenues to foreign finance have been closed. Medium and long-term loans that fell outside the 1985 standstill net can be rolled over and frequently are — not surprisingly when the creditors are able to charge their South African debtors a considerable premium over the original rates or over current market rates

Even loans within the net do not have to be recalled By late 1987 the Deutsche Bank, unlike most banks in the US and the United Kingdom, had received no repayments from South Africa through the rescheduling agreements. There was no overall reduction in the exposure of banks from West Germany to South Africa and Namibia.

New international loans are also still arranged through the interbank market — from one bank to another and thence to the final borrowers. Again there is a financial attraction: overseas banks regularly charge between 1 and 1,25 percent over the London interbank offered rate

It is also known that small private banks in Switzerland, West Germany and the Benelux countries have been involved in gathering finance for South Africa, often through hidden, complex deals.

Gold swops have been an important means of raising finance quickly and discreetly. A gold swop is the transfer of gold for finance for an agreed period of time. Even unmined gold can be "swopped".

In 1986 several large Swiss banks helped South Africa boost the foreign currency component of its dwindling reserves by arranging a series of gold swops. It has typically been European banks, especially German and Swiss, rather than the traditional UK and US banks, that South Africa has relied on in recent years

The most important form of foreign credit that continues to get to South Africa is the trade credit. Trade credits were excluded from the standstill net, and fall outside most existing sanctions regulations.

Most of South Africa's trade, which amounts to $10-billion to $12-billion each year is financed through trade credits Of that total about $3-billion is insured by government export credit organisations, the biggest insurers are the UK and Japan

Trade credits are either supplier credits or buyer credits The former would be very difficult to stop as they would be domestic arrangements in the exporting country However, the supply of credits to South African buyers of imported goods, especially those subject to government guarantee, is vulnerable to pressure

Director of Finance Dr Chris Stals, hero of the debt negotiations, must be eating his words Last year he told a journalist "If the world banking community should effectively exclude South Africa from international trade and payments systems it would be a much more effective sanctions measure than trade sanctions applied by governments It would put us on a barter system overnight"

But trade credits are important not only because they allow the importation of foreign goods, they also can be manipulated to act as medium to long-term loans Trade credits on capital goods can be extended for as long as five years Trade finance has become the crucial form of international solvency for South Africa

The Commonwealth researchers were not the first to zero in on the trade credit chink in South Africa's tarnished armour A San Francisco-based organisation, Cannicor Research, published a report in March last year which directed the attention of the sanctions movement towards the issue of trade credits

In London, the "End Loans to South Africa" campaign also backs the trade finance boycott.

In New York too the United Nations Centre on Transnational Corporations — which earlier this year published a paper pointing to the limitations of disinvestment strategies — is currently conducting research into transnational banks' links with South Africa It is likely that the UNCTC report will have a similar thrust to that of the Commonwealth researchers

A body has been set up to attack the other leg of South Africa's balance of payments strategy — gold sales

In June this year in London the World Gold Commission was established under the directorship of former gold broker Peter Robbins The commission's object is to stop South African gold sales world-wide

South Africa's share in world-wide gold production has fallen dramatically in recent years — and with it its power to control markets.

All this means South Africa is extremely vulnerable internationally through its economy. The period between now and the next debt rescheduling talks in June 1990 is likely to see concerted attempts to whip the economic base from under the feet of the South African government.

Those who oppose sanctions are likely to be frightened by this. However, if the last debt crisis is anything to go by we are due for some improvements

Under international pressure at that time the private sector made many liberal appeals and the government made many promises It actually abolished influx control and lifted the 1985 State of Emergency.

True the Emergency was reimposed shortly after the debts were safely rescheduled, and the promise to release Nelson Mandela was broken, but maybe the moral of the story is not to allow the economic pressure to be lifted until the changes are made

BUSINESS BAROMETER

GENERAL INDICATORS

MOTOR CAR SALES
New car sales rose by 17,9 percent in July following a decline of 5,7 percent in June Total market sales for July — of cars, trucks and light commercial vehicles — were 31 504 units, 10 percent higher than in June, according to Naamsa statistics released this week

INFLATION PENSIONERS
The Consumer Price Index (CPI) for pensioners showed an increase of 12,3 percent for the 12 months to June, whereas the inflation rate for all groups in the same period was 12,4 percent The Cape Peninsula was the one area where inflation for pensioners at 12,8 percent was higher, than the rate for all income groups, which was 12 percent. This is the first time the Central Statistical Services has released CPI figures for pensioners, based on a 1985 survey and counting as pensioners' households all those where the income of the head of the household from pension money constitutes more than 50 percent of total direct household income. The weightings for the items comprising the "basket" of goods for these households is different food constitutes 20,3 percent, housing 38,42 percent, homeowners' costs 22,69 percent, transport 9,15 percent, education 0,61 percent

SUBSISTENCE LEVELS
A survey of minimum living levels by the Bureau of Market Research, found R452,59 to be the minimum monthly income for an African family of six in 1987 The highest minimum requirement was in Johannesburg, where the figure was R477,16 The survey, described in the official publication *South African Labour Statistics 1988*, also found a minimum living level of R408,55 for "coloured" family of five (based on two centres in South Africa) and R418,88 for Indians in Durban. A survey by the Institute of Planning Research at the University of Port Elizabeth found the minimum subsistence level to be R517,47 for a "coloured" family of five in Johannesburg in 1987 to be R474,73 for a black family of six.

FINANCIAL INDICATORS

Johannesburg Stock Exchange Indices

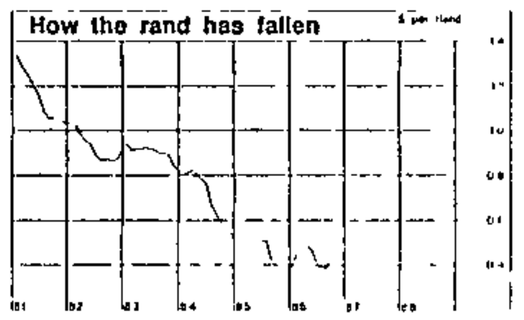
JSE Indexes	9/8/88	WEEK AGO	% CHANGE
All Market Index	1793	1815	—1,2
All Gold Index	1294	1335	—3
Industrial Index	1653	1677	—1,4

Short-term interest rates

	9/8/88	WEEK AGO	YEAR AGO
Three month bankers acceptances	13%	12,7%	8,9%
Prime overdraft rate	16%	16%	12,5%

Gold Price

9/8/88	WEEK AGO	% CHANGE
425,80	433,30	—1,7



Selling price: Major currencies against rand

	11/8/88	WEEK AGO	% CHANGE
US dollars	2,4830	2,4725	+0,4
Pounds Sterling	4,2190	4,2495	+0,7
Deutsche Mark	0,7675	0,7550	+1,6
Yen	53,85	53,50	+0,7
Swiss Franc	0,6415	0,6295	+1,9

Sanctions package passed

NKGS 12/8/88 280 $60

The Argus Foreign Service

WASHINGTON. — The United States House of Representatives has approved drastic new sanctions against South Africa, ignoring an appeal by the Reagan administration to hold off the vote and disregarding claims that blacks would be the main victims.

Last night's 244-132 vote came at the end of a tense and emotional debate during which opponents of the measure charged that it amounted to economic warfare that would put blacks out of work, unfairly penalise American investors and start an international trade war.

The Bill's sponsors agreed that some blacks would be victims, but argued that it was the only way whites would understand that apartheid had to be paid for.

"Sanctions hurt — but apartheid kills," said the Bill's chief sponsor, Democrat Mr Ron Dellums of California, in a highly charged speech.

WHITE HOUSE VETO

Similar legislation is to be debated in the Senate, possibly in September. If it passes there as well it is likely to be vetoed by President Reagan, as in 1986.

Two years ago Congress overrode the White House veto. But there are indications this year that the Bill will not win the necessary two-thirds of the Senate vote to survive the veto.

Key senators who supported the measure in 1986, Democrats among them, are said to have changed their minds about the wisdom and the timing of new pressure on the South African economy.

In the House debate yesterday several congressmen said they supported the sanctions two years ago but felt now that helping black businessmen and financing education and housing was the best way to beat apartheid.

The Bill's major provisions would ban all trade between the US and South Africa, except for critical minerals and items produced by businesses wholly owned by blacks. It would also ban imports from countries that contain parts originating in South Africa.

INTELLIGENCE LINKS

It requires the US President to retaliate against companies that take advantage of the withdrawal of US companies who must shed their SA operations, and it would deny foreign oil companies new US energey leases if they continue business in South Africa.

The Bill would sever all intelligence links with SA security services and reduce the number of SA diplomats in the US.

Republican opponents challenged the Bill clause by clause throughout yesterday, claiming that American workers, investors and corporations would also fall victim, that action against foreign companies would start a damaging trade war with US allies, that the US would become dependent on the Soviet Union for strategic supplies and that US intelligence services would not be able to track Cuban and Soviet activities in Africa without South African help.

Republican Mr Dan Burton of Indiana said the sanctions were "economic warfare against blacks who will pay the price for our political games with their livelihoods — and possibly with their lives."

● See page 3.

Anti-SA sanctions Bill is approved

By Neil Lurssen
The Star Bureau

WASHINGTON — The United States House of Representatives has approved drastic new comprehensive sanctions against South Africa, ignoring a last-minute appeal by the Reagan administration to hold off the vote and disregarding claims that South African blacks would be the main sufferers.

Last night's 244-132 vote came at the end of a tense and emotional debate during which opponents of the measure charged that it amounted to economic warfare that would put blacks out of work, unfairly penalise American investors and spark an international trade war.

Similar legislation is to be debated in the US Senate, possibly in September. If it passes there as well, it is likely to be vetoed by President Reagan.

Republican opponents challenged the Bill clause by clause throughout yesterday. They offered three amendments to remove or soften the provisions, but each was defeated.

POSTPONEMENT

Senior Reagan administration officials tried unsuccessfully to get a postponement of last night's vote out of fear that it would anger the South African Government and endanger the delicate Angola/Namibia peace process. Their effort failed when supporters of sanctions said the price of a delay would be a promise from President Reagan not to veto the legislation.

The incident, which took place behind closed doors, underlines US government fears that the Angola/Namibia talks could falter as they move to the tough area of an agreement on the timetable for a Cuban troop withdrawal from Angola.

Concern about the political will in Pretoria is apparently causing anxiety in the Reagan administration where some officials fear that the vote in favour of sanctions could give SA hardliners an excuse to press the State President, Mr P W Botha, to withdraw from the peace negotiations.

'Textiles' for Du Plooy fight impounded

By Alan Dunn,

MILWAUKEE — America's economic sanctions against South Africa caused a costly hitch in pre-fight arrangments for the Johnny du Plooy-Renaldo Snipes heavyweight clash here last night.

A US ban on any imports of South African textiles saw the boxing ring canvas and cornerpost covers, stencilled with the name of the match sponsor, Altron, impounded since Tuesday by Customs at Chicago's international airport.

Also seized were the jackets of Du Plooy's corner team and the uniforms of the ring girls.

"Because we are South African, no body is bending over backwards to assist us," said South African promoter Mr Rodney Berman amid frantic arrangments yesterday by himsself and US promoter Mr Cedric Kushner to have the stuff released.

"The whole joke will probably cost us in the region of R20 000," said an exasperated Mr Berman, who disclosed that a Milwaukee signwriter had been hired to work through last night to decorate a 36 sq m canvas and cornerposts with the sponsor's name. "They are a stand-by, just in case," he said.

Protests, pleas and telephone calls to the authorities took much of yesterday.

"They were giving us the run-around," Mr Berman said. "We have now been assured the stuff will be given to us today."

The tournament promoters were preparing with lawyers at one stage yesterday for an urgent court application to try prying the goods from Customs.

● See Back Page.

Call to cultivate overseas friendships

'Sanctions going to get worse'

CAPE TIMES 13/8/88

280

By AUDREY D'ANGELO
Financial Editor

SA businessmen will have to rely more and more on friends overseas to help them cope with intensifying sanctions, Paddy Miller, professor of business administration at the University of Barcelona, warned in Cape Town yesterday.

He told members of the University of Cape Town Graduate School of Business Association (GSBA), at a lunch in a Green Point hotel, that SA firms should send executives on frequent trips overseas. The contacts made over drinks at conferences and exhibitions could prove invaluable.

Miller said it was fortunate that some SA business people had networks of overseas friends going back as far as 25 years.

"Sanctions are going to get worse."

Discussing attitudes to SA, he said: "The people in Brussels do not feel strongly about SA. That is a bad thing. It would be better if they loved or hated SA.

"As it is they ask how the others are voting, and go along with it. They are going along with a kind of hysteria that is carrying the masses."

Discussing the changing business scene in Europe, Miller said national barriers were disappearing and the people at the bottom were being encouraged to take more interest in all aspects of the organization and assume more responsibility.

Big corporations were not concerned about the nationalities of the men at the top or the accent they spoke with.

Politicians, by comparison, were "parochial, regional. They are still talking about national characteristics when in business they are forgotten.

"At the headquarters of Olivetti, for instance, the language is English. The head of its human resources department is a Frenchman who has forgotten how to speak French. He speaks English in the office and Italian in the street."

Frontiers in Europe would disappear completely in 1992 and the multinationals were already creating a global village.

Leadership, Miller continued, was being sought at all levels in the organization and as those at the bottom became involved in decision-making and the practical running of the company middle management was being squeezed out.

Companies did not want "fat bureaucracies" any more. That meant people who had spent 15 years climbing the corporate ladder were finding themselves out in the streets.

"Innovation can take place only if you push the decision-making down to operational level. If you want people at the bottom of your organization to become involved with your product why should you pay people at the top a lot more?

"The old days when the boss took home a briefcase full of work while the subordinate went home to drink beer, look at the TV and forget about the job until tomorrow have gone. Now the subordinate goes home and thinks about his job."

Cape Times

Sanctions leave blacks 'desolate'

ULUNDI. — Chief Mangosuthu Buthelezi warned the United States yesterday that their country would become an exporter of violence if it persisted with sanctions against South Africa.

Between four and six million blacks were already unemployed, the Inkatha president said at a reception after a tour of the Cleveland (Ohio) Medical Centre.

In a speech released in Ulundi, he said blacks were being left in a position of "terrible desolation" through financial isolation, the limiting of external markets and the blocking of technological and management skills.

Blacks were being deprived of what he called their lifelines to the future.

"Right now South Africa is drifting into increasing poverty.

"We are heading towards a situation where rich juntas or despotic rulers dominate poverty-stricken masses by force," he said. — Sapa

PW warns of threat to peace

Political Staff

PRESIDENT P W BOTHA has warned that the Angolan-Namibian peace initiative would be "impossible" if the tough new United States sanctions bill against South Africa goes ahead.

In an outspoken statement only four days after the ceasefire in the region was implemented, Mr Botha spoke of "astounding" American "recklessness".

The bill was approved by the US House of Representatives in spite of intervention by the Reagan administration, which also warned that the peace talks could be wrecked.

Similar legislation has still be be debated by the US Senate and Mr Botha has said he would watch the outcome with interest.

But he left little doubt that the implementation of UN Resolution 435 on Namibian independence, and therefore the Angolan peace initiative to which it is linked, would be in serious jeopardy if the anti-South African measures are approved.

Reports from the US have suggested that President Reagan might be forced to veto them.

Mr Botha said it was "obvious" that the debate on the total trade boycott against South Africa was being used purely for "internal political aims".

Members of Congress were fully aware by now that prominent black leaders in South Africa as well as the governments of certain neighbouring states strongly opposed the legislation.

"The recklessness of members of Congress who do not care in the least whether their actions adversely affect the search for a peaceful solution to the problems of Southern Africa as a whole is astounding," said Mr Botha.

"It would be ironical if Resolution 435 should reach the point of implementation only to be obstructed or made impossible as a result of provisions in the legislation which impose extensive restrictions, including those that would cover financial transactions that would be necessitated by the implementation of Resolution 435."

state of emergency censorship constitution jobs for [illegible] south africa [illegible]

Bill 'threatens peace'

Star 13/8/88

THE tough American sanctions Bill against South Africa held the potential of sinking the Angola accord, the State President, Mr P W Botha, said in Pretoria yesterday.

"The recklessness of members of Congress who do not care whether their actions adversely affect the search for a peaceful solution to the problems of southern Africa is astounding.

"It would be ironical if Resolution 435 should reach the point of implementation only to be obstructed because of American legislation imposing extensive restrictions, including those covering financial transactions necessary for the implementation of Resolution 435," he said.

It was remarkable that the House of Representatives continued with this action at a time when there was progress in the peace negotiations.

The sanctions legislation would go before the Senate shortly and the outcome would be interesting, Mr Botha said.

It was obvious that the debate in the House of Representatives was being used for purely internal political aims.

It had no bearing on the promotion of the interests of black people in South Africa.

In fact, members of the House were aware that prominent black leaders in South Africa, as well as the governments of certain neighbouring states, strongly opposed a law which would virtually ban all trade between the US and South Africa. — Sapa.

Liberals tell Hawke to drop SA sanctions

By NIC van OUDTSHOORN Sydney

AUSTRALIA'S official opposition yesterday demanded the Hawke Labour government drop all sanctions against South Africa and re-establish air links.

The Liberal Party is almost certain to include this anti-sanctions stand when it announces its new foreign affairs policy soon.

This is a complete reversal of the policies of the previous Liberal-National Party coalition government of Mr Malcolm Fraser, a proponent of Commonwealth sanctions against SA.

Liberal foreign affairs shadow minister John Spender, in a front-page interview with the Sydney Morning Herald, said he could see no need for any restrictions on trade or economic contacts with SA. He said sanctions had not only failed to force SA to abandon apartheid, but had slowed down reform. Black South Africans were opposed to sanctions if they meant unemployment.

Condemned

Mr Spender urged Australians to try to understand the significance of even small changes in the SA context and stressed violence could never be justified.

A final decision on air links should be left to Qantas and SAA — both of which are known to favour regular flights between Johannesburg and Sydney. SAA flights were banned last October as part of a Commonwealth sanctions package engineered by Mr Fraser.

Mr Spender condemned the Commonwealth campaign against apartheid, saying it involved spending a "disproportionate amount" of its resources on African issues. The Commonwealth should instead be looking after the economic and social development of its smaller members.

The Liberal stand was condemned yesterday by leading anti-apartheid organisations. The Australian Council for Overseas Aid said most Australians supported calls for economic sanctions from black leaders such as Archbishop Desmond Tutu.

Dellums Bill backer to visit SA

WASHINGTON — Senator Paul Simon, chairman of the Senate Africa Subcommittee and a key proponent of the Dellums sanctions Bill, is to visit SA during the week of August 22.

The Bill is set to be passed by the House of Representatives today in what is being widely regarded as a symbolic gesture, re on

The SA embassy has mounted no lob-

SIMON BARBER

bying effort against the vote, concentrating on the Senate, which is scheduled to start work on the Bill in September.

Simon, whose trip is being facilitated by the embassy, has expressed doubt that the Senate will pass the Bill with

● To Page 2

Dellums Bill backer set for visit to SA

enough votes to survive a presidential veto, and his findings in SA could well help seal its fate this year.

The legislation has stirred an unusual volume of angry constituent mail after Press reports that it would oblige holders of SA mining shares to dump their stock at potentially heavy discounts.

According to Wharton Econometrics, US citizens hold about 14% of outstanding SA mining shares with a value of $4,5bn.

House leaders have also noted an unprecedented threat from the British government to deny US oil companies access to the North Sea if the Bill's sanctions on UK oil companies with SA ties are enacted.

The house Rules Committee yesterday scheduled two hours' debate on the Bill and granted the Republican minority a half-hour each on two amendments.

One, offered by Congressman William Broomfield, the senior Republican on the house Foreign Affairs Committee,

● From Page 1

would make the implementation of new sanctions conditional on US trading partners adopting the same measures.

The second, from Congressman Dan Burton, would add no further sanctions but would provide at least $8m for black private enterprise development. It would also require US companies in SA to set aside at least 15% of their payrolls to black assistance programmes.

In addition, the Rules Committee agreed that Congressman Jon Kyl, an Arizona Republican, should offer an amendment passed by the house Armed Services Committee allowing military co-operation with SA if the president believed it in the best interests of the US.

A key amendment adopted by the house Banking Commitee, that would embargo any item from whatever source that contained SA components, was ruled out of order and will not be discussed.

A fierce and emotional battle awaits the US sanctions Bill

From NEIL LURSSEN, The Argus Foreign Service

WASHINGTON. — A comprehensive anti-South African sanctions Bill, denounced by its opponents as a "scorched earth policy", goes before the House of Representatives today.

It is expected to be passed by a wide margin, though argument is likely to be fierce and emotional.

But the same Bill has to be approved this year by the upper chamber of Congress, the US Senate, where its final passage is in doubt.

Political analysts believe that the measure, which cuts virtually all US-SA trade apart from strategic minerals and reduces the SA diplomatic presence in America, will probably be approved by a small margin in the Senate — but that the majority will be too small to survive a veto by President Reagan.

Senate liberals, led by Senator Edward Kennedy of Massachusetts, are said to be examining ways of attaching the Bill to other legislation that is certain to win approval.

A similar strategy worked for them late last year when they attached the Rangel Amendment to a needed money Bill and were able to delete tax payments by US corporations in South Africa as a tax break for the companies in the US.

Republican opponents of the Bill have introduced a series of measures in the House of Representatives, ranging from a Bill to end all sanctions against South Africa to legislation that would promote black empowerment through US economic aid, but it is expected that the sanctions measure will be approved.

Its main sponsors in the lower chamber are Democrats Mr Ron Dellums of California and Mr Howard Wolpe of Michigan, both anti-apartheid activists.

No military links

Mr Dellums, a radical leftist, has waged an intensive campaign among his colleagues, peppering them with letters and memos.

He is said to regard the Bill — which was approved in a slightly different form by the House in 1986 and then shelved when the Senate provided a more moderate measure — as one of his most important political achievements.

In addition to the ban on trade, it seeks to ban all US investment in South Africa and end US military and intelligence co-operation.

It requires US citizens to shed their SA investments within 180 days of the Bill becoming law.

Conservatives charge that Mr Dellums and Mr Wolpe want to "destroy South Africa in order to save it".

Today's debate is likely to be fierce and emotional — a repeat of the stormy arguments of 1986 when the first congressional sanctions became law.

Leading the anti-sanctions forces will be Mr Dan Burton of Indiana, whose argument is that the sanctions will cost the US billions of dollars unnecessarily and that millions of blacks will be put out of work.

Both sides are expected to quote black South Africans to boost their cases, with the Democrats citing Archbishop Desmond Tutu and the Republicans referring to recent surveys that show SA blacks opposed to sanctions and disinvestment.

Sanctions starting to work — Hawke

MELBOURNE — A call by opposition foreign affairs spokesman Mr John Spender for Australia to drop sanctions against South Africa and renew air links, brought a quick, negative response from Prime Minister Mr Bob Hawke.

Mr Hawke said sanctions were beginning to work and South Africa's reserves had already fallen 28 percent.

Mr Spender's opposition colleague, Senator Robert Hill said he would support retention of sanctions — The Star's Foreign News Service

15/8/88 Star (280)

Support for sanctions 'appalling'

Inkatha Youth warns churches on donations

ULUNDI — The Inkatha Youth Brigade threatened yesterday to campaign against donations to those churches whose leaders support sanctions.

The threat was made in a statement issued by the KwaZulu Chief Minister's Office at Ulundi.

The brigade has 600 000 members. The statement said thousands of delegates to the annual conference at Ulundi at the weekend unanimously rejected the Anglican Lambeth Conference's tacit support for violent revolution and sanctions on South Africa

The statement went on: "We have always had faith that the Christian church in South Africa will play a conciliating role.

"We are therefore appalled that Anglican bishops at the Lambeth Conference rode roughshod over our feelings and announced their party political support for the ANC and for sanctions against South Africa — despite the fact that the majority of blacks in the country reject the armed struggle and sanctions."

Call to the archbishop

The delegates called on the Archbishop of Canterbury to exhort his bishops not to pronounce on the will of black South Africans without consulting them.

They also resolved to ask all local Anglican bishops to state if they support the lead given at Canterbury (supporting sanctions) by Archbishop Desmond Tutu, and to justify this theologically.

The brigade also decided to ask all Anglican congregations to state to what extent Archbishop Tutu was mandated "to support revolutionary forces and sanctions which would increase black suffering"

"We, as the black youth of South Africa, feel all church leaders ... must stand up and be counted on whether the so-called armed struggle is the answer.

Countrywide campaign

"If church leaders of all denominations do not come out on the issue of sanctions, we, as black youth who need jobs and live in squalor and poverty, will start a countrywide campaign — each in his or her own church — appealing to black congregations not to give money, offerings or tithes to our churches.

"Our slogan will be. 'No jobs, no money; and no money, no offerings' "

The statement said that earlier the conference had voted to resist attempts to make South African youth "cannon fodder for elitist cliques" in organisations which wanted to impose their own will on the people.

"The youth are being misled into believing that violent action can gain major victories within the foreseeable future .

"We know that noble ends cannot be achieved by foul means, and we know that violence in South Africa is now claiming more lives in black-on-black confrontations than in any other confrontations." — Sapa.

Unita claims big raid on Angola stronghold

LISBON — Unita rebels claim they entered an army barracks in Angola's second largest city, Huambo, destroying fuel and arms depots and killing nine Cuban soldiers.

In a statement yesterday, Unita said it destroyed an oil well in northern Zaire province and killed 21 Angolan soldiers in operations last week.

Unita, which has not accepted the ceasefire agreement between Angola and South Africa, said a commando unit entered the Che Guevara army barracks used by Cuban troops, planting explosives in underground fuel depots.

The fire which followed the explosions destroyed arms depots and four military transport vehicles, the statement said.

"Nine Cubans who tried to put out the blaze were killed by the flames," it said.

Unita said another commando unit destroyed an oil well in the Quinguila oil complex, 30 km south-west of Soyo in northern Zaire province, and damaged three oil pipelines in an operation carried out by other commandos on August 8.

In attacks against military columns in the Uige and Kuanza Norte provinces on August 10, the Angolan forces suffered 21 dead and lost large ammounts of arms and ammunitions, the statement said.

Unita said it lost 5 men dead and 15 injured in the operations.

'Sanctions working' — Hawke

TOWNSVILLE — The Australian Prime Minister, Mr Bob Hawke, said yesterday sanctions against South Africa were beginning to have an effect.

Mr Hawke told a press conference in this Queensland city: "The regime in South Africa is being affected by what is being done now."

His comments followed a call from the Opposition foreign affairs spokesman, Mr John Spender, to end sanctions and re-establish air links with South Africa.

Mr Hawke said Mr Spender's remarks came just as leading South African business figures were calling on the Pretoria government to end apartheid because of sanctions. — Associated Press.

Bush 'committed' to anti-SA act

From SIMON BARBER

NEW ORLEANS. — Vice-President George Bush is committed to the "faithful implementation" of the 1986 Comprehensive Anti-Apartheid Act (CAAA) and regards South Africa as a "pariah state", according to his official issues briefing book.

The book, a compilation of the Republican presidential nominee's positions on major policy issues for use by his spokesmen, says Mr Bush will continue to press for "a one-person, one-vote, multiracial democracy" in South Africa if he is elected.

It makes clear that Mr Bush is deliberately seeking to distance himself from President Ronald Reagan on South Africa.

While he believes the US policy "has made progress" under the Reagan administration, "fresh initiatives" are needed to "focus clearly on the central issue of political change in South Africa".

While he will "not recommend further sanctions", he supports a "US programme for a political settlement that includes setting a timetable for ending apartheid, releasing all political prisoners, unbanning political movements and releasing Nelson Mandela".

The book states in no uncertain terms: "South Africa is a pariah state The vastly outnumbered Afrikaners, acting out of fear, have constructed the racist system of apartheid to ensure their political and economic supremacy.

"That system is morally repugnant to all who believe in human liberty and we cannot rest until apartheid is eliminated.

"The US must balance its strategic interest in a stable, pro-Western South Africa with the equally pressing political and moral imperative to change the country's apartheid system.

"We need to convince all South Africans — black and white — that the US seriously desires the end of apartheid."

These positions reflect the advice Mr Bush has been receiving from Senator Richard Lugar, who, as chairman of the foreign relations committee, led the fight to override Mr Reagan's veto of the CAAA.

Finalizing the Republican Party manifesto on Friday, Mr Bush's supporters fought off conservative attempts to include a declaration that the US "recognizes that Marxism-Leninism poses a much greater threat to peace than does apartheid".

Louisiana Congressman Mr Bob Livingston warned that such a statement would alienate black South Africans and hamper US efforts to achieve reconciliation.

Also rejected was language denouncing the ANC as a "communist front group".

The manifesto, which will be ratified at the party convention here tomorrow night, contains few concession to the party's conservative wing.

In spite of calls from Mr Bush's own advisers that it endorse the Nkomati Accord, the final version bends towards conservative demands that Renamo be accorded "freedom fighter" status and declares that "we oppose the maintenance of communist forces and influence in Mozambique".



Mr George Bush



President Reagan

Now even SA-bashing can start to look radical

THE passage of Congressman Ron Dellums's Anti-Apartheid Amendments Act of 1988 in the House of Representatives may prove to have been the high-water mark of the US sanctions campaign against South Africa

On the surface, the 244 to 132 margin in favour of the Bill might seem decisive. In truth, it was nothing of the sort.

Recall that in 1986 the House voted by 313 to 83 to override President Reagan's veto of the Comprehensive Anti-Apartheid Act, easily topping the necessary two-thirds majority.

The number of Congressmen ready to risk being called racist increased by 49 and even the most ardent sanctioneers in the Senate have concluded the Bill does not have a chance of becoming law this year

Furthermore, the increase might have been closer to 80 had not 31 Republicans been absent, most of them in New Orleans preparing for the convention.

Equally important, an unprecedented number of Democrats either voted against the legislation (10 as opposed to 4 in 1986) or sat on the fence by not voting at all (24) Several deliberately left town in advance of the summer recess. Others found themselves busy elsewhere on Capitol Hill.

One of those who left was Florida Congressman Dan Mica, an active member of the House Foreign Affairs Committee who is running for the Senate this year. He fled after vainly appealing to House Speaker Jim Wright to postpone deliberation on the Bill.

Mica's core voters are Jewish retirees transplanted from the North East to spend their last years nursing their portfolios in the sun.

Those portfolios, one may safely say, represent a fair-sized chunk of the $4,5 bn worth of South Africa mining shares in American hands. Their owners, quite justifiably, were not amused by Congressman Dellums's attempt to make them criminals and their shares next to worthless.

Nor were they amused by the Bill's implicit attack on Israel as a major South Africa trading partner, or by its exhortation to the President to wreck the international diamond industry.

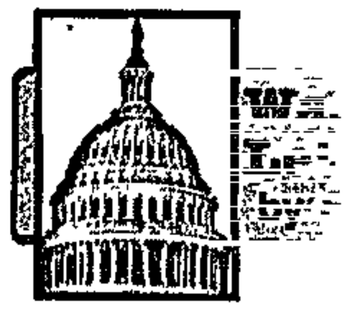
Radical

With the American Israel Public Affairs Committee (AIPAC — Israel's most potent US lobbying arm), they made their feelings known to Mica in no uncertain terms.

The message evidently sank in. Mica is understood to have told Wright his chances in the Florida Senate race might well be undercut and black-jewish tensions exacerbated if he was forced to vote for the Bill.



JESSE JACKSON ... setting Dukakis's



Mica was not alone. Two other Florida Democrats, both supporters of the CAAA in 1986, also sat out the vote. One was Miami's Congressman Claude Pepper. The other was Congressman Buddy McKay, whose Gainesville district contains two of the state's most liberal counties.

The radical nature of the Bill had a similar impact in the so-called "oil patch" states along the Gulf of Mexico. One Lousiana Democrat, Congressman Jerry Huckaby, even felt compelled to speak out against the legislation on the floor of the house. He was joined by four Texans in voting against it. Their concern was the provision denying federal oil leases to companies, both US and foreign, that do business in South Africa, and it was shared by the House Energy and Commerce Committee.

To make its point, the panel published at length correspondence between its chairman, Congressman John Dingell, and the interior department.

Revenues

The latter warned that Shell Oil company alone would be forced to "immediately eliminate 940 jobs in its exploration and production operations"

Jobs are not the whole

SA-bashing look radical



JESSE JACKSON . . . accused of setting Dukakis's agenda.



MICHAEL DUKAKIS . . . does not want to appear radical.

Washington Letter by SIMON BARBER

the Bill does not have a chance of becoming law this year.

Furthermore, the increase might have been closer to 80 had not 31 Republicans been absent, most of them in New Orleans preparing for the convention

Equally important, an unprecedented number of Democrats either voted against the legislation (10 as opposed to 4 in 1986) or sat on the fence by not voting at all (24). Several deliberately left town in advance of the summer recess. Others found themselves busy elsewhere on Capitol Hill.

One of those who left was Florida Congressman Dan Mica, an active member of the House Foreign Affairs Committee who is running for the Senate this year. He fled after vainly appealing to House Speaker Jim Wright to postpone deliberation on the Bill.

Mica's core voters are Jewish retirees transplanted from the North East to spend their last years nursing their portfolios in the sun.

Those portfolios, one may safely say, represent a fair-sized chunk of the $4,5 bn worth of South Africa mining shares in American hands. Their owners, quite justifiably, were not amused by Congressman Dellums's attempt to make them criminals and their shares next to worthless.

Nor were they amused by the Bill's implicit attack on Israel as a major South Africa trading partner, or by its exhortation to the President to wreck the international diamond industry.

Radical

With the American Israel Public Affairs Committee (AIPAC — Israel's most potent US lobbying arm), they made their feelings known to Mica in no uncertain terms.

The message evidently sank in. Mica is understood to have told Wright his chances in the Florida Senate race might well be undercut and black-jewish tensions exacerbated if he was forced to vote for the Bill.

Mica was not alone. Two other Florida Democrats, both supporters of the CAAA in 1986, also sat out the vote One was Miami's Congressman Claude Pepper. The other was Congressman Buddy McKay, whose Gainesville district contains two of the state's most liberal counties

The radical nature of the Bill had a similar impact in the so-called "oil patch" states along the Gulf of Mexico One Lousiana Democrat, Congressman Jerry Huckaby, even felt compelled to speak out against the legislation on the floor of the house. He was joined by four Texans in voting against it. Their concern was the provision denying federal oil leases to companies, both US and foreign, that do business in South Africa, and it was shared by the House Energy and Commerce Committee.

To make its point, the panel published at length correspondence between its chairman, Congressman John Dingell, and the interior department.

Revenues

The latter warned that Shell Oil company alone would be forced to "immediately eliminate 940 jobs in its exploration and production operations".

Jobs are not the whole story. Shell alone, as even Congress's own Budget Office recently concluded, has accounted for a quarter of US government revenues from oil leases since 1986.

In March, Shell was the sole bidder on 191 of the 227 tracts on which it sought leases. That works out at roughly $100 m the US Treasury would not have received, had the company been barred from bidding simply because its parent, over whom it has no control, operates in South Africa

Add then the stern warning from Britain's Foreign Office that any action taken against Royal Dutch Shell or BP would bring HMG "under strong domestic pressure to retaliate against US companies operating, or wishing to operate" in the North Sea, and reality begins to obtrude, even in the US Congress.

Embarrassment

To be sure, many Congressmen will still vote for further sanctions against South Africa, but their number and zeal is decreasing as the domestic effects begin to be better understood or more directly threatening to constituents.

In a splendid irony, the sanctions campaign has even started to become an embarrassment for the Democrats who launched it. Having hoped earlier this year to use it against the Republicans in the presidential race, they are now discovering that the tables may have been reversed.

The one quote from the debate that made all the news accounts was the accusation by Congressman William Broomfield, the senior Republican on the House Foreign Affairs Committee, that the Democrats were "trying to construct the Dukakis-Jackson platform" at the "eleventh hour before the Republican Convention".

Mr Oil Patch

Michael Dukakis, the Democrat's presidential standard bearer, is extremely sensitive to charges that he is a foreign policy naif who is allowing the Reverend Jesse Jackson to set his agenda. Not for nothing did he select a solid, pro-Nicaraguan Contra centrist as his running mate.

It would be fun to watch Senator Lloyd Bentsen, Mr Oil Patch himself, and no friend of South Africa sanctions generally, squirm in Dukakis's defence as the Bill came up in the Senate, but chances are we will be disappointed. Indeed, the vice-presidential nominee may well play a hand in ensuring the Bill does not come up.

The truth, however, is that even South Africa-bashing can begin to look radical and irresponsible when it starts to threaten enough livelihoods at home. And the last thing Dukakis wants is to look radical.

The truth, however, is that even South Africa-bashing can begin to look radical and irresponsible when it starts to threaten enough livelihoods at home. And the last thing Dukakis wants is to look radical. This, after all, is the candidate who last week said that he, not Bush, would truly pick up the torch of Reagan's foreign policy.

(280) B/Day 16/8/88

Sequel looks East

THE inevitability of sanctions has prompted Sequel Computers to move its dependancy on US-sourced equipment to the Far East.

While not severing ties wholly with its US suppliers, the Fintech subsidiary made the decision to reduce its dependency on US equipment and open routes to source latest technology from elsewhere.

Sequel MD Adriaan Dubbelman said as far as his group was concerned, SA stood at the crossroad of sanctions and the time had come for companies in the computer industry to make a stand against sanctions.

"We have found supply routes from countries that are not as opposed to SA such as Taiwan, other Far East countries and Europe," Dubbelman said.

But he declined to name the Taiwanese company which Sequel had struck an exclusive deal with, saying a major launch would be announced soon.

"We have taken a different approach. The Taiwanese high-tech industry has matured and there are four major suppliers producing products on behalf of major international vendors.

"We are quite satisfied that the products are of the highest standard available in the world," Dubbelman said.

He said Sequel would reduce its local sourcing of IBM compatible products from within SA. — Sapa.

SA short of highly skilled

Business Report

TUESDAY, AUGUST 16, 1988

FOR PERSONAL SERVICE
REG PENGELLY
JOHN FERMOR
TOYOTA
TOKAI TOYOTA
PHONE 72 0060 (ego5451)

US to lose $60bn if rhodium supplies are cut off

From SIMON BARBER

NEW ORLEANS. — A cut-off of SA rhodium supplies to the US, either through a trade embargo or through SA retaliation, would result in a loss of $60bn over five years to the US gross national product (GNP), warns a new study by the US Bureau of Mines.

In a memo to the House Energy and Commerce Committee, the bureau said US manufacturers had adequate supplies of the metal to carry them through the first year of an embargo.

In the second year, total US job losses resulting from a decline in car production and related industries could reach 572 000 and GNP losses would be on the order of $34bn.

The bureau assumed that the losses would gradually diminish thereafter as companies sought non-SA sources, but not before foreign car makers still having access to SA suppplies had dramatically increased their US market share.

Rhodium, the rarest of the three main platinum group metals, has been a irreplaceable feature in the exhaust systems of US cars since 1981 when the environmental protection agency started to enforce stringent new standards on nitrogen oxide emissions.

The Bureau of Mines believes that, based of the average 10-year lifespan of automotive catalytic converts, 30 000 ounces of the metal, about a third of current US consumption, could be available annually from recycling by 1991.

In a separate letter to the committee, Commerce Secretary William Verity noted that even if the US could buy the entire annual rhodium production of the Soviet Union, the only other major producer, there would remain a "supply gap" for US manufacturers of 20 000 ounces a year.

Verity pointed out that without major revisions in US clean air standards or a breakthrough in "lean burn" technology, now being developed by US manufacturers, this would would cut US car production by 1,3m units.

"Foreign manufacturers would benefit since prices to them would be lower, perhaps well below current levels, if US imports were denied."

Based on these concerns, Congressman Howard Wolpe, chairman of the House Africa Subcommittee, agreed to expand the exemption in the Anti-Apartheid Amendments Act passed by the House last week to cover minerals "essential to the public health" of the US.

● Our correspondent in London reports that Japanese trading houses have strongly rejected claims by a US Congressman that they have plans to corner the world rhodium market if sanctions are imposed on strategic mineral imports from SA.

Republican Congressman Dan Burton said last week that if the Dellums Bill became law, and SA rhodium supplies were prevented from reaching the US, the Japanese planned to buy up all SA exports of the metal.

Quoting sources at the US Bureau of Mines, Burton said the Japanese, without specifying particular traders, were prepared to pay as much as a 30% premium for rhodium over market prices.

His aides said an agreement had been reached between the South Africans and the Japanese four months ago in order that the latter could corner the rhodium market.

One Japanese trader quoted by the London-based Metal Bulletin said Burton's allegations were "stupid".

He added: "It would force up the price of all rhodium including the Russian material and in the long run the consumers and Japanese industry would suffer."

If no rhodium reached the US, the material would be in such oversupply that paying a premium would not make sense.

US sanctions against SA could now be on the ebb

SIMON BARBER in New Orleans

THE PASSAGE of Congressman Ron Dellums's Anti-Apartheid Amendments Act of 1988 in the House of Representatives last Thursday may prove to have been the high water mark of the US sanctions campaign against SA.

On the surface, the 244 to 132 margin in favour of the Bill might seem decisive. In truth, it was nothing of the sort.

Recall that, in 1986, the House voted by 313 to 83 to override President Reagan's veto of the Comprehensive Anti-Apartheid Act (CAAA), easily topping the necessary two-thirds majority. Had the House voted then as it did last week, the veto would have been sustained.

The number of Congressmen ready to risk being called racist increased by 49, which is extraordinary if you consider that this was a largely symbolic vote: even the most ardent sanctioneers in the Senate have concluded that the Bill does not have a chance of becoming law this year.

Furthermore, the increase might have been closer to 80 had not 31 Republicans been absent, most of them in New Orleans preparing for this week's convention

Equally important, an unprecedented number of Democrats either voted against the legislation (10 as opposed to four in 1986) or sat on the fence by not voting at all (24) Several deliberately left town in advance of the summer recess Others found themselves busy elsewhere on Capitol Hill when the roll was called

One of those who left was Florida Congressman Dan Mica, an active member of the House Foreign Affairs Committee who is running for the Senate this year. He fled after vainly appealing to House Speaker Jim Wright to postpone deliberation on the Bill with a view to letting it slide into political oblivion. His motive was very simple — constituency pressure.

Mica's district is centred on Palm Beach and its surrounding coastal resorts. His core voters are Jewish retirees transplanted from the north-east to spend their last years nursing their portfolios in the sun

Those portfolios, one may safely say, represent a fair-sized chunk of the US$4,5bn worth of South African mining shares in American hands Their owners, quite justifiably, were not amused by Dellums's attempt to make them criminals and their shares next to worthless

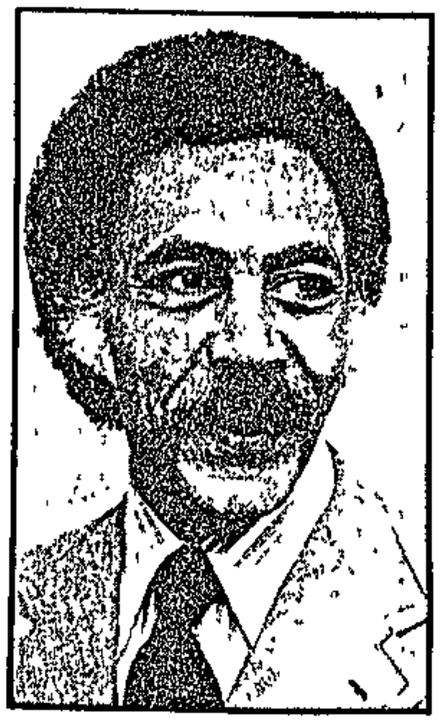
Nor were they amused by the Bill's implicit attack on Israel as a major trading partner of SA, or by its exhortation to the President to wreck the international diamond industry With the American Israel Public Affairs Committee (AIPAC — Israel's most potent lobbying arm in the US), they made their feelings known to Mica in no uncertain terms.

The message evidently sank in. Mica is understood to have told Wright that his chances in the Florida Senate race might well be undercut and black-Jewish tensions exacerbated if he was forced to vote for the Bill.

Mica was not alone Two other Florida Democrats, both supporters of the CAAA in 1986, also sat out last Thursday's vote One was Miami's Congressman Claude Pepper The other was Congressman Buddy McKay, whose Gainesville district contains two of the state's most liberal counties

The radical nature of the Bill had a similar impact in the so-called "oil patch" states along the Gulf of Mexico One Louisiana Democrat, Congressman Jerry Huckaby, even felt compelled to speak out against the legislation on the floor of the House He was joined by four Texans in voting against it.

Their concern was the provision denying Federal oil leases to companies, both US and foreign, that do business in SA, and it was shared by the House Energy and Commerce Committee, whose own study of the Bill was highly unfavourable.



❑ DELLUMS . . . making noises

To make its point, the panel published at length correspondence between its chairman, Congressman John Dingell, and the Interior Department

The latter warned that Shell Oil Co alone would be forced to "immediately eliminate 940 jobs in its exploration and production operations" Given the impact on other targeted companies — primarily Total and BP — and the ripple effect on their independent contractors, a loss of 10 100 jobs in the already depressed oil states was a "reasonable" estimate

Jobs are not the whole story Shell alone, as even Congress's own Budget Office recently concluded, has accounted for a quarter of US government revenues from oil leases since 1986

The Interior Department, as quoted by the Energy Committee, called it "one of the few innovative companies in the industry with the know-how, experience and willingness to risk bidding and exploring for oil in deep water and harsh or hostile environments".

The description is borne out by the fact that in March, Shell was the sole bidder on 191 of the 227 tracts on which it sought leases That works out at roughly US$100m the US Treasury would not have received had the company been barred from bidding simply because its parent, over whom it has no control, operates in SA

Add then the stern warning from Britain's Foreign Office that any action taken against Royal Dutch Shell or BP would bring Her Majesty's Government "under strong domestic pressure to retaliate against US companies operating, or wishing to operate," in the North Sea, and reality begins to obtrude, even in the US Congress.

To be sure, many Congressmen will still vote for further sanctions against SA, but their number and zeal is decreasing as the domestic effects begin to be better understood or more directly threatening to constituents.

In a splendid irony, the sanctions campaign has even started to become an embarrassment for the Democrats who launched it. Having hoped earlier this year to use it against the Republicans in the presidential race, they are now discovering that the tables may have been reversed.

The one quote from Thursday's debate that made all the news programmes was the accusation by Congressman William Broomfield, the senior Republican on the House Foreign Affairs Committee, that the Democrats were "trying to construct the Dukakis-Jackson platform" at the "eleventh hour before the Republican convention".

Another nice touch was Broomfield's suggestion that the Democrats might be trying to derail peace in Angola and Namibian independence to steal defeat from the jaws of a Reagan administration victory

Michael Dukakis, the Democrat's presidential standard bearer, is extremely sensitive to charges that he is a foreign policy naif who is allowing Jesse Jackson to set his agenda Not for nothing did he select a solid, pro-Nicaraguan Contra centrist as his running mate

It would be fun to watch Senator Lloyd Bentsen — Mr Oil Patch himself, and no friend of SA sanctions generally — squirm in Dukakis's defence as the Bill came up in the Senate, but chances are we will be disappointed Indeed, the vice-presidential nominee may well play a hand in ensuring the Bill does not come up

Of course, the excuse will be that Dukakis will do everything in the Bill of his own accord once elected, and that it would be rash to tie his hands in advance Dellums himself is starting to make such noises

The truth, however, is that even SA-bashing can begin to look radical and irresponsible when it starts to threaten enough livelihoods at home And the last thing Dukakis wants is to look radical

This, after all, is the candidate who last week said that he, not Bush, would truly pick up the torch of Reagan foreign policy

Study says 572 000 jobs may go and . . .

US will lose $60bn from rhodium ban

16/8/88 B/Day 280

NEW ORLEANS — A cut-off of SA rhodium supplies to the US, either through a trade embargo or through SA retaliation, would result in a loss of $60bn over five years to the US gross national product (GNP), a US Bureau of Mines study has found.

In a memo to the House energy and commerce committee, the bureau said US manufacturers had adequate supplies of the metal to carry them through the first year of an embargo.

In the second year, total US job losses resulting from a decline in car production and related industries could reach 572 000 and GNP losses would be in the order of $34bn.

The bureau assumed the losses would gradually diminish after that as companies sought non-SA sources, but not before foreign car-makers with access to SA suppplies had dramatically increased their US market share.

Rhodium, the rarest of the three main platinum group metals, has been an irreplaceable feature in the exhaust systems of US cars since 1981, when the Environmental Protection Agency started to enforce stringent new standards on nitrogen oxide emissions.

The bureau believes that, based on the average 10-year lifespan of automotive

SIMON BARBER

catalytic converters, 30 000 ounces of the metal, about a third of US consumption, could be available annually from recycling by 1991.

In a separate letter to the committee, Commerce Secretary William Verity noted that even if the US could buy the entire annual rhodium production of the Soviet Union, the only other major producer, there would remain a "supply gap" for US manufacturers of 20 000 ounces a year.

Verity said without major revisions in US clean air standards or a breakthrough in "lean-burn" technology now being developed by US manufacturers, this would would cut US car production by 1,3-million units.

He said: "Foreign manufacturers would benefit since prices to them would be lower, perhaps well below current levels, if US imports were denied."

Based on those concerns, Congressman Howard Wolpe, chairman of the House Africa subcommittee, agreed to expand the exemption in the Anti-Apartheid Amendments Act passed by the House last week to cover minerals "es-

● To Page 2 ⇨

16/8/88 289 B/Day

US 'will lose $60bn from rhodium ban'

sential to the public health" of the US.

□ Our Correspondent reports from London that Japanese trading houses have strongly rejected claims by a US congressman that they had plans to corner the world rhodium market if sanctions were imposed on strategic mineral imports from SA.

Republican Congressman Dan Burton said last week that if the Dellums Bill became law and SA rhodium supplies were prevented from reaching the US, the Japanese planned to buy up all SA's exports of the metal.

However, a Japanese trader quoted by the London-based Metal Bulletin said Burton's allegations were "stupid". He

⇦ ● From Page 1

said: "It would force up the price of all rhodium and consumers and Japanese industry would suffer."

The Bulletin said: "The silliest part of the allegation is, of course, the fact that it makes absolutely no difference who buys SA's rhodium in the event of a US embargo. The decision should not be taken on the basis of who does get the material; it should be taken on the basis the US would not get it. If the US cannot do without the material, it does not matter whether it goes to Japan or Timbuctoo, the US would still have a problem of the same magnitude."

SA 'will have to boost net savings'

ARI JACOBSON

FINANCIAL sanctions would force SA to generate net savings of 19% of GDP, compared with current levels of 6,3%, to achieve an annual growth rate of 4%, the United group's latest Economic Perspectives said.

With limited foreign capital inflows into the country, "the goal must be to increase savings to boost investment", said the review.

However, weak money management over the last five years had caused SA's savings and investment to decline.

Net savings, at 6,3% of GDP for 1987, were uncomfortably low.

Government had posted negative savings since 1982 and the United said it should correct this trend to restore faith in the economy.

"There was very little new production capacity created last year, no less than 86% of new investment in 1987 was used to replenish old stocks," it said.

Real fixed investment declined by 25% from R31,2m in 1983 to R23,3m in 1987 due to poor economic prospects and political uncertainties.

Personal and government sectors prejudiced gross domestic investment with negative savings of 2,7% in 1987 requiring corporate savings of 35% to support the little investment there was.

Contributing to the negligible level of savings had been negative real interest rates and inflationary expectations. With no real return on savings, consumers had opted for current consumption at the expense of future growth.

Sowetan

17/8/88

Negative response to SA sanctions

Tour

MELBOURNE — The call by Opposition Foreign Affairs spokesman, John Spender, for Australia to drop sanctions against South Africa and to renew air links, has brought a quick — and negative — response.

Spender's opposition colleague, Senator Robert Hill, declared he would oppose Mr Spender's plan.

He said he would support retention of sanctions, adding that the reason they had not worked was because there had not been a truly international effort.

Senator Hill was backed by another Conservative, former Prime Minister, Malcolm Fraser, who said "constructive involvement" with South Africa had already proved unworkable.

Prime Minister Bob Hawke also attacked Mr Spender's proposal claiming that sanctions were beginning to work.

18/8/88 (28) BL Day

FINANCE

Planning for sanctions is nothing new for many electronic companies

ROBERT GENTLE

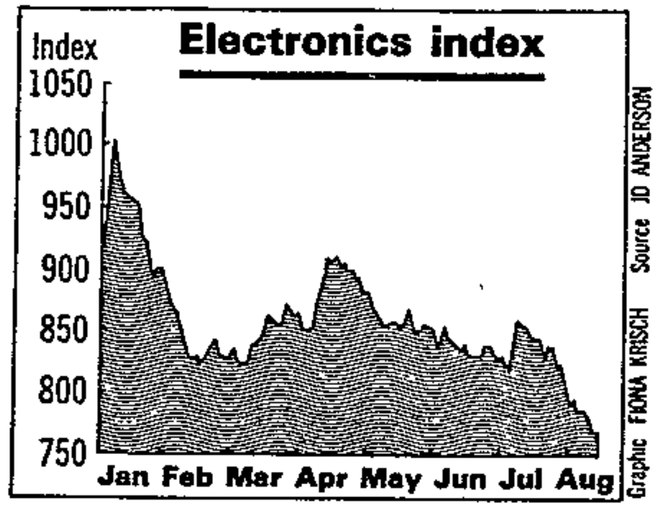
SEQUEL Computer's announcement that it will begin sourcing its equipment from the Far East because of the inevitability of sanctions has come almost as an anti-climax. For many players in the electronics sector, sanctions were seen as inevitable years ago.

Indeed, an analyst says the sanctions factor has already capped the market to a certain extent, combining with other more fundamental factors to depress the once buoyant electronics index.

Virtually all major companies have to some degree or other taken steps to lessen dependency on the US.

They are naturally loathe to reveal details for fear of providing ammunition to an anti-SA lobby ever eager to plug loopholes and some will say little except to confirm that "contingency plans have been made".

One example of a company that took the likelihood of sanctions seriously was GBS which, as long ago as 1978, realised the long-term implications of the statements made by then President Jimmy Carter.



GBS MD Jack Dunwoody says that was when initial plans were laid for the lessening of GBS's dependency on American-supplied Wang computers. By 1985, direct links were broken with Wang and the company now obtains its equipment — no longer limited to Wang — from all over the world.

It comes as no coincidence to note that the Mitac range of computers, distributed by GBS, comes from Taiwan.

Dunwoody believes GBS made the right moves at the right time. The relatively non-hostile environment that existed a few years back made it easier to set up overseas operations, he says.

Furthermore, securing these links is not "an overnight operation", and can take anything up to nine months.

The other oft-used pro-active strategy is restructuring. The most obvious example of this is the ISM link-up with TSI, which, with its connections with Japanese mainframe manufacturer Hitachi on the one hand, and the local TSI manufacturing arm TSM on the other, made ISM a lot less vulnerable.

On the commercial side, many companies have made sure that agreements and contracts are iron-clad and do not require constant renegotiation. One such example is Polygon Systems, a territory agent specialising in providing software on IBM hardware. Polygon says contingency plans were made three years ago involving the purchase of software products outright for the SA market, with no on-going royalty agreement.

However, it is the pure software houses like SPL or Q-Data which will escape relatively unscathed from the sanctions storm, analysts say.

Says SPL's Lewis Folb: "We have built up our expertise to such a level that if total sanctions were imposed, we could continue to support many of our clients as if we were the original suppliers."

Folb says SPL has long-established overseas channels, and some of its locally designed systems are even running overseas. He believes service oriented companies are on the whole more fleet-footed and resilient in the current political climate.

On the PC side, both retailers and other companies which depend on micro-computer equipment deplore the "hassle factor" sanctions would entail, but are broadly confident of being able to obtain PC's from all over the world. Again, South-East Asia is often mentioned as the likely conduit.

The same applies to local companies manufacturing computer equipment. Microchips and other related components are said to be relatively easy to obtain.

At the end of the day, however, the eventual impact sanctions are likely to have will depend on how far the US goes towards dictating export policy to off-shore subsidiaries.

Keep up the pressure, urges UK ambassador



British Ambassador ROBIN RENWICK told the Urban Foundation yesterday that South Africa might be approaching another turning point in its relations with the rest of the world. Here are extracts from his address.

THE Group Areas Act, it has become fashionable to say, is not the central issue in South African politics And indeed it is not The central issue is the sharing of political power

But the Group Areas Act remains a fundamental source of alienation in this society It is about to be amended The Urban Foundation has made clear its position, which is that the Act should be repealed

It may be thought by some impossible to repeal it now, but one day it will be thought impossible to continue with it The sooner that day comes, the better it will be for South Africa

From time to time I am asked what business leaders can do to help change South Africa Your influence with the government, it often is pointed out, is limited

Many of your recommendations have been greeted with the response that businessmen should stick to making money

But you must maintain pressure on those who have the power to change laws which not only are unjust, but also are inhibiting economic growth

Most important of all, business leaders represented here control large empires of their own and whatever you can or cannot achieve vis a vis the government, you can succeed in breaking down apartheid within your own enterprises, and that process so far has brought about more fundamental changes than almost any other I can think of here

By modern standards this is a hopelessly over-regulated society, with one of the world's more cumbersome bureaucracies And many if not most of those regulations, for instance the restrictions on land use, as well as a high proportion of those bureaucratic jobs, stem from the continued enforcement of aspects of the apartheid system

BUT, we are told, you have moved away from apartheid And in some important respects that is true We are not among those who refuse to recognize the importance of the changes that have been made — the legalization of black trade unions, the ending of job reservation, the scrapping of the pass laws

This is, gradually, becoming a more multiracial society But it is no use pretending that apartheid has been abolished, or is about to be The cornerstone of the apartheid system is the Population Registration Act; and it remains very much in force

How can we seek best to overthrow apartheid without inflicting even greater misery on the people of South Africa, to say nothing of the neighbouring states?

The reality is that more general sanctions might end up reducing the average income of white South Africans by, say, five percent. But they would reduce the income of black South Africans thrown out of work by 100 percent and the consequences for their much larger number of dependents do not bear thinking about.

Even sanctions advocates acknowledge that they would take a very long time to produce their effects What is going to happen to all these people meanwhile?

As we try to assist community groups in the townships, so we come across the practical effects of disinvestment. By numerous groups I have been told that they used to receive help from companies, usually US companies, that have left. When I visit the liberal universities, I hear of scholarships for black students that also terminated when companies left.

When a company decides to leave this country, it does not continue to worry about South Africa On the contrary, it writes that subject off its agenda And, after all, we can hardly blame them They are not asked by the apostles of disinvestment to go on doing anything positive here All they are asked to do is leave

These pressures to disengage apply not just to companies, but to countries as well We are urged to cut off all economic contact with South Africa, to break off diplomatic relations, to engage in a cultural boycott, to maintain the sports boycott, to reinforce the academic boycott — in short to leave, and pretend that the place no longer exists

SO far as Britain is concerned, we do not believe in disengagement We do not intend to walk off the pitch We intend to stay on the pitch — to go on working for peace in Angola, an internationally recognized settlement in Namibia, a return to the Nkomati Accord with Mozambique, the repeal of all racially based legislation, the release of political leaders and negotiations in which all parties can participate on the basis of a cessation of violence on all sides

We do not expect instant transformations, or success on all fronts at once But however long it takes, and however hard we have to struggle we will go on working to attain those objectives We are determined to help to defeat apartheid And we intend to demonstrate that we too do not lack staying power

When there are positive developments, which we have encouraged, we will welcome them

We do welcome, and have worked hard to encourage the progress currently being made in the Angola/Namibia negotiations We strongly support also and have tried directly to contribute to the efforts currently underway to normalize relations with Mozambique

The most dangerous and debilitating disease in politics is fatalism I recall only too well how people in my own country started reconciling themselves to what was supposed to be our inevitable economic decline

It must be obvious to all of you that South Africa may be approaching a further turning point in its relations with the outside world We do not believe in your isolation, but we cannot prevent you isolating yourselves

Whether you do end up more or less isolated will depend on what happens here.

(S Box 11 CAPE TOWN 8000

ybray does not need her thoroughfare

MACLENNAN (Mowbray).

has already been sliced up by a freeway, an y and a railway line All of these have contributmenting the community

city's planners want to bulldoze houses to artery up to eight lanes wide through the heart of What Mowbray needs is a plan to divert vehicle uter traffic, not to increase the throughflow It itly needs upgrading in the bus terminus area

not done, and the artery goes through, and the s enlarged as planned, this pleasant residential hood will be reduced to nothing more than a sy transit zone

ban would do some good

SEMARY KLEYN- (Green Point):

hse to the report Motion Picture n of America be- not to "victimize outh Africans" by American films nes, August 2) I ke to offer the opinion

The vast majority of South Africans who can afford to go and see films are white and the majority of these supported the present government in the last election Surely the ban on showing American films in this country would go a long way in bringing home the absolute repulsion with which the outside world views us

ble honour for Voortrekker

ER KIRKHAM (Sea Point)·

years of a highly successful ocean racing career, er (I) qualifies for retirement, this is the opinion minent skippers, including the renowned Bertie eature at Victoria Docks, with a comprehensive er career, and surrounded by museum memora- ld be a centrepiece of attraction Copies of the ld be sold and would find a ready market at yacht home and overseas

ach into Voortrekker's unique achievements may er for inclusion in the Guinesss Book of World Would the South African Navy, as the owners, omment?

SOLU
ACROS
Energy,
uss, 2
Moach
s, 4
o,
ng

280
18/8/88 Cape Times

BRITAIN WATCHING EVENTS IN SA

Opposition to sanctions

BRITAIN fully backed the on-going talks between Angola, Cuba, South Africa and Namibia aimed at establishing peace in Southern Africa, the Urban Foundation was told yesterday.

By JOSHUA RABOROKO

Addressing the annual general meeting , the British Ambassador to South Africa, Mr Robin Renwick said his government also backed a return to the Nkomati Accord, the repeal of all racially based legislation and the release of political leaders.

He said the release of political leaders would create a climate for negotiations in which all parties could participate on the basis of a cessation of violence on all sides

"We are determined to help defeat apartheid," he said

"We do welcome, and have worked hard to encourage the progress currently being made in the Angola/Namibia negotiations. We strongly support and have tried directly to contribute to the efforts currently underway to normalise relations with Mozambique", Mr Renwick said

While South Africa was approaching a further "turning point" in its relations with the outside world, it should prevent being isolated, boycotted, facing mandatory sanctions, and action taken against its embassies abroad

"If you want to have economic growth, you will have to discard the remaining features of the apartheid system. If you do not discard them, you will not have sustainable growth," he said

Referring to sanctions against South Africa, he said the reality of the action would reduce the income of whites by at least five percent, while 100 percent of blacks would be thrown out of work

"The call for sanctions is born not of malevolence or desire to destroy, but of frustration We should be ill-advised to question the bona fides of those who genuinely believe they might help

"By the same token, I think, we are entitled ourselves to object to attempts at the moral necklacing of those who are just as adamantly opposed to apartheid, but who have the temerity to question whether further sanctions will have miraculous effects



AMBASSADOR Renwick

Happiness is R2 000 cheque



WE ARE PR
THE O
HIGI
SALE from
A
FREE SC
&
Shop
Highga

Aussie opposition softens SA stand

280

Capt Times 18/8/88

Own Correspondent

MELBOURNE. — In a political initiative that could lift the lid off the pressure-cooker imposed by Commonwealth sanctions, the Australian opposition is preparing to endorse a foreign-affairs draft that recognizes South Africa's commitment to internal reform.

If implemented it means that once the Liberal-National Party coalition regains government, as well it might at the next general election, South Africa will be given a five-year breathing space.

In that time Australia, as a leading member of the 48-member Commonwealth, is likely to renew economic, cultural and sporting ties with South Africa as well as renegotiate landing rights for SAA and Qantas.

According to reliable sources the section of the foreign-policy review dealing with South Africa is "designed to reflect Pretoria's altered political agenda which caters for continued social reform".

The coalition's proposed policy reflects the views expressed last week by its author Mr John Spender, shadow minister for foreign affairs and trade.

Mr Spender is an outspoken critic of apartheid but a staunch defender of South Africa's right to manage a complicated internal problem without the added burden of sanctions.

Fortuitously his views were endorsed yesterday by an elder statesman of the Liberal Party who praised President PW Botha for displaying courage in maintaining the pace of reform.

"The reforms are very real and far-reaching," said Sir Charles Court, who recently returned from a two-week private visit to South Africa.

Bills will harm race relations

CERTAIN major features of the proposed re-adjustment of government urban development policy are a cause of the very deepest concern. The series of recent draft bills clearly indicates the contradictions in our present politics I refer to the trilogy of bills on racial zoning the radical amendments to squatting legislation and the amended Slums Act.

These bills contain some positive features, notably

- The establishment of the principle of open areas
- The reinforcement of a policy of providing for both temporary and permanent informal settlements.
- The acknowledgment of the need for speed and flexibility in the approval and establishment of new black residential areas.



The Government's forthcoming Bills on racial zoning and squatting are harmful to race relations and a cause of grave concern, according to the chairman of the Urban Foundation, Mr JAN STEYN, speaking at the foundation's annual meeting in Johannesburg yesterday.

These positive features are more than counter-balanced by proposed new restrictive provisions aimed at rigidly maintaining the status quo in all areas where the positive provisions are deemed not to apply.

Hence the effects in both the proposed new group areas and the squatter legislation will be to enable the introduction of a pattern of authoritarian state intervention which effectively ousts the jurisdiction of the courts.

Worse still, concerning what is deemed to be inappropriate settlement in both established group areas and areas of informal residence, we know from our research that the action could be taken against people who may not have any alternative to being where they are.

I accept that these provisions are not part of any demonic plan by government. I do believe that, as regards basic policy, many of those in government would, in an ideal political environment, like to see the design of an harmonious pattern of development of areas for community residence, open areas, upgradable informal settlements in suitable locations and stable, developing local authorities (especially for black South Africans) where previously neglected needs of residents would be progressively addressed.

THE problem is, however, that the world is never an ideal place. In South Africa, in particular, we are today directly and brutally confronted by an accumulation of needs and problems which have either been neglected in the past or dictated by inappropriate policies. Our cities are places of stress — stress of overcrowding; stress of lack of affordability of conventional housing; stress of frustrated aspirations of black people who are increasingly dominant in the economy of our cities, but who feel cut off from the normal benefits of urban living

The negative provisions in the Bills under debate are not part of a systematic oppressive policy. They are attempts to erect bulwarks agains the pressures which I have outlined. Herein lies their very futility.

South Africa's cities will have to be managed as systems capable of creatively absorbing the stresses. These stresses will never go away. Our demography, our economics and our politics in South Africa have a stern message We are a developing society, and a society in transition We are grudgingly going through this process of transition in which we will, hopefully, soon be building a new national identity. The government has acknowledged this, with a stated commitment to the incorporation of black South Africans into central political decision-making

I realize that the process is too slow, that the signals which are sent about government intentions are not clear and that there are pronouncements and actions by government which are huge impediments to the process. I am also painfully aware of the tragic shortcomings of present policy, but I am also equally convinced that a process of transition has started.

THE logical outcome of this process of transition will be the emergence of the non-racial city in South Africa We have a deep responsibility to see to it that when it arrives it is a city in which all communities can enjoy the full benefits of our industrial urban milieu They must be cities with a reasonable quality of life and shared pride, security in their neighbourhoods and harmony in their interaction

Cities are also the cradle of our future economic expansion. We know that if we can develop cities of opportunity for all, we will bring to the fore a massive but latent store of goodwill and cooperation that will inject confidence in the economy. It is pointless to try to stimulate the politics of moderation without structures of opportunity These will be found primarily in our cities.

WE have to start planning now for the city of the future and it is in this context that I view the negative aspects of the legislation currently proposed with such alarm The signs of positive policy shifts are there, but fear and uncertainty as regards consequences have resulted in proposed provisions which will hugely delay the emergence of the fully South African city These provisions will deeply injure race relations and refuel the external sanctions campaign.

Worst of all, not only will these bills not achieve what the government wishes to achieve, they will also strengthen reactionary forces.

Furthermore, we are entering a period of escalating stress around the October municipal elections which will generate tensions on the right and the left. I cannot believe that this is the time to venture contentious new legislation on racial zoning and informal settlements which will create controversy right across the spectrum

I would urge that South Africans should be given a breathing space during which, hopefully, wiser counsel will be given an opportunity to prevail

South Africa reaches new turning point

Cape Times 18/8/88



SQUATTERS: A severe urban problem which, speakers in Johannesburg yesterday maintain, is not going to be helped by Bills before Parliament.

Keep up the pressure, urges UK ambassador

Cape Times 18/8/88

THE Group Areas Act, it has become fashionable to say, is not the central issue in South African politics. And indeed it is not. The central issue is the sharing of political power.

But the Group Areas Act remains a fundamental source of alienation in this society. It is about to be amended. The Urban Foundation has made clear its position, which is that the Act should be repealed.

It may be thought by some impossible to repeal it now; but one day it will be thought impossible to continue with it. The sooner that day comes, the better it will be for South Africa . .

From time to time I am asked what it remains very much in force . . .



British Ambassador ROBIN RENWICK told the Urban Foundation yesterday that South Africa might be approaching another turning point in its relations with the rest of the world. Here are extracts from his address.

ck

It finished in New York at $431 as the dollar came off its highs.

gains since the local currency rebounded on Friday ahead of the news of the government's package to stem imports.

Krugerrands beaten back

18/8/88 B/Day 280

LONDON — Sanctions and the minting of 137 new types of gold coins have caused the Krugerrand's share of the world gold coin market to fall from 91% to just 3% in the past 10 years.

A new publication by the Washington-based Gold Institute, Modern Gold Coinage, says while in 1978 just two gold coins were produced, last year 46 countries minted 139 different types of coins.

In 1978, 7,3-million ounces of gold were used for coins. The Krugerrand accounted for 91% of the market while the Mexican 50 Peso Centenario took the other 9%.

Last year 6,2-million troy ounces were used for coins, a fall of 1,1-million ounces or 15%. The Kruggerrand reached only 135 000 ounces, or 3% of the market.

The decline in the Krugerrand market share to almost negligible proportions has resulted in Britain's two leading banks no longer trading them across the counter.

Both Barclays and National Westminster (NatWest) say after the EC ban on

MIKE ROBERTSON

the importation of newly minted Krugerrands, across-the-counter trade fell to such negligible proportions that a decision was taken to stop trading.

A NatWest spokesman said all trade in gold coins had fallen.

Last year the rest of the 4-million ounce, gold bullion coin market was shared by US Eagles, Canadian Maple Leafs, Mexican Centenarios and British Britannias.

When commemorative coins are included with bullion coins, for the first time in recent history the US used more gold for the minting of gold money than any other nation last year.

It used 1,677-million ounces of gold, mostly from US mines, to mint Eagle bullion coins and Constitutional commemorative coins.

The second largest consumer of gold for coinage was Canada, which used 1,506-million ounces for Maple Leafs and its CAN100 gold coin commemorating the Calgary Winter Olympic games.

Abolish apartheid — UK envoy

Avoiding more sanctions 'will depend on SA'

280

8/9/88

By Norman Chandler

The British ambassador to South Africa, Mr Robin Renwick, warned last night that South Africa's relations with the rest of the world could be approaching a turning point.

Mr Renwick told the Urban Foundation's annual general meeting in Johannesburg that the turning point could result from increased pressure for further sanctions, calls for the breaking off of diplomatic relations, and more cultural, academic and sports boycotts.

"The avoidance of further economic damage, sanctions and disinvestment will depend on you," Mr Renwick said.

"It is no use pretending that apartheid has been abolished or is about to be."

He said South Africa's future economic growth and continued sanctions depended on whether the last remnants of apartheid were discarded.

"If you want to have economic growth, you will have to discard the remaining features of the apartheid system."

Mr Renwick said that many in the world wanted Britain and other nations to quit this country and pretend that it no longer existed.

But Britain did not believe in disengagement. It was, in fact, determined to break down apartheid.

"We do not intend to walk off the pitch ... we intend to go on working for peace in Angola, an internationally recognised settlement in Namibia, a return to the Nkomati Accord with Mozambique, a repeal of all racially based legislation, the release of political leaders and negotiations, in which all parties can participate on the basis of a cessation of violence on all sides.

"We do not expect instant success on all fronts at once. But, however long it takes and however hard we have to struggle, we will go on working to attain these objectives.

"The idea that, by meting out more economic punishment, we can hope to improve the situation here seems to us a pathetic delusion."

He said white South Africans needed to remember that the call for sanctions was born not of malevolence or a desire to destroy, but of frustration.

"How can we seek best to overthrow apartheid without inflicting even greater misery on the people of South Africa, to say nothing of the neighbouring States?" Mr Renwick asked.

"The reality is that more general sanctions might end up reducing the average income of whites by, say, 5 percent. But they would reduce the income of black South Africans thrown out of work by 100 percent and the consequences for their much larger number of dependants do not bear thinking about."

Apartheid, he said, was not compatible with a modern business economy. That had already been proved with the practical breakdown of apartheid in the business world.

'Bills could cause racial problems'

By Norman Chandler

If Parliament passes proposed legislation on racial zoning, squatting and slums, there will be new racial problems, the executive chairman of the Urban Foundation, Mr Jan Steyn, said last night

He called for a "breathing space" until after the October elections.

Mr Steyn said the Bills were not part of a "demonic plan", nor were they part of a "systematic oppressive policy".

They were attempts to erect bulwarks against pressures of overcrowding, lack of affordable conventional housing and the frustrated aspirations of blacks.

He said positive aspects were the establishment of the principle of open areas, reinforcement of a policy providing for temporary and permanent informal settlements and acknowledgement of the need for speed and flexibility in establishment of new black areas.

The positive features were, however, counterbalanced by proposed new restrictive provisions to maintain the status quo in areas where the positive provisions were deemed not to apply, Mr Steyn said.

The Group Areas Amendment Bill and the Prevention of Illegal Squatting Amendment Bill, particularly, would enable "the introduction of a pattern of authoritarian State intervention which effectively ousts the jurisdiction of the courts", he said.

19/8/88 B/Day 280

PM suggests advocates of sanctions are traitors

'Disloyalty' slammed by Botha at congress


BOTHA

Political Staff

DURBAN — President P W Botha yesterday said it was time the word "traitor" was re-introduced in respect of South Africans who pleaded for economic action against the country.

He said there were people who were displaying disloyalty to religious and political values and to private initiative.

"Has the time not come to call those who seek assistance to the detriment of fellow South Africans by the name they deserve?" he asked.

In a tough opening speech to the Natal NP congress, Botha:

☐ added to speculation about the possible release of ailing ANC chief Nelson Mandela;

☐ bluntly said black majority rule would not happen under his leadership;

☐ made it patently clear the Group Areas Act was here to stay;

☐ congratulated SA's negotiating teams in the SWA/Angola peace initiative;

☐ criticised unnamed black leaders for refusing to participate in negotiations for a new constitution; and

☐ appealed for less "negativism" towards government steps to bring about constitutional reform which could not succeed without socio-economic reforms.

SA was developing its own unique constitutional system containing elements of various models, Botha told the congress.

On the Group Areas Act, Botha said he was prepared to hold a referendum to test white opinion about scrapping the legislation but he believed 70% would vote to retain it. This would also apply to coloureds and Indians.

He hit out at growing radicalism in the country and said the ANC had embarked on a subtle campaign to improve its image.

In an indirect reference to the Dellums sanctions legislation, Botha warned against outside interference in SA's affairs.

"If SA does not resist interference in its internal affairs, it will become a vassal state of the US," he said.

Politics is the problem

America is becoming increasingly indignant about SA. Activists and lobbyists are pressing hard for sanctions in the shadow of a presidential election.

Meanwhile, back at the fort, all is not well.

Because they're saying in Fort Worth, Texas, that if Jim Wright runs against God, he'd win ... handsomely.

Wright is the 65-year-old Speaker of the House of Representatives who has made a science of pork barrel politics. Be it water projects, helicopter plants or federal funds for revitalising the historic Fort Worth stockyards, Wright — as the *New Republic* magazine recently remarked — has proved a politician able to bring home the bacon.

In any other year, his efforts on behalf of his friends and constituents might have escaped attention. But Wright is House Speaker, the highest ranking Democrat in the land, and 1988 is election year.

He stands accused of lapses in personal financial dealings and lobbying activities spanning a decade. The charges have prompted an investigation by the House Ethics committee — a rare event in a town where legislators have a habit of excluding themselves from many provisions of the law.

The controversy surrounds Wright's efforts on behalf of three Texas constituents who were involved with savings and loans institutions. Two have subsequently been indicted on fraud charges; one has been sued by federal regulators alleging a thrift fraud of $40m. Wright says he was unaware of abuses and intervened merely to prevent regulators closing thrifts and hurting customers when there was a good chance of recovery.

But Ed Gray, former chairman and CE of the Federal Home Loan Bank Board, has said the Speaker's role involved more than putting in a good word for a constituent. "He held awesome power over the legislation," he says



Such displays of raw power have been common since Wright became Speaker in January 1987, succeeding the amiable Bostonian "Tip" O'Neill In very short time, Wright — whose sugar-coated accent hides native aggressiveness characteristic of a man who boxed into his late fifties — quicky established a reputation of ruthless use of House rules to curtail debate.

The Speaker's self-aggrandisement has cost him friends within his own party.

Moreover, Wright cannot expect help from the Republican administration. The White House has never forgiven him for ditching President Reagan's peace plan for Nicaragua last August, two days after they thought they had struck a bipartisan deal. Nor has he any friends at the State Department, which regards his promotion of the peace plan devised by President Arais of Costa Rica as the work of a meddler duped by Nicaragua's Sandinistas.

The House Ethics Panel inquiry is expected to last at least three months, longer if the committee — six Republicans and six Democrats — appoint an independent counsel to investigate. Even if Wright is exonerated, the publicity seems certain to lead to closer scrutiny of congressional ethics.

Then there is the question of Wright's own future role. In the savings and loan story, he may seem to have placed the interests of fellow Texans above that of the national interest — which was to pass legislation protecting the precarious position of depositors. Wright's approach that what is good for Fort Worth is good for America would hardly seem to be a recipe for harmonious co-operation with a possible Dukakis administration.

CAPE Times 20/6/88 280

'Evita' calls for sanctions

UTRECHT. — Acid-tongued South African cabaret artist Pieter-Dirk Uys, who appears in Amsterdam next week, told a Dutch newspaper yesterday: "Sanctions would be a mighty weapon to get rid of apartheid."

Uys reportedly said: "I think that everything must be done to get rid of apartheid, and sanctions could be a mighty weapon. Now it doesn't work, the fact alone that I am sitting here is proof of that.

"Passports should not be accepted, telephone calls refused, flights boycotted, medicines not sent. That in any case is your problem, not mine, I already have enough problems."

However, Uys opposed a cultural boycott. He said the theatre boycott of the past 15 years "had done tremendous damage".

"No black has ever seen British theatre, no BBC or a Pinter play. We only have Joan Collins and the government thinks that's just fine.

"The Wembley concert for Mandela was beautiful, but would have been even more beautiful if Sting, Whitney Houston, Michael Jackson, Miriam Makeba and Hugh Masekela had come to South Africa and given a concert in Soweto, that's where they should have said what was wrong with South Africa. If that had been banned, the government would not have held out for a week, because the white children also love the music of Michael Jackson and Hugh Masekela."

Uys said that an indigenous theatre was developing in South Africa "away from British tradition".

"Blacks still see so much humour in their misery. Blacks laugh when a necklace murder is acted out, while whites turn away and shout 'how can you show that?'

"You say that is in poor taste and it's true there is a lot of bad taste here, all my work consists of it, but how can you combine apartheid with good taste?" he reportedly concluded. — Sapa



JANICE Honeyman

Cultural boycott: 'Doing more harm than good. . .'

w/t Argus 20/8/88

280

by DAVID LISTER in EDINBURGH

BRITISH playwrights are doing more harm than good by forbidding their works from being seen in South Africa, a leading South African theatre director has said.

Janice Honeyman surprised her audience at the first of a series of conferences at the Edinburgh Festival, run by British newspaper the Independent and the Traverse Theatre, by calling for an end to the total cultural boycott of South Africa.

Ms Honeyman — associate artistic director of Johannesburg's Market Theatre, one of South Africa's integrated cultural centres — said: "Of course, I believe in sanctions, in not buying guns or gold. But, that is very different from the cultural boycott that is now in force.

"I cannot see the benefit of withholding knowledge from us that would give us aid in the struggle to change things. I believe the Pontius Pilate effect is working tremendously in the cultural boycott.

"What actually are these people doing to help if they are not giving us their work?"

She said the boycott had an adverse effect on new South African writing. When it started, there was a burgeoning of great new white and black plays, but recently much of the work had become mediocre.

She said after the conference that it would be a more constructive gesture for concerned artists in Britain to allow their works to be performed in South Africa, but to insist that a percentage of the royalties be earmarked for specific areas such as improving black schooling.

She said some opposition politicans in South Africa wanted the boycott to continue. "I say to them would Archbishop Tutu want a theological boycott? Would he want people to stop praying for South Africa all over the world?"

Pieter-Dirk Uys, the South African satirist, also backed the call for an end to the boycott.

He said: "If Michael Jackson flew to South Africa to give a concert in Soweto, and Botha stopped it, there would be a revolution from the white kids ... If Richard Attenborough had said: 'I will not have my film, *Cry Freedom*, shown in South Africa', then we would not have had the government shown up as it was."

■ The Independent News Service.

Uproar over rebel cricket tournament

Own Correspondent

LONDON. — English cricket was in an uproar at the weekend after reports that at least four top test players will be in South Africa next month to take part in a "rebel" single-wicket competition organized by Transvaal skipper Clive Rice.

The four — said to have been offered over R33 000 (£8 000) a head — were named in press reports as English captain Graham Gooch, South African-born Allan Lamb and Nottinghamshire opening bats Chris Broad and Tim Robinson.

Other top names in international cricket, including Barbadian Franklyn Stephenson — already banned for life by the West Indies for earlier visits to South Africa, Australian ace Dennis Lillee and former England captain David Gower, have also been linked to the rebel tournament.

Only David Gower, the Leicestershire captain, would commit himself to a definite no. He said yesterday: "I want to go to India with England this winter and there is no way I'd make waves by going to South Africa beforehand."

The named players were either unavailable for comment or, if contacted, were tight-lipped about their plans.

The single-wicket competition is due to take place under floodlights at separate venues on September 21 and 22.

British newspapers said that if England players did compete in the South African event, it could threaten England's tour to India this winter.

The Mail on Sunday said the Indian government would certainly find such a move "provocative".

It could lead to the England tour being cancelled and increase the risk of a white-black split in cricket, said the newspaper.

The rumours come amid persistent rumours that Gooch has opted out of the English tour of India in December and will spend winter with his family in SA, playing for Western Province.

At the weekend Gooch denied that he had already signed a formal contract to take part in the two-day contest, which is reported to have been arranged on a "winner takes all" basis and will be privately sponsored.

Gooch said: "I have been asked along with a lot of others, but that is as far as it has gone."

Clive Rice said there was nothing to stop players taking part in South African contests.

"The Gleneagles Agreement forbids England or Commonwealth teams from playing in South Africa, but there is nothing to stop individual players spending the off-season in South Africa."

England team manager Mr Peter Lush said: "I know nothing about these stories but as soon as the England team to tour India is named on September 7, the players will receive contracts making it clear that they are not allowed to play in any other cricket without the approval of the Board."

Cart Trib 23/8/88

Dukakis backs US blockade of SA

WASHINGTON. Governor Michael Dukakis, the democratic presidential candidate, condoned ANC violence and would not rule out a naval blockade to "monitor" a total quarantine of SA, one of his key advisers said in a radio discussion with Kenyan parliamentarians.

"We would want to impose as tight a monitoring system as possible," said Mr Stephen Davis, author of "Apartheid's Rebels".

"We have a very good chance of persuading the largest trading partners — the European states and states in South-east Asia, to go along with a boycott."

On the question of the ANC, Mr Davis said, Mr Dukakis "understands there are occasions when people feel they have to take up arms"

A Dukakis administration would develop a "regular consultative, relationship" with the ANC, he said.

SA tourists to US face threat

Cape Times 23/8/88 (280)

Own Correspondent

WASHINGTON. — Any South African property owner who "knowingly" visits the US as a tourist will be subject to five years in jail and a $250 000 (R550 000) fine if the sanctions bill passed by the House of Representatives earlier this month becomes law.

The bizarre measure does not appear to have been intentional, but indicates the ineptitude of the bill's drafters, led by Congressman Howard Wolpe, chairman of the House Africa Subcommittee.

Since it also applies to any foreign visitor who holds investments in South Africa, the US immigration authorities are going to have their hands full if Congress is mad enough to pass it.

"If Pretoria wants to put Winnie Mandela in irons, they can spare themselves the trouble, by sending her over here," said Mr Don de Kieffer, a prominent Washington trade attorney who has studied the legislation closely.

The bill states that "a US person may not purchase, acquire, own, or hold any investment in South Africa". It then defines a "US person" as "any person actually within the US".

The prohibition criminalizes only temporary visitors, not former South African citizens or residents who are permanent immigrants to the US, holding so-called "green cards".

This group is exempted from the investment ban if their South African assets are "subject to restrictions on their transfer or disposition . . . pursuant to the (South African) Currency and Exchange Act of 1933 as in effect on June 2, 1988".

The bill, based on Congressman Ron Dellums's Anti-apartheid Amendments Act of 1988, was stitched together from recommendations made by seven house committees.

Even though it was substantially different from Congressman Dellums's original, only a handful of congressman were aware of its contents when they approved it, by a vote of 244 to 132, on August 11.

The Senate Foreign Relations Committee is scheduled to take up the legislation on September 8.

Sanctions spy warning to SA companies

The Argus
Correspondent

JOHANNESBURG. — South African companies involved in sanctions-busting are the target of espionage activities by foreign agents, linked to governments or other agencies, who could cost business and the country millions of rands.

This was told to a meeting of security experts and high-ranking military and police officers in Johannesburg yesterday by a leading authority in private counter-espionage, Mr Archie Griffiths.

He was speaking at what was said to be the largest display to date in the southern hemisphere of electronic espionage equipment.

"Given the outside interest level, I would say foreign agents would be working steadily away at obtaining information.

"We have identified in South Africa at least 14 professional espionage agents who could obviously be utilised by any foreign agency," said Mr Griffiths.

Sanctions support is 'expedient'

The Star's Foreign News Service

SYDNEY — Australian opposition leader Mr John Howard has admitted that he supported sporting sanctions against South Africa only because it was politically expedient.

Mr Howard said he could not reconcile the fact that Australians were not allowed to play team sport against South Africa with the absence of any objection to the Soviet Union and Chile as opponents.

"But I would support the sanctions if they were in Australia's national interest even at the risk of being hypocritical," he confessed.

"Australia's national interest is more important than playing sport with South Africa.

"Governments do things occasionally that are hypocritical, but this can be explained on the grounds of self-interest."

Mr Howard said he could not justify the Gleneagles Agreement on the basis of high moral principles

24/8/88 Star

280

Will you aid them, Pik asks Canada

By Alan Dunn,
The Star Bureau

WASHINGTON — The Minister of Foreign Affairs, Mr Pik Botha, has asked Canadians whether they would rescue millions of black southern Africans made destitute by economic sanctions imposed by their and other governments.

"Those who advocate sanctions must indicate what responsibility, if any, they will accept for adding to the misery of millions of blacks," he wrote in Canadian newspapers yesterday.

"Will they feed those people to whom we can no longer provide assistance? Will the taxpayers of Canada bear the burden of compensating the millions of blacks who could become destitute as a result of sanctions?"

In an unusual public exchange, Mr Botha replied at some length to an article last week by Canada's Foreign Minister, Mr Joe Clark, for a newspaper group.

South African officials appealed for the right to respond after Mr Clark asserted how effective sanctions had been, and how Canada and Commonwealth countries intended tightening them.

His article, claiming sanctions were "a constructive contribution to ending aparthied", appeared on page nine of *The Citizen* in Ottawa and in *The Toronto Star* So did Mr Botha's.

low cost

Academics escape boycott

The Star Bureau

LONDON — Thirteen South African philosophers attending the 18th World Congress of Philosophy in Brighton have escaped the threat of academic boycott so often present at meetings like this.

There have been no attempts to prevent their joining 1 000 other practitioners of the discipline for the prestige event, a sort of philosophers' summit, which is held every five years The congress began on Sunday.

The South African contingent includes Professor Jonathan Suzman of the University of the Witwatersrand, Professor Elaine Botha of the University of Potchefstroom, Professor Pieter du Toit of the University of Pretoria, Dr Carel de Beer of the Human Sciences Research Council and Mr Hennie Lotter of Rand Afrikaans University.

Five of the South Africans will deliver papers.

A congress spokesman said there had been no objections to the South African presence.

SIMON ASKS SA FOR 'SIGNAL'



HOTEL TALKS ... Visiting US Senator, Mr Paul Simon, shares a joke with Archbishop Desmond Tutu after their meeting in Johannesburg hotel last night.

US seeks way to avoid imposing sanctions

280

CAPE TIMES 25/8/88

JOHANNESBURG. — US Senator Mr Paul Simon, due in Cape Town today, said Congress would be eager to avoid imposing sanctions if they received a "strong signal" that apartheid was to end.

Mr Simon, who met Archbishop Desmond Tutu last night, said a signal like, for example, a timetable for ending apartheid from the government and enfranchising the entire population would satisfy the US.

He said he had discussed sanctions, the American elections and other topics in "general terms" with Archbishop Tutu. He is to meet the Minister of Foreign Affairs, Mr Pik Botha, today. — Sapa

● Simon in Soweto, picture page 5

Her favourite sports are Kung fu and netball.

'Curbs will bring misery'



FOREIGN Minister Pik Botha.

WASHINGTON — The Minister of Foreign Affairs, Mr Pik Botha, has asked Canadians whether they would rescue millions of black Southern Africans made destitute by economic sanctions imposed by their and other governments.

"Those who advocate sanctions must indicate what responsibility, if any, they will accept for adding to the misery of millions of blacks," he wrote in Canadian newspapers this week.

"Will they feed those people to whom we can no longer provide assistance? Will the taxpayers of Canada bear the burden of compensating the millions of blacks who could become destitute as a result of sanctions?" he asked.

His article appeared on page nine of the *Citizen* in Ottawa and the *Toronto Star*.

The debate rages on



Joe Clarke

There is strong support in Canada for increased international pressures and sanctions against South Africa. But when Commonwealth foreign ministers met in Toronto, Canada recently they seemed to want to mark time on sanctions. The reasons were not clear, but it looks like Britain's Margaret Thatcher is stepping up the pressure on countries like Canada in preparation for her planned visit to Southern Africa in December. DEREK INGRAM reports:

TORONTO. — Come and light the candle that demands an end to censorship in South Africa. If you're unable to be there, we invite you to light a candle at home and to place it in your window as a way of saying: South Africa, don't keep the world in the dark.

So ran a Canadian government announcement on the day eight foreign ministers met in Toronto to discuss further Commonwealth measures against apartheid.

And at 10pm thousands of people stood on the city's waterfront and held aloft lighted candles in a moving demonstration of protest against the S.A. government

The foreign ministers were all there, headed by Canadian Joe Clark Exiled South African musician, Abdullah Ibrahim, provided magical jazz accompaniment.

Canada's official public commitment to the anti-apartheid cause is more upfront than most western countries It is a popular policy. Opinion polls show consistently high support for sanctions and for strengthening other measures against South Africa

That is why the Canadian performance at the foreign ministers meeting caused some concern

Clark and his team seemed to want to play down the sanctions aspect and concentrate on other matters, notably how to counter South African censorship and propaganda.

More squeezings

The Canadians had to be brought back on course, as one African minister put it, and the outcome was agreement on a series of steps that will lead to further squeezing of Pretoria, especially on the financial front

This group of ministers, which was set up at last year's Commonwealth summit in Vancouver and does not include Britain, believes that South Africa is most vulnerable to financial pressures

So the most important outcome of the Toronto meeting was the decision to take a number of steps to further squeeze the already ailing South African economy

Top of the list is a decision to seek a total global ban on all trade credits At present all Commonwealth countries except Britain ban new lending, other than short-term trade credits

This, said the Toronto eight, could be extended to include new trade credits. A global ban, they say, would have a very serious effect on South Africa's external accounts

An international ban is to be sought on insurance cover by official export credit agencies for loans to South Africa, and new pressures will be exerted bilaterally and in international fora to persuade countries to implement several other technical measures

The Commonwealth has taken the lead in detailing programmes of sanctions, and it now intends to launch a campaign of persuasion in approaches to individual countries that have not so far adopted Commonwealth measures.

The eight want to tighten those sanctions already in place — for example, stricter customs scrutiny so that South African exports and imports are not relabelled and redirected through third countries, increasing publicity about companies which violate sanctions and imposing heavier penalties for violators

It also plans to raise with governments arms embargo violations The major offender is Israel, but others include West Germany, Italy, France, Britain, the Netherlands, the US and Switzerland. Recently at least seven West German helicopters were delivered directly to the South African police These aircraft can carry Stinger missiles A UN resolution prohibits paramilitary planes

Then there is the very real problem of how to counteract the skilful way South Africa tries to manipulate the world's media One most damaging argument successfully put about is that sanctions are opposed by blacks because they will harm them

Although leading blacks have repeatedly said that their people are prepared to put up with more hardship in the cause of freedom, and that their lives are already miserable anyway they could hardly be made worse, this is a difficult case to make and prove in a country where black people have no vote and opinion polls are suspect.

British prime minister Margaret Thatcher makes this "sanctions-mean-starving-blacks" line her main argument against sanctions.

The next meeting of foreign ministers will be held in Harare in January or February

That, they believe, will be their crunch meeting, especially in relation to sanctions By that time a detailed study of progress so far and new measures that might be taken will have been put before them

By then, too, much could have happened to affect the situation in the region.

A new president will be in place in the US. The Angola-Namibia problem may have taken on a new and perhaps more positive complexion

And Margaret Thatcher will have visited Zimbabwe and Mozambique and possibly South Africa itself She plans the trip for December.

Thatcher is working on her own scenario quite independently of the Commonwealth

She seems to think she may be able to talk the South Africans into a constitutional conference at which all the parties in the country sit down together as they did at Lancaster House to bring peace and independence to Zimbabwe

The situation is very different from the one in Zimbabwe — for one thing, South Africa is a sovereign country Yet, it seems, her ambition is to make some dramatic initiative in southern Africa

Thatcher could hardly start without a major concession from Pretoria The release of Nelson Mandela is an obvious possibility

No doubt she discussed her ideas with Australian prime minister Bob Hawke during her visit to Canberra, which took place while retiring foreign minister Bill Hayden was in Toronto

The Canadian reluctance to go any further along the sanctions road for the moment may well have followed pressure from London Foreign and Commonwealth Secretary Sir Geoffrey Howe will have argued with Clark that it will help Thatcher's mission if the Commonwealth does not pile on new pressures

From the Canadian performance in Toronto it seems he is going along with that — *GEMINI NEWS*

SA sanctions: Free-traders may be right

The Economist reports from London

PRESSURE for more sanctions against South Africa is growing, and the limp ones already in force may be starting to cause some trouble for the South African economy.

On August 11 the American House of Representatives passed a Bill that would require complete disinvestment by American firms from South Africa (new investment has been forbidden since 1986), ban most trade (rather than just South African exports that annoy protectionist lobbies in America) and end almost all military and intelligence co-operation between the two countries.

The next day South Africa announced a folderful of regulations designed to soften the effects both of existing trade sanctions and of businesmen's reluctance to bet on South Africa's future.

The American Bill will probably be watered down by the Senate. But the Democratic majority in Congress seems determined that sanctions should be stepped up, and so does Mr Michael Dukakis, the party's presidential candidate.

South Africans are right to be alarmed. Last year exports to America were worth just over half their average annual value from 1983 to 1985; government-imposed sanctions and consumer boycotts were the main reason for the dramatic fall.

South Africa made it up by exporting to countries that had not imposed sanctions, especially Japan.

The new American Bill, however, provides for (admittedly, rather tricky) retaliation against countries which profit by snapping up the business that American firms turn down. South Africans protest that America should not presume to regulate the world's commercial morals; but Japan's government is warning its businessmen that trading with South Africa may get impolitic.

Until riots engulfed many of South Africa's black townships in late 1984, the country could afford to lose a few exports to the sanctions lobby. Foreign firms were eager to invest in South Africa, so a current account deficit could be painlessly balanced out by a surplus on the capital account.

Since the uprising, however, the United States and a number of other countries have stopped new investment in South Africa.

Businessmen do not need much restraining. Involvement in South Africa costs European and North American companies so much goodwill among customers and shareholders that two-fifths of them have disinvested.

Despite new markets in East Asia, South Africa's balance of payments is slipping into the red. If it slips much further, it will have trouble servicing its debts. That might make even trade credits harder to get.

Hence the new regulations.

The free-traders would like to tackle the trade deficit by raising interest rates and allowing the rand to depreciate. The ruling National party's appetite for economic regulation reminds them of its past attempts to regulate society; even the government now seems to realise that apartheid, leave aside the question of its morality, is impossible to administer.

The free-traders argue that the same difficulties will apply to these regulations. They also fear that tariffs on capital and intermediate goods, which make up four-fifths of South Africa's imports, will hurt South African industry, and so retard growth. That is no small matter.

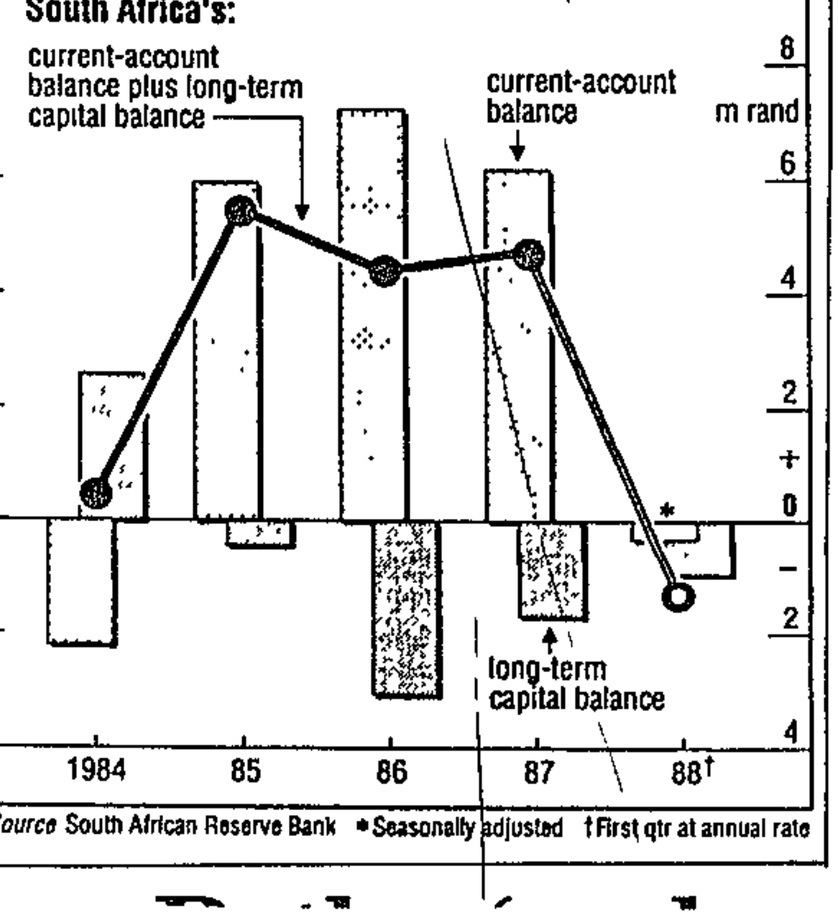
The country's population is growing by 2,5 percent a year, and this year the economy will probably grow at the same rate. As time goes by, a dearth of new investment will slow things down still further. If black unemployment grows, so will black unrest.

Nobody expects things to get better unless South Africa regains the favour of foreign businessmen and banks. This prompts the free-traders to say that the economy will not recover until the government is willing to risk bold political reform.

Judging from that Washington vote, they may be right.

That shrinking feeling

South Africa's:



Source South African Reserve Bank *Seasonally adjusted †First qtr at annual rate

SA church groups spending R5-m on anti-sanctions ad

Star 26 08 88 28

By Mckeed Kotlolo,
Pretoria Bureau

Two South African church groups are to spend over R5 million on a 10-day advertising campaign in America that opposes sanctions and disinvestment in SA.

The National Christian Development Fund for Southern Africa (Cridesa) and Jesus Christ for Peace in South Africa commissioned Anthena Promotions to produce the 45-second ad for R50 000.

It is expected to be screened for 10 days in America at a cost of R500 000 a day, according to the producers.

Cridesa chairman Bishop Mzilikazi Masiya, who is featured in the commercial, yesterday said the advert would be financed by American companies.

Bishop Masiya said he had challenged visiting American Senator Paul Simon — currently on a fact-finding tour of South Africa — to a public debate on sanctions, but claimed he refused to take the challenge.

"Deep down inside he knows that sanctions are immoral and wrong," said Bishop Masiya.

26/8-1/9/88

Bush or Dukakis, the pressure on SA stays

W/Mail

280

Paul Simon, Senate scourge of Pretoria, says pressures on South Africa will continue regardless of which US candidate wins. He speaks to SHAUN JOHNSON

PRESSURE on Pretoria to change its policies will be intensified irrespective of whether George Bush or Michael Dukakis becomes president of the United States, says Senator Paul Simon, currently in South Africa on a lightning fact-finding tour.

Nevertheless Simon, sanctions scourge of Pretoria, had a somewhat conciliatory initial reaction to his first visit to the sub-continent.

In an exclusive interview with the *Weekly Mail* after he met Foreign Minister Pik Botha yesterday, he said he believed "goodwill in black and white communities means the situation is not insoluble."

He expressed cautious optimism about the resolution of regional problems: "A week ago I would have given the Angola/Namibia peace process a 55/45 chance of success. Now I think it's 60/40."



Paul Simon

He also hinted at a breakthrough in relations between South Africa and Mozambique: "Without getting into details, I have reason for cautious optimism for an improvement in relations. Obviously it would be encouraged by an Angolan settlement but it's an independent development."

Simon visited Mozambique prior to his arrival in South Africa.

The senator, who made an unsuccessful bid for the presidental nomination this year, is credited with having been instrumental in moves to ban direct flights between the US and South Africa, and has long been an outspoken critic of apartheid.

Regarding an internal political solution in South Africa, the Democrat said while he accepted there were "barriers to be crossed" on the path to full enfranchisement, "that doesn't mean there aren't interim steps that can be taken. It's not going to happen tomorrow but I want to help the process in any way I can."

He would not be drawn on whether his support of intensified sanctions against Pretoria might change in the light of his visit, saying he would "make a statement on the floor of the Senate" on his return to Washington.

However, he had little doubt that pressure would be stepped up unless Pretoria responded "positively. South Africa is one issue in the presidential elections," he said, "and it is not one that divides the two candidates markedly, although Dukakis has been more outspoken The push for change ... is going to be there no matter which leader is elected."

He said the "Dellums Bill", being considered on Capitol Hill, would not be passed this year, "but no-one can preclude the possibility in the future". The Bill provides for more stringent measures against Pretoria.

Simon would not "prescribe" to South Africans how they should solve their problems but stressed that the US saw certain basic premises as indicators of change.

"A series of steps need to be worked out jointly — between the government and meaningful leaders of the black community. By meaningful we are saying they cannot be Uncle Toms.

"We want meaningful participation by blacks in the system, and that means black members of parliament — and it means all the power no longer rests with the whites."

A timetable was essential to prove the government's sincerity, he said.

Asked if he believed the government was sincere when it claimed to be moving toward "real change", Simon said the South Africans were "like any other government. There are some who recognise the need for and want to achieve change, and some who resist. We have to encourage the former."

He would not reveal details of his almost two-hour-long meeting with Pik Botha — nor would he say in which camp he placed the foreign minister — but Botha seemed in a cheerful mood after the encounter.

Simon was forthright in his support of anti-apartheid groups. "They are serving the future of South Africa.". He condemned government moves to cut off support from the international community, and reserved special praise for the work of trade unions.

Unions were crucial, he said, not only for a transition period but for the economic future of the country.

The African National Congress was also a vital actor, he said. "There is no question that the ANC speaks for a great many people in South Africa. It is not the sole voice but it is an important and significant one."

Simon said he had discussed the South African situation with Democratic presidential nominee Dukakis. "His attitude is a constructive one."

E 80c (71c + 9c tax) B Day 26/8/88 (280) A TIMES MEDIA PUBLICATION



Senator Paul Simon hugs Pogiso Matshile at the Mamelodi SOS Children's Centre. Picture PHILIP LITTLETON

SOS Homes director begs Paul Simon to fight sanctions

CHRISTOPHER TUCHER

THE head of a black children's home which US Senator Paul Simon visited this week yesterday appealed to the senator to drop his support for sanctions.

SOS Homes national director "Pine" Pienaar said SOS had been hit by sanctions, with US funding dropping off as US firms withdrew from SA. Companies which used to provide more than half of SOS's funding needs, now supplied less than 25%.

"There are 300 black children less well-off than they might have been, had US companies not abandoned us," Pienaar said.

One of the children seen by Simon, three-year-old Pogiso Matshile, was found with his brother lying naked and shivering on the floor of a deserted Soweto home.

Their unmarried mother had been unable to care for them. They were found by social workers and taken to the SOS Children's Centre in Mamelodi. They will attend local schools and receive guardianship until they are old enough for vocational training or university.

Pienaar said one US corporation, Eastman Kodak, had promised SOS R250 000 for 1987. However, that year Kodak left SA and reduced its contribution to R100 000. Another reduced its support from R150 000 to R50 000 when it pulled out.

He said the SOS centre offers more than child care.

Its parent education programme addresses the problem of child abuse and neglect at its roots. Its youth leadership courses equip adolescents with skills to serve the community.

"Our mission is to help families stay together and, when they do not, to allow children to grow up in an environment as close to 'family' as possible," SOS Mamelodi director Elaine Davie said.

Pienaar said he wanted to beg Simon to fight sanctions.

"They harm the wrong people. They make those in government put up their backs and become even more obstinate. I come from Afrikaans stock and can attest to that."



ARRIVAL . . . State President Mr P W Botha at Crossroads with Mr Johnson Ngxobongwana



METAL BOX SCHOOL . . . US Senator Paul Simon and Congressman Richard Lehrman speak to children at a school in KTC which is a modified transport container. Picture ANDRE KOOPMAN

No alternative to sanctions — Simon



AFRICAN RHYTHMS . Mrs Elize Botha joins a Crossroads choir and marimba band on the xylophone with her husband, President P W Botha, while their host, Crossroads leader Mr Johnson Ngxobongwana, looks on during their tour of the squatter camp yesterday. 'THE TWO FACES OF CROSSROADS', reports PAGE 3. Picture GLENN SHERRATT

SENATOR Paul Simon — who left South Africa yesterday after a four-day whirlwind tour which swept him through Soweto and Crossroads — said he had come, seen but remained unconvinced that there was an alternative to sanctions

He had run "into a brick wall" when asked what the alternatives to sanctions were

The only question for the American Congress at present was whether existing sanctions ought to be "increased and reinforced"

He was hoping sanctions would raise the price of apartheid to the point where it would "no longer be feasible"

From his tour, and after speaking to businessmen, government and opposition politicians, and religious leaders, he had concluded that no apparent progress had been made in bringing black citizens into parliament.

Asked when apartheid would be dismantled, Senator Simon said South Africans would have to decide, but a final step could be to instal a white person in charge of security for a "certain number" of years.

The release of Mr Nelson Mandela without any change in the system would not lessen the "concern" of the United States, he said

While he had not met any blacks who told him they had lost their jobs through sanctions, he had met several blacks who opposed sanctions

"But on the whole blacks were for sanctions and whites against."

● Sanctions will help, Simon told Page 3

Blast at post office

DURBAN — An explosion rocked Westville post office outside Durban soon after 8 last night, damaging a wall and shattering windows No one was injured in the blast.

min from heart of city

ng terror

Cape Times 27/10/88

the neld

bers of the sion of two se in Salt

tip-off that River area. with three m, it drove

roads the umped out. stol and a

further a only to be

is arrested yden Road. ed as mem-

pdi. In De- if his gang ed murder, drax.

By CHRIS BATEMAN

JUST 10 minutes from the centre of Cape Town, hundreds of gangsters have fought out a bloody battle which has claimed at least 18 dead.

And police Major Andre Mostert has, on high-level orders, launched an unprecedented campaign to halt the "Chicago-style" mob killings.

'Clean-up'

Already more than 100 gangsters have been netted in the clean-up, with 76 facing a variety of charges, including murder

As the violence has escalated, the rivalry between the four largest and most feared gangs has led to a series of increasingly brutal raids and counter-raids on homes and even schools.

Last month the seething tensions which have gripped the lives of thousands of greater Guguletu's residents exploded into an orgy of death when, at the funeral of mobsters killed in earlier rounds of fighting, two youngsters were brutally hacked down before the horrified mourners

That attack triggered the police crackdown on the gangsterism — one of the most extensive seen in the Pensinsula in years.

In spite of the partial relief won for the hard-pressed residents by the police action, the gangland warfare which claimed its first victims only last June is never far from the surface.

Community split by gang violence: Cape Times investigation
See PAGE 5

In just six months since February this year, the fear of the rival gangs and their sometimes indiscriminate terror has permeated the lives of those who live in greater Guguletu — and has threatened the very fabric of township life

According to Major Mostert — on whose shoulders has fallen the task of curbing the violence — innocent citizens have been among the victims of fighting.

Police know of about 230 mobsters but the gangsters themselves say that a hard core of about 300 combatants are engaged in the life and death struggle for control of the township

Although ages of the gangsters ranges from 12 to 40, most are of school-going age

Though the police action — which at times has seen dozens of police present in a bid to halt the fighting — has brought some relief, many are fearful of a resurgence of violence once the prison-hardened youths get back on the streets

'Peace talks'

There has been at least one major attempt at "peace talks" at the Luyolo Centre in Section 3 — in November last year — but this ended in acrimony and accusation.

The suggestion of another peace meeting was welcomed by Major Mostert who said he would back anything that would help cut his case load

A welfare organization worker and resident said the gangsterism was a social problem.

SA canned fruit exports 'quite good'

G/t ARGUS 3/7/88

By DICK USHER
Business Staff

SOUTH African canned fruit exports are holding their own in a difficult market, according to the main exporters.

Mr Carel Stassen, chief executive of Langeberg, said exports were "quite good" considering sanctions against South Africa which had lost this country markets in the United States, Canada and Scandinavia.

Advantages

At the same time, the comparative advantage South Africa had enjoyed through the declining rand had been offset by domestic inflation and declining currencies of competitors, he said.

Mr Robin Merry, managing director of Gants, said that with the change in political emphasis some doors had closed but exporters had managed to expand in other markets, especially the Far East and Europe.

But exporters were managing to keep their heads above water even though the South African inflation rate tended to negate the benefits of a weaker rand.

"We are competing in a market where many of our competitors do not have the same inflation problem.

Competitive

"You cannot keep putting up prices if you want to remain competitive," he said

Other factors favouring South African exports were the quality, service and reliability exporters offered.

Senator Simon finds solution is not so simple

Political Correspondent

US SENATOR Paul Simon, who has left South Africa after a weekly visit, turned down an invitation to visit the Government in Cape Town to settlement talks with President P W Botha.

Cape Town to settlement talks with President P W Botha.

Government sources said police were present in the company that pro-sanctions politician could lead to a violent out-burst.

burst.

In the event, Senator Simon and Presidential Botha paid simultaneous visits on Friday to Crossroads, where the authorities are trying to relocate 70 000 people. Crossroads, "witdoek" faction ousted opposition comrades in battles that left two years ago.

"comrades" in battles that left two years ago.

In the press conference later Crossroads to that Senator Simon said he was impressed by the day, Senator Simon said he was impressed by the day, but admitted that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

deprivation in the

At a Press conference in Johannesburg, Senator Simon said he was impressed by the day, but admitted that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Cross-roads to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Comparred to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Compared to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Cross-roads to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Crossroads to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Compared to that in parts of Mozambique, where it was worse than in Mozambique. But in Mozambique, there was deprivation in the

Comparred

Cape NGK unhappy about petition call

Staff Reporter ARGUS 29/8/88 (280)

A BROADCAST call by the Nederduitse Gereformeerde Kerk on members to sign anti-sanctions petitions at services yesterday has come under fire from NGK churchmen in the Western Cape, who said it was not the style of the church.

The appeals were made to congregations at the weekend over SABC radio and television news broadcasts by Ned Geref Kerk chief executive officer Dr Pierre Rossouw as part of a campaign to help a black cleric collect more than a million signatures.

Dr Rossouw confirmed today he had appealed to members to sign petitions at their churches.

He said Bishop A Misya, the head of an independent black church, planned to take the signatures to the United States next week

Last Friday Bishop Misya discussed his plans with him and the chairman of the General Synod of the Ned Geref Kerk, Professor Johan Heyns

"Professor Heyns said the matter was urgent and decided we would reach members through the SABC," he said.

Dr Rossouw said he was "sorry" that members in the Western Cape had been upset.

In 1986 the Ned Geref Kerk had adopted a policy document, Church and Society, in which it spoke out against sanctions and disinvestment, he said.

"The petitions are on a par with this document"

However, Dr Dirk Hattingh, Moderator of the Ned Geref Kerk in the Western Cape, said calling on congregations to sign petitions was "like asking the church to become a political pressure group".

"The church has a task to speak out publicly, but it is another matter if members are called upon to sign petitions. This is not our style."

Ministers had called him between Friday and last night to voice their disapproval, he said.

"Not one minister was happy with the signing of petitions," he said.

Municipal

Vlok tells sanctions fans: Go

PRETORIA — South Africans seeking sanctions against the country and who did not consider it good enough for them any more should take their things and leave, Law and Order Minister Adriaan Vlok said yesterday, opening the Pretoria Show.

Vlok said far too many South Africans were criss-crossing the world with foreign money, from Moscow to Washington, promoting sanctions against the country.

They were not representing the interests of SA's millions of ordinary citizens, only their own.

"If SA is not good enough for them — if Moscow or Angola or Mozambique is better — take your things and leave," he said.

"Go and see whether you can live there in so much freedom and luxury as here in the Republic of South Africa."

Discussing terrorism, Vlok announced that Robert Moody, who averted a disaster on Wednesday when he warned police that a limpet mine had been placed in Standerton's main street, would receive a R1 000 reward.

He said the more the ANC tried to instill fear into South Africans, the more their attitude to wipe out terrorists would harden.

The time had come for South Africans, regardless of race or creed, to join forces and stand united against these forces of evil, Vlok said. — Sapa.

UK threat on US sanctions Bill

Own Correspondent

WASHINGTON. — The British government has threatened to bar US oil companies from further exploration and development in the North Sea if a US Bill imposing harsh new sanctions on South Africa becomes law.

The Bill would exclude foreign companies with links to South Africa from competing for oil, gas or coal exploration leases in the United States. Both Shell and British Petroleum, which have massive investments in the US, would be affected.

The threat, contained in a letter from the charge d'affaires at the British Embassy in Washington to a group of congressmen, has caused concern among US oil companies, especially Occidental which has huge investments in the North Sea, and outrage in the US Congress where it has been called "crude" and "inept".

One congressman, Mr Nick Rayhall, described it as "outrageous British interference in the domestic affairs of the United States". Another, Representative Robert Wise, said the letter was "a blow to Anglo-American relations".

The proposed US legislation, sponsored by Congressman Ronald Dellums, would impose an almost total trade embargo on South Africa. It would ban all US exports except those items which "relieve human suffering" and all imports except strategic

To page 2

Sept troop withdrawal promise

From page 1

minerals and all US companies would have to disinvest from South Africa within 100 days.

The British government's ire was aroused by Provision 304B in the Bill, written by Congressman Wise, which says that American subsidiaries of foreign oil companies would be barred from gaining US oil, gas or coal leases so long as their parent companies continue to operate in South Africa. Two British companies, Shell and BP, have investments in South Africa where they employ more than 12 000 workers.

They would be forced to choose between South Africa, which accounts for only about 1% of their earnings, and the American market where they have massive investments.

Millions

The companies would, under the new Bill, be barred from lucrative new oil leases in the Gulf of Mexico, the Baltimore Canyon and George's Bank off America's East Coast, and off the coast of California. Without the bids of these two major companies the price of the leases would fall and the US government would also lose millions of dollars.

The Bill began to go through Congress at the end of July. The acting charge d'affaires at the British Embassy, Mr Brian Crowe, made his demarche against it on August 2. He sent an identical letter to three US congressmen who serve on the House Interior Committee in an unsuccessful attempt to persuade the committee to recommend that Provision 304B should be dropped.

The Sunday Telegraph obtained a copy of the letter. The threat is in paragraph five: "If the US introduced legislation which resulted in BP and Shell no longer receiving equitable treatment when applying for US licences, then the British Government would certainly come under strong domestic pressure to retaliate against US oil companies operating, or wishing to operate, in the UK. Given the very substantial participation of US oil companies in the North Sea as well as the importance of the North Sea for their operations this is a situation which we very much hope will not arise."

L and CAPE 80c (71c + 9c tax) BDay 280 29/8/88 A TIMES

Britain throws down gauntlet to US over SA sanctions

Own Correspondent

WASHINGTON — Britain threatens to bar US oil companies from more North Sea exploration and development if the Dellums Bill's harsh sanctions on SA becomes law.

The Bill — the Anti-Apartheid Act Amendments of 1988 — would exclude foreign companies with SA links from competing for oil, gas or coal exploration leases in the US.

Shell and BP, which have massive investments in the US, would be affected.

The threat, in a letter from the charge d'affaires at the British Embassy in Washington to a group of congressmen, has caused concern among US oil companies with huge investments in the North Sea.

The British threat has also caused outrage in the US Congress where it was called crude and inept.

Congressman Nick Rayhall described it as "outrageous British interference in the domestic affairs of the US".

Another, Robert Wise, said the letter was a blow to Anglo/American relations.

He said: "It is a clear piece of meddling. If it has any effect it is to make us dig our heels in."

The proposed US legislation would impose an almost total US trade embargo on SA. All American companies would have to disinvest within 100 days.

The Bill has been approved by the House of Representatives but its long-term prospects are dim. On September 9, it goes to the Senate where the moderate Republicans are almost certain to vote against it.

Conservative Democrats are not in favour and even the Democratic leadership is in two minds.

The British government's ire was aroused by a provision, written by Wise, which said American subsidiaries of foreign oil companies would be barred from gaining US oil, gas or coal leases so long as their parent companies continued to operate in SA.

Shell and BP have large investments in SA where they employ more than 12 000 people.

Shell has US oil leases on the Outer Continental Shelf and BP has leases in Alaska and the Gulf of Mexico.

Sanctions stalled

SA gets a breather as US Senate runs out of time

From ALAN DUNN, The Argus Foreign Service

WASHINGTON. — The US Senate's leadership has decided against imposing further sanctions against South Africa this year as lawmakers scramble to complete their legislative programme before the November 8 elections.

Senate majority leader Senator Robert Byrd and his minority counterpart, Republican Senator Robert Dole, have apparently rejected further legislative action against South Africa this year because of time constraints on the upper chamber.

"The South African Bill is just sitting there amid a constellation of domestic issues," said a Senate aide.

The decision, taken as Senator Byrd and Senator Dole prepare the chamber's agenda for the year's final sitting starting next week, effectively stonewalls a Bill passed early this month by the House of Representatives.



Senator Dole



Senator Byrd

The House voted for almost total sanctions against South Africa, forcing a rapid withdrawal of all American companies from the Republic, cutting virtually all trade between the countries, and ordering an end to most US investment in South Africa.

Congress is in recess. It restarts next week and Senator Byrd, who has strongly supported restrictions on South Africa, wants Congress to recess for the elections by early October.

In the legislative time available, he wants to deal with numerous domestic spending Bills which in recent years have been piled together in nightmare "continuing resolutions".

Word of the Byrd-Dole agreement confirms conventional wisdom in Washington that there was less appetite this year among senators, at least, for tighter measures against South Africa.

General feeling on Capitol Hill was that if a Sanctions Bill had passed the Senate this session, it would not have had the two-thirds support (66 votes) necessary to beat President Ronald Reagan's inevitable veto of restrictions against South Africa.

It is not yet known how liberal Democrat senators will greet news of the legislative agenda excluding South Africa. They were expecting a Senate Foreign Relations committee hearing on sanctions next week.

An aide to Senator Edward Kennedy, a pro-sanctions hardliner, said early this month he may attach the Sanctions Bill as an amendment to another, unrelated Bill if sanctions were not brought to the Senate floor for debate and vote.

If he or other senators do force the issue, then the South Africa Bill will, in terms of the Byrd-Dole programme, be given limited debating time on the Senate floor when lawmakers such as conservative Senator Jesse Helms are sure to "filibuster" proceedings — stretch them beyond the time alloted them by continuously speaking, holding the floor until the clock runs out, thereby blocking a vote.

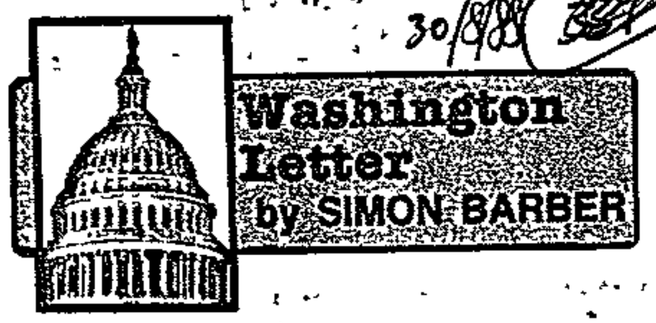
Incompetence

Meanwhile, US Congressmen have accused Britain of interference and incompetence over the British Embassy's handling of a lobbying campaign intended to influence a South African sanctions vote in the House of Representatives this month.

The dispute was sparked by letters sent by the acting charge d'affaires in Washington, Mr Brian Crowe, who warned three Congressmen and the US State Department that Britain might retaliate against US oil companies operating in the North Sea if the law was passed.

The British action appears to have been prompted by Royal Dutch Shell, the parent company of Shell UK, which has been described as the "strongest opponents of the Bill."

Washington's best reasons for sanctions against SA



SINCE the question of the moment seems to be "and what did you do in the Vietnam war?" let me note in passing that Congressman Howard Wolpe, chairman of the House Africa sub-committee, avoided the draft on an educational deferment.

It is hard to imagine a more futile sacrifice than that of those who served and died that the Wolpe intellect might be perfected.

But I digress.

Wolpe has now vouchsafed to us the fullest and most considered statement to date of why House Resolution 1580/5175, the Anti-Apartheid Amendments Act of 1988, should become law or, to be more precise, why all the major arguments against it can be dismissed.

This statement, inserted into the Congressional record's transcript of the August 11 "debate" that ended with the House of Representatives passing the bill by 244 votes to 132, is the congressional sanctions movement's bottom line, its best shot, the supreme product of its finest minds.

It is presented as a series of detailed rebuttals to the criticisms that apparently worry the sanctioneers most. The texts of a few newspaper articles are thrown in to add artistic verisimilitude. Get yourself a cup of coffee, sit down and take a few deep breaths.

Recent polls

Here are the main points:

Criticism: Surveys show that a majority of blacks do not support comprehensive sanctions.

Rebuttal: They show nothing of the kind. "The most respected and sophisticated recent polls (Case and Markinor) report overwhelming support for broad sanctions by blacks... virtually all non-government polls show that blacks endorse overwhelmingly the political leadership that is calling for mandatory comprehensive sanctions."

"The two major democratic trade union federations in South Africa, Cosatu and Nactu, with more than 1,1 m paid-up members, have also endorsed such sanctions"

Criticism: What about the Cosatu study warning of mass unemployment, the January 1987 report issued by the Catholic bishops and Cosatu vice-president Chris Dhlamini's televised remarks opposing disinvestment?

Rebuttal: All have been misinterpreted. Dhlamini meant that all foreign firms should depart but leave behind their physical assets "Since his statement and the draft Cosatu study, Cosatu and Nactu, in democratic meetings, have clearly endorsed comprehensive sanctions ... their leaders testified to this before congress last November"

The Catholic bishops' report was prepared by a lay group and "not adopted by the bishops". In any event, it also concluded that sanctions had a "contructive effect on business attitudes" and were favoured by "informed blacks".

Attempts to use the report to counter sanctions have been rejected by the acting president of the SA Catholic Bishops Conference. He stated: "All sorts of misinformation was given to the public last year about the bishops having reversed their (May 1, 1986) decision. This was absolutely incorrect."

Criticism: Sanctions only harden the attitude of the government and white electorate and promote the right-wing Conservative Party.

Rebuttal: White South Africans have "naturally" reacted "defensively" to external pressures but those same pressures have led to dialogue between Afrikaners and the ANC, the "critical new ferment" in the Dutch Reformed Church and the Broederbond and the abolition of the pass laws

Besides, the government itself concedes sanctions are working. Note, for example, Reserve Bank governor Gerhard de Kock's statement last September: "The outflow of capital, the emigration of skilled people, the large discount on the financial rand and the decline in fixed and inventory investment are all sending us messages that we must heed ...

"We must, first and foremost, convince both the outside world and ourselves that we are continuing on the road of peaceful and constitutional reform."

50% success

Observe also remarks by Trust Bank MD Chris van Wyk to the Wall Street Journal — "I'm fed up with the feeling that we can go it alone — we can't ignore what sanctions and disinvestment have done" — and the new study by JCI economist Ronnie Bethelehem showing that even incomplete sanctions will "ensure a disaster in 12 to 20 years' time".

Criticism: Economic sanctions are almost always ineffective Panama is but the latest example.

Rebuttal: The most comprehensive study to date (Economic Sanctions Reconsidered, by Gary Hufbauer and Jeffrey Schott of the Institute for International Economics) shows that sanctions have had a 50% success rate in forcing regimes to change Examples include Chile, Uganda, Anastasio Somoza's Nicaragua and Rhodesia

Current sanctions against Panama are "much weaker" than those contained in the bill and have been sold as a "quick fix" as opposed to the "short or medium-to-long term strategy" (sic) envisaged by congress

Criticism: Since sanctions won't be very effective unless they are multilateral, we should not impose ours until everyone else agrees to act.

Rebuttal: This is a "recipe for inaction". "Historically, South Africa's major trading partners have shown the are willing to act only when the US, as the leader of the West, has demonstrated the political will to lead"

Criticism: Economic sanctions will help prevent the black majority from building an economic base to improve their political position.

Rebuttal: The concept of "black empowerment" through economic muscle is a "mirage". The Soviet Union and nazi Germany demonstrated that economic expansion and totalitarianism are thoroughly compatible.

Black business is "too weak and dependent on the state" to be an effective force against apartheid Organizations such as the SA Bus and Taxi Association "cannot erode apartheid's structures" Sabta "functions as a part of the apartheid system; not as an instrument to challenge that system".

Unions "cannot hold on to their economic gains while the state sponsors new anti-trade union legislation; bans all political activity by the largest trade union federation, and sends its security forces into labour disputes with guns and whips.

"It is precisely out of a recognition of the need to acquire a political base that the major South African trade unions are appealing vehemently for comprehensive economic sanctions if we truly want to strengthen black muscle, we will heed these pleas"

Criticism: Existing sanctions have cost the US coal industry $250 m. The new bill will cost American holders of South African gold-mining stocks $1,2 bn and throw 11 000 out of work in the American oil industry over the next 11 years.

Rebuttal: All lies. The coal loss estimate is based on a study financed by the South African Chamber of Mines that has been described by the Journal of Commerce as "voodoo econometrics". The likely losses to US shareholders have been grossly exaggerated by a study that "ignores the trendline of substantial and continuing losses from market and political developments without legilsation". Besides, investors should have known better

The assumption that denying oil leases to companies that continue to do business in South Africa is "extremely dubious". According to "its own executives", Shell's European parent would not "choose to forego its highly lucrative oil leasing programme in the US rather than abandon its less significant investment in South Africa". Further, in the event that Shell continued to operate in SA, new companies would take up any slack cause by its withdrawal from US leases



Howard Wolpe ... avoided draft.

Criticism: While strategic minerals are exempted from the bill's total trade embargo, South Africa might retaliate with sanctions of its own.

Rebuttal: Highly improbable. As Business Day recently editorialized. "The US will not fold meekly in the face of a South African ban on minerals sales." In any event "the West would hardly be driven to its knees by a strategic minerals embargo".

"Over the short term, public and private stockpiles would cushion the blow. There would be problems of industrial adaptation and some added inflation. But over time, experts agree, these problems could be overcome through the exploitation of domestic and non-Soviet foreign resources and the use of existing and new technologies permitting substitution and conservation."

Illegal

Criticism: Passage of new sanctions could disrupt the promising diplomacy towards Namibian independence and Cuban troop withdrawal from Angola.

Rebuttal: It "remains to be seen" whether South Africa is serious about ending its "illegal occupation" of Namibia. If indeed Pretoria is serious "it is because of ... the movement of Cuban troops to the Namibian border and imminent house passage of sanctions legislation".

"A refusal to pass sanctions would only encourage further South African procrastination and ... increased domestic repression and regional aggression against neighbouring countries".

There you have it. The deeply considered defence of HR 1580 — or HR 5175 as it has now become in the version passed by the house — courtesy of Wolpe and his all-star cast of advisers.

Everyone will no doubt have found their own favourite piece of cretinousness but for my money it has to be the list of places where sanctions worked. To hold up post-Amin Uganda, or post-Somoza Nicaragua, or post-Allende Chile as shining examples of what Congress hopes to achieve in South Africa ... well, that just about says it all.

One final point. Many South Africans still seem to believe that sanctions will go away "if only people knew the facts". I can offer no better disproof of that proposition than the foregoing

30/8/88 080 BDay

Dismissed: those arguments against full sanctions

SIMON BARBER in Washington

SINCE THE question of the moment seems to be: "And what did you do in the Vietnam War?" let me note in passing that Congressman Howard Wolpe, chairman of the House Africa Sub-committee, avoided the draft on an educational deferment.

It is hard to imagine a more futile sacrifice than the one made by those who served and died that the Wolpe intellect might be perfected. But I digress.

Wolpe has now vouchsafed us the fullest and most considered statement to date of why HR1580/5175 — the Anti-Apartheid Amendments Act of 1988 — should become law — or, to be more precise, why all the major arguments against it can be dismissed

This statement, inserted into the Congressional record's transcript of the August 11 "debate" that ended with the House of Representatives passing the Bill by 244 votes to 132, is the Congressional sanctions movement's bottom line, its best shot, the supreme product of its finest minds.

It is presented as a series of detailed rebuttals to the criticisms that apparently worry the sanctioneers most. The texts of a few newspaper articles are thrown in to add artistic verisimilitude. Get yourself a cup of coffee, sit down and take a few deep breaths. Here are some main points.

Criticism: surveys show that a majority of blacks do not support comprehensive sanctions.

Rebuttal: they show nothing of the kind. "The most respected and sophisticated recent polls (Case and Markinor) report overwhelming support for broad sanctions by blacks ... virtually all non-government polls show that blacks endorse overwhelmingly the political leadership that is calling for mandatory comprehensive sanctions.

"The two major democratic trade union federations in SA, Cosatu and Nactu, with more than 1,1-million paid-up members, have also endorsed such sanctions."

Criticism: what about the Cosatu study warning of mass unemployment, the January 1987 report issued by the Catholic Bishops and Cosatu vice-president Chris Dhlamini's televised remarks opposing disinvestment?

Rebuttal: all have been misinterpreted. Dhlamini meant that all foreign firms should depart but leave behind their physical assets. "Since his statement and the draft Cosatu study, Cosatu and Nactu, in democratic meetings, have clearly endorsed comprehensive sanctions ... their leaders testified to this before Congress last November."

The Catholic Bishops' report was prepared by a lay group and "not adopted by the bishops". In any event, it also concluded that sanctions had a "constructive effect on business attitudes" and were favoured by "informed blacks".

Attempts to use the report to counter sanctions have been rejected by the acting president of the SA Catholic Bishops' Conference. He stated: "There were all sorts of misinformation given to the public last year about the bishops having reversed their (May 1, 1986) decision. This was absolutely incorrect."

Criticism: sanctions only harden the attitude of government and white electorate, and promote the right-wing Conservative Party.

Rebuttal: white South Africans have "naturally" reacted "defensively" to external pressures, but those same pressures have led to dialogue between Afrikaners and the ANC, the "critical new ferment" in the Dutch Reformed Church and the Broederbond and abolition of the pass laws.

Besides, government itself concedes sanctions are working. Note, for example, Reserve Bank Governor Gerhard de Kock's statement last September: "The outflow of capital, the emigration of skilled people, the large discount on the financial rand and the decline in fixed and inventory investment are all sending us messages that we must heed ...

"We must first and foremost convince both the outside world and ourselves that we are continuing on the road of peaceful and constitutional reform."

Observe also remarks by TrustBank's Chris van Wyk to the Wall Street Journal: "I'm fed up with the feeling that we can go it alone — we can't ignore what sanctions and disinvestment have done. And the new study by JCI economist Ronnie Bethlehem showing that even incomplete sanctions will 'ensure a disaster in 12 to 20 years' time'."

Criticism: since sanctions won't be very effective unless they are multilateral, we should not impose ours until everyone else agrees to act.

Rebuttal: this is a "recipe for inaction". "Historically, SA's major trading partners have shown they are willing to act only when the US, as the leader of the West, has demonstrated the political will to lead."

Criticism: economic sanctions will help prevent the black majority from building an economic base to improve their political position.

Rebuttal: the concept of "black empowerment" through economic muscle is a "mirage".

Black business is "too weak and dependent on the state" to be an effective force against apartheid. Organisations like the SA Bus and Taxi Association "cannot erode apartheid's structures". Sabta "functions as a part of the apartheid system, not as an instrument to challenge that system".

Unions "cannot hold on to their economic gains while the state sponsors new anti-trade union legislation, bans all political activity by the largest trade union federation and sends its security forces into labour disputes with guns and whips.

"It is precisely out of a recognition of the need to acquire a political base that the major South African trades unions are appealing vehemently for comprehensive economic sanctions ... if we truly want to strengthen black muscle, we will heed these pleas."

Criticism: existing sanctions have cost the US coal industry US$250m. The new Bill will cost US holders of South African gold mining stocks US$1,2bn and throw 11 000 out of work in the US oil industry over the next 11 years.

Rebuttal: all lies. The coal loss estimate is based on a study financed by the SA Chamber of Mines that has been described by the Journal of Commerce as "voodoo econometrics". The likely losses to US shareholders have been grossly exaggerated by a study that "ignores the trendline of substantial and continuing losses from market and political developments without legilsation". Besides, investors should have known better.

The assumption that denying oil leases to companies that continue to do business in SA is "extremely dubious". According to "its own executives," Shell's European parent would not "choose to forgo its highly lucrative oil leasing programme in the US rather than abandon its less significant investment in SA"

Criticism: while startegic minerals are exempted from the Bill's total trade embargo, SA might retaliate with sanctions of its own.

Rebuttal: highly improbable. As Business Day recently editorialised: "The US will not fold meekly in the face of a South African ban on minerals sales" In any event, "the West would hardly be driven to its knees by a strategic minerals embargo".

Criticism: passage of new sanctions could disrupt the promising diplomacy towards Namibian independence and Cuban troop withdrawal from Angola

Rebuttal: it "remains to be seen" whether SA is serious about ending its "illegal occupation" of Namibia. If indeed Pretoria is serious, "it is because of . the movement of Cuban troops to the Namibia border and imminent House passage of sanctions legislation."

There you have it. The deeply considered defence of HR1580 — or HR5175 as it has now become in the version passed by the House — courtesy of Wolpe and his all-star cast of advisers.

Everyone will no doubt have found their own favourite piece of cretinousness, but for my money it has to be the list of places where sanctions worked. To hold up post-Idi Amin Uganda, or post-Somoza Nicaragua, or post-Allende Chile as shining examples of what Congress hopes to achieve in SA ... well, that just about says it all.

One final point. Many South Africans still seem to believe that sanctions would go away "if only people knew the facts". I can offer no better disproof of that proposition than the foregoing.

Report on Alexandra

IT HAS been drawn to our attention that attorney Norman Manoim was incorrectly quoted in our edition of August 25, 1988, concerning the Alexandra Action Committee (AAC). Mr Manoim did not state that 40 members of the AAC were presently in detention but that he believed that about 40 people from Alexandra had been detained in terms of security legislation since 1986.

Mr Manoim furthermore did not describe the AAC as "the political faction which tried to keep out the police and implement a grassroots scheme of street and yard committees along union lines". He pointed out that there was an allegation in a current Rand Supreme Court trial that certain AAC members had launched a campaign against the South African Police Force and that the truth of this allegation was being contested.

Mr Manoim also says a statement made by him concerning urban conflict causing government to change has been taken out of context. Mr Manoim said that only after an urban conflict in the mid-Eighties did the State rethink its plan for Alexandra.

Any embarrassment caused is regretted.

Disinvestment will hit social aid programmes

30/8/88 Star 280

By Clare Harper

American disinvestment from South Africa would entail the loss of some R93 million annually in contributions to educational, welfare, housing and social justice projects, according to the American Chamber of Commerce in South Africa (ACCSA).

From the period July 1986 until June 1987, 134 American subsidiaries contributed R93 million, of which R31 million was spent on educational assistance, R3,2 million on housing, R9,4 million on health/welfare, R14,6 million on civics and recreation, R9,6 million on assistance to black business and R25,8 million on social justice aid.

Based on these figures, the 160 American subsidiaries which have pulled out of South Africa since 1983, might have contributed an additional R100 million to such projects, the executive director of ACCSA, Mr Adrian Botha, said.

Signatories to the statement of principles of the Sullivan Code contribute between 10 and 15 percent of their annual payroll to educational, housing and social justice projects.

But, according to reports, Carlton Paper Corp Ltd, has increased its profits by R2 million by withdrawing its social responsibility programme.

US ban on trade delayed

SA gets sanctions breather

By Alan Dunn, The Star Bureau

Washington

The United States' Senate leadership has decided against imposing further economic sanctions on South Africa this year as lawmakers scramble to complete their legislative programme before the November 8 election.

Senate majority leader, Senator Robert Byrd and his minority counterpart, Republican Senator Robert Dole, have apparently rejected further legislative action against South Africa this year because of time constraints on the upper chamber.

"It (the South African Bill) is just sitting there amidst a constellation of domestic issues," said a Senate aide well acquainted with the anti-apartheid issue.

The Byrd-Dole decision, taken as the two leaders prepared the chamber's agenda for the year's final sitting starting next week, effectively stonewalls a Bill passed early this month by the House of Representatives.

The House voted for almost total sanctions against South Africa, forcing a rapid withdrawal of all American companies from the Republic, cutting virtually all trade between the countries and mandating an end to most American investment in South Africa.

Word of the Byrd-Dole agreement confirms that there appears less appetite this year among senators, at least, for tighter measures.

General feeling on Capitol Hill was that if a sanctions Bill had passed the Senate this session, it would not have had the two-thirds support (66 votes) necessary to beat President Ronald Reagan's inevitable veto of restrictions he dislikes against South Africa.

It is not yet known how liberal Democrat senators will greet news of the legislative agenda excluding South Africa.

An aide to Senator Edward Kennedy, a pro-sanctions hardliner, said early this month he might attach the sanctions Bill as an amendment to another, unrelated Bill, if sanctions were not brought up for debate and vote.

Then lawmakers such as conservative Senator Jesse Helms are sure to "filibuster" proceedings — stretch them beyond the time allotted them by holding the floor until the clock runs out, thereby blocking a vote.

Eye-in-sky plan to spy on sanctions

CAPE TIMES 31/8/88

280

LONDON. — A sanctions plan involving Russian and American space satellites spying on shipping around South Africa is being proposed by a former Labour foreign secretary, Dr David Owen.

Dr Owen, who now leads Britain's small Social Democratic Party, has put forward his proposal in an SDP policy document to be debated at next month's party conference.

He is advancing a two-stage plan to impose a comprehensive trade embargo on South Africa.

Dr Owen says the plan is aimed at providing the basis for contingency planning by Britain, the US, France, Canada and Germany to enable a United Nations sanctions blockade to be implemented if the South African government fails to enter into "prompt and meaningful negotiations for the abolition of apartheid and the creation of a non-racial South Africa".

The plan calls for a number of measures to be adopted immediately, including a European Economic Community ban on coal imports from South Africa and more effective implementation of existing bans on iron and steel imports, oil exports and civil nuclear power co-operation.

It also urges Britain to propose a UN ban on all direct overseas flights to South Africa, and increased bilateral aid to the black frontline states.

The first stage of the plan envisages a ban on all ship movements in and out of South Africa.

"This would require the US and Soviet Union to make available information from space satellites on the movement of all ships entering or leaving South African ports and to monitor those ships to their destination."

The UN would be informed of all ship movements and could demand that no member state handle such cargoes.

During this stage South African goods could continue to travel by road and rail through black African states.

The second stage of the plan envisages a total ban, but only if the US provides military guarantees against South Africa invading its neighbours. — Sapa

An idea that's better than sanctions

In the intellectual tide of our times, Americans' increasing resort to sanctions to end apartheid in South Africa is an extraordinary contradiction of one of their own profoundest tenets.

Freedom to create wealth is being inhibited in a small faraway state in which a white minority fails to follow the US example of full acceptance in the body politic.

Fortunately, intellectual acquiesence in this course from the more mature nations of western Europe — none of which has faced absorbing a considerable minority of another race, let alone a majority — is still uncertain. British Prime Minister Mrs Margaret Thatcher is adamantly opposed to sanctions as a policy instrument, and from its headquarters in Paris the International Chamber of Commerce has warned the US Congress against trying to force European companies into sanctions.

WEALTH CREATION

Western Europe happens to have embarked on a modern wealth creation course of its own, uniting its markets so that in combination they may come to rival that of the US. It's been a testing course, requiring great perseverance against the odds of centuries-old national chauvinism .. but 1992 has been set as the year in which all national economic protectionism will fall away.

Europe may be preoccupied. But it should not be beyond its intellectual resources — particularly when it is under pressure to follow an uncongenial course towards South Africa — to discover that a much better response to the need to end apartheid lies in its own vision. (Certain of its intellectuals have already tried to apply a generous US vision of the past — post-war Marshall Aid — to the SA situation, suggesting that it should be the "bait" for whites to abandon apartheid.)

BY RON SCHURINK

Even more than Europe, we need to move to government shared between peoples, which a multilateral system makes possible.

In a debate now taking place in the quarterly *International Journal on World Peace* (IJWP), published in New York, a South African academic, Professor C J Coetzee of the Institute for Political and Africa Studies at Potchefstroom, suggests that multilateral government of the type developing in Europe cannot be transferred to South Africa. Most western Europeans would probably agree with him on first hearing the proposition

To my mind, however this is much like saying that because electricity was first used for one purpose, it cannot be used for another

Multilateral government could be exceedingly useful when an established exclusive government in SA fears letting go of the reins for fear that they will be taken over by another, hostile, exclusive government.

In the IJWP issue to be published next month, Stellenbosch University Professor of Economics Jan Sadie says the use of economic community mechanisms in SA would be "the maximum variant of programmes for the devolution of political power" Federalism would be the minimum one and confederalism an intermediate.

It seems to me that Professor Sadie has a much clearer perception of the potential offered to us by the European example than does Professor Coetzee.

There can surely be some hope that European intellectuals could come to see multilateral government in South Africa as a far worthier cause than the sanctions pressed by the US House of Representatives' Dellums Bill.

Their adoption of the cause would be a powerful reason for white South Africans to surprise and confound the Dellums lobby by starting to set up, first perhaps, a multilateral authority to take over the running of State-owned macro-infrastructural railway and communication networks.

In his book "Quality is Free", American author Philip E Crosby writes that "people would rather handle the expected and mundane chores of today, like making a living. Typically, as individuals go through life, they collect a store of clichés and experiences that serve as a memory bank to draw on handling situations as they arise.

"New thoughts or unfamiliar ideas must survive their encounter with this memory and experience library. Otherwise, they are cast aside as unworthy.

NEW THOUGHTS

"It is this test of worthiness, this comparison with the past, that causes problems in the development and implementation of new thoughts and programmes .."

Economic and other pressures on white South Africans are now intensifying to the point where we surely must implement new thoughts and programmes — ahead of Government's reform and perhaps particularly the buckling tricameral parliament.

280

Cape Times 1/9/88

Simon convinced on sanctions

WASHINGTON, — Senator Paul Simon said yesterday he returned from South Africa convinced the United States must gradually step up economic sanctions to speed the end of apartheid.

"I think we have to step up sanctions. I think there's got to be a gradual increase so they get the clear signal we want peaceful change," Sen Simon, chairman of the Senate subcommittee on African affairs, said on US television.

Sen Simon met President PW Botha and other South African leaders during his visit and said he told them he did not expect dramatic change overnight "but two things have to happen: A dialogue between the government and real black leaders, and some kind of timetable for getting rid of apartheid..."

The US House of Representatives has already passed a sanctions bill, and Simon said he hoped Democrats and Republicans in the Senate would follow the House example and pass a bill without partisanship. — Sapa-Reuter

DR Danie Craven, president of the South African Rugby Board, last night strongly defended meetings that have taken place with sports administrators from African countries — including members of the banned African National Congress — and said a third meeting was scheduled for the near future.

Dr Craven said the talks had been his idea, and not that of the board. Transvaal Rugby boss Dr Louis Luyt attended the first two meetings and not Dr Craven, who had been ill. However, Dr Craven was planning to conduct the third session himself.

Dr Craven said last night: "Our motives are unblemished and pure — if we speak to the ANC it is because they are all around us, whether in underground organizations or as supporters belonging to organizations like SARU. We have to live with them.

"If the government can talk to Angola, why can't we do the same for sport?" Dr Craven said.

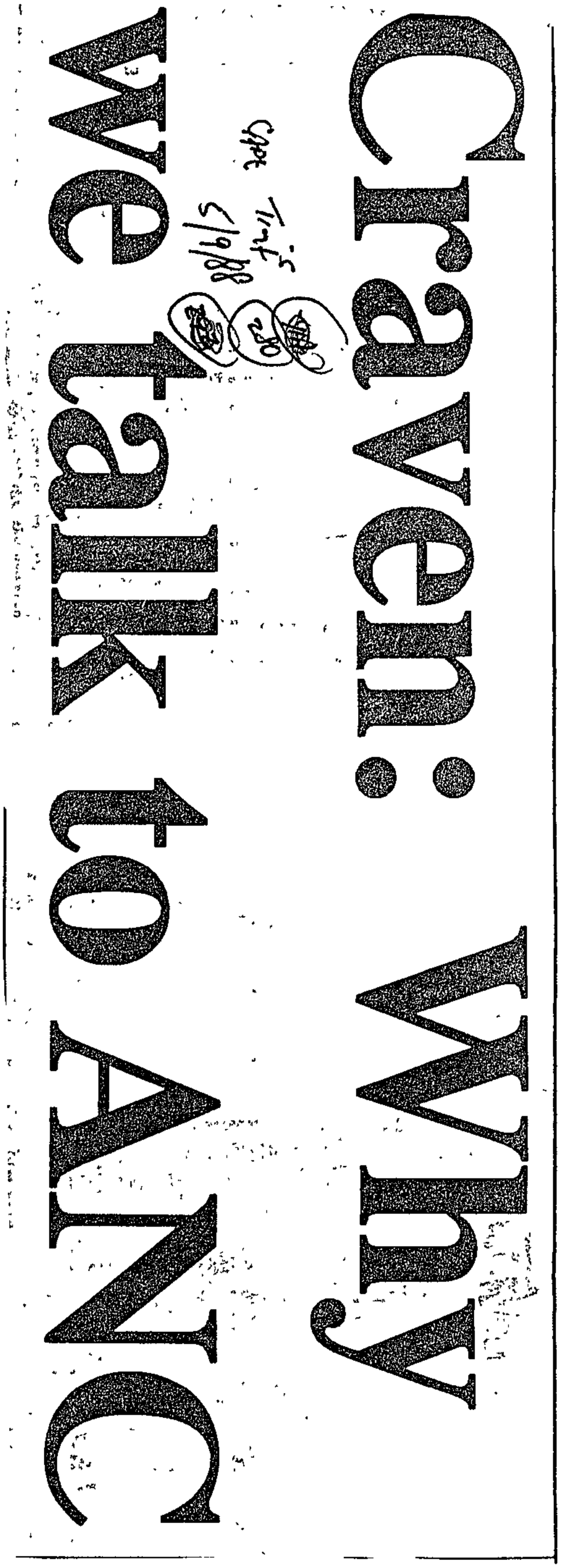
African bloc

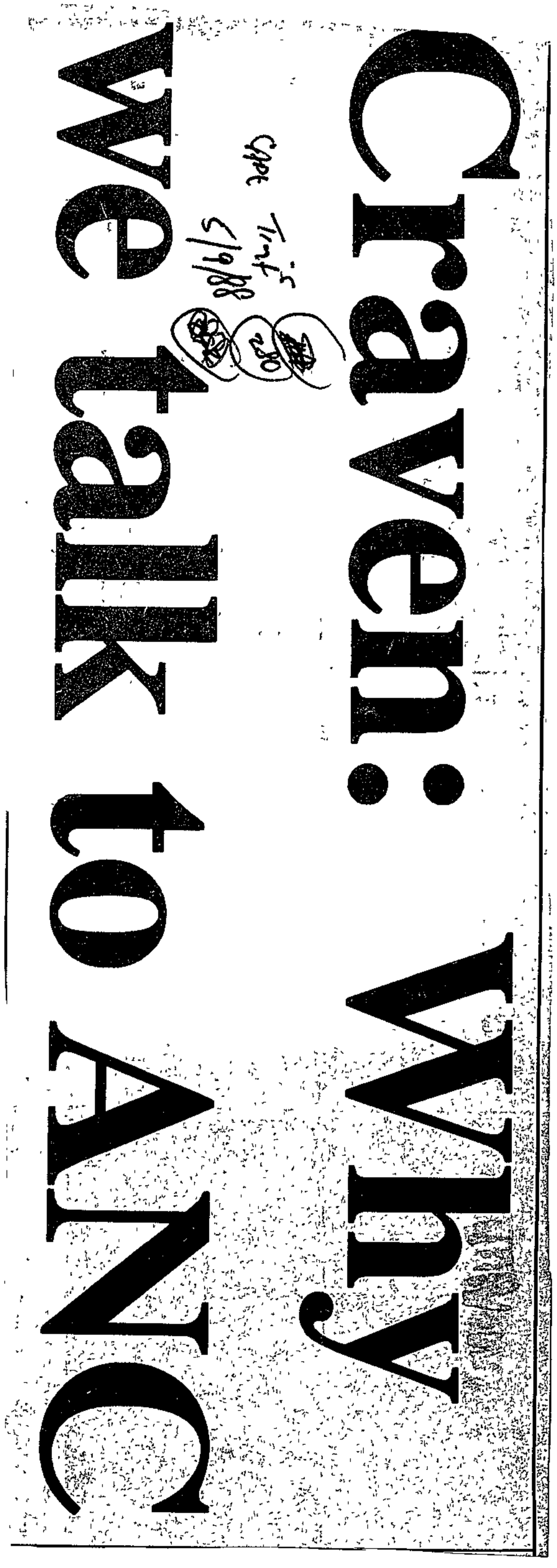
He said he would like to see an African bloc formed, with the SARB and black African states working as one in the rugby world.

"I have always said that South Africa's way back into the international arena is through Africa and have stressed this point to the SARB executive," Dr Craven said.

"I also told the executive I would continue to fight for SA rugby's return to the world arena and the way to start this process is through the African states," he said.

Dr Luyt, who said at the weekend that the meetings had yielded positive suggestions, presented a memorandum to the South African government after the second round of talks, but according to Dr Craven, there had been no reaction.





DR Danie Craven, president of the South African Rugby Board, last night strongly defended meetings that have taken place with sports administrators from African countries — including members of the banned African National Congress — and said a third meeting was scheduled for the near future.

Dr Craven said the talks had been his idea, and not that of the board. Transvaal Rugby boss Dr Louis Luyt attended the first two meetings and not Dr Craven, who had been ill. However, Dr Craven was planning to conduct the third session himself.

Dr Craven said last night: "Our motives are unblemished and pure — if we speak to the ANC it is because they are all around us, whether in underground organizations or as supporters belonging to organizations like SARU. We have to live with them.

"If the government can talk to Angola, why can't we do the same for sport?" Dr Craven said.

African bloc

He said he would like to see an African bloc formed, with the SARB and black African states working as one in the rugby world.

"I have always said that South Africa's way back into the international arena is through Africa and have stressed this point to the SARB executive," Dr Craven said.

"I also told the executive I would continue to fight for SA rugby's return to the world arena and the way to start this process is through the African states," he said.

Dr Luyt, who said at the weekend that the meetings had yielded positive suggestions, presented a memorandum to the South African government after the second round of talks, but according to Dr Craven, there had been no reaction.

Anglicans abandon debate on sanctions

Own Correspondent

MARITZBURG. — A controversial motion calling on the Diocesan Synod of the Anglican Church to move that the call for sanctions and disinvestment against South Africa was not the correct way to bring about peaceful change in the government's "unjust systems" was abandoned after a short debate during the synod's two-day sitting at the weekend.

The issue was earlier declared a "controversial motion" which required a two-thirds majority to be carried. However, after only three speakers addressed the thorny issue, a vote was taken and the motion was abandoned following a suggestion that the subject was too sensitive to allow some members to speak freely for fear of reprisals in the black townships.

The motion was proposed by Mr Alan Dorkin of the Bluff.

Earlier the Synod carried an amended motion to express its appreciation for the stand taken by Archbishop Desmond Tutu regarding the issues of apartheid and the need for justice in South Africa.

The original motion, proposed by Rev Canon A C A Parry of Kloof, carried the additional proviso that the Synod did not necessarily agree in every detail with what the Archbishop had done in expression of his conviction on these matters.

● The synod unanimously adopted a motion calling on the government to make provision for alternative community service in churches and community organizations, as well as government departments, for conscripts who found themselves unable to go to the army for ethical or political reasons.

● The synod called on the government to abolish capital punishment and commute the sentences of those presently on death row.

Sanctions video

A HIGHLY controversial 40-minute video, protesting at sanctions against South Africa, has been released for viewing by the South African public.

The video is produced by Professor Chris Barnard (left), Bill Faure (director of *Shaka Zulu*) and Stellenbosch surgeon/inventor Dr Robert Hall. In a statement, distributors Ucom said the video refutes the lies told by Winnie Mandela, ANC President Oliver Tambo, Archbishop Desmond Tutu and the Reverend Allan Boesak."

"The content aims to show to the world that punitive measures at this stage are pushing people to extremes — whether left or right — rather than bringing people together. "We believe it is the voice of the millions of people who do not want to be caught in the cross-fire of the extremes. It's an appeal to reason and moderation", said Dr Hall.

Moderate

"We are fighting anything that will in any way perpetuate apartheid and segregation. We want to see barriers coming down — it's time for moderate South Africans to stand up and be counted," said Mr Bill Faure.

280 Sowetan 6/9/88

Anti-boycott video angers pop star

By Clare Harper

The producers of the controversial anti-sanctions video "In Search of Moderation" have decided to remove a clip of singer P J Powers after she threatened legal action.

The row between Miss Powers and the producers erupted on Monday after the local celebrity "completely disassociated" herself from the video which she said was "blatantly political and one-sided".

Produced by Professor Chris Barnard and Stellenbosch surgeon/inventor Dr Robert Hall with film director Mr Bill Faure as technical adviser, the video was intended for overseas consumption, but was released locally three weeks ago.

Miss Powers said on Monday that she was taking legal advice to have "any trace of myself removed from the video. My permission was never sought to utilise an excerpt of me singing in the 1986 Song Festival".

Mr Faure said yesterday the clip of Powers performing her award-winning song "Sambonani" would be removed.

He said he was disappointed that Miss Powers planned legal action because he saw the video as an "anti-apartheid" and "anti-violence" film.

He said he found it strange that Miss Powers did not mind being used by the SABC, the Government's mouthpiece, but would not allow herself to be featured in a movie which called for peace.

Mr Faure said there had been a "misunderstanding" in that the producers did not know they had to clear the video with her, since they had bought the footage from the SABC.

The 40-minute video, which opens with a warning that it is not recommended for sensitive viewers, includes scenes of mob violence, "necklacings" and starving children in Ethiopia.

According to the producers, the content aims to show that punitive measures are pushing people to extremes — whether left or right — rather than bringing them together.



Oh no, you don't . . . pop singer P J Powers says the video is "blatantly political and one-sided".

"This film has been made out of a deep frustration at the lies told about South Africa," Professor Barnard said.

The producers hope the video — which costs R29,50 — will be bought by individual South Africans and sent to friends or influential people abroad.

The video is being distributed by Understanding Through Communication.

Sanctions impacting on supply of vital metals

By Neil Behrmann

LONDON — Sanctions are beginning to have an indirect impact on strategic metals mainly supplied by South Africa.

Such is the shortage of vanadium and chromium that London and New York metals dealers claim that the South African Government is encouraging producers to lower supplies of critical metals.

Prices of vanadium, which is used to increase the strength of iron and steel products, jet engines and aircraft frames, have soared in the past six months, they say, mainly because South African producers have withheld production from the market

Yet South African producers strongly deny the allegations.

"That is absolute nonsense," said John Hall managing director of Highveld Steel & Vanadium Corporation in Witbank. "We are a member of Anglo American Corporation, a politically liberal company that is independent of the Government," he said.

In a telephone interview, however, Mr Hall said that sanctions were having an indirect impact on supplies.

About 70 percent of Highveld Steel's vanadium was a co-product of the refinery's steel output , he said. The US, European Economic Community (EC) and Japan had barred imports of South African steel, he said With less steel to sell, the company's vanadium supplies slumped.

Sharp increase

"We are a commercial organisation," Mr Hall said. "If we had anticipated the sharp increase in demand, we would have built up stocks and would have sold more vanadium "

South African chromium producers also have not been able to meet demand because of a surge in orders from the stainless steel industry. That shortfall did not come about because of sanctions, say sources The mining industry did not anticipate the stainless steel boom, particularly in Japan.

Yet the shortage of ferrochrmoe has made life difficult for American speciality steel manufacturers.

American Metal Market, a trade magazine, reports that US steel mills are scrambling for ferro-chrome at higher and higher prices

Alleghney Ludlum, a specia lity steelmaker, says the availability of raw materials could limit the output of speciality materials

The company, the largest American buyer of chromium for stainless steel, is watching the ferrochrome market closely, particularly since rumours are spurring prices

Traders complain that South African ferrochrome contract prices for American customers are higher than quotes for Europeans

Samancor denies the company is discriminating against US customers, but dealers are concerned that this could be a counter-sanctions tactic

US industries have begun seeking alternative supplies of the metals, mainly from the USSR, the second-biggest producer.

Another alternative source of supplies is the US strategic stockpile. Yet stocks of these metals are so old, say dealers, that a large porportion of the metals would have to be reprocessed.

The increase in demand from heavy, light and electrical industries has created such shortages of some metals that they fear the impact of any further sanctions against South Africa, a major producer of these vital commodities.

Dealers are worried about South African production because the US House of Representatives last month voted in favour of even more stringent sanctions.

Alternative suppliers

The Bill, which must still go to the Senate, excludes a ban on imports of any strategic mineral that the President believes is essential for the economy, public health or defence of the US and is not available from alternative reliable suppliers.

Yet the market is uncertain whether a Dukakis Administration would impose a ban on some of the metals, say dealers.

It is also feasible that the South African Government could retaliate selectively by reducing supplies of vital metals that account for only a small proportion of the nation's exports, say dealers.

Daimler threat to pullout 'is unlikely'

BRONWYN ADAMS

DAIMLER-BENZ was unlikely to threaten withdrawal from SA over the current three-week-old illegal strike at Mercedes' East London plant, Mercedes representative Delene MacFarlane said yesterday.

She said the issue of lack of order — which preceded Daimler's last withdrawal threat — had not arisen and production was still continuing.

Over the past 12 months Mercedes has experienced six major incidents of unrest, ranging from legal to illegal industrial action, leading to the loss of a total of 109 working days.

Several causes have been recorded, ranging from wage disputes to inter-union violence.

MacFarlane said Numsa had withdrawn its court application, due to be heard yesterday, to obtain an interdict forcing management to separate disciplinary cases involving two shop stewards from that of another union member.

She said she was unclear as to exactly what application Numsa was making, but stated Mercedes would oppose any such application.

She said a new hearing was due to be convened tomorrow in the Grahamstown Supreme Court.

The dispute arose when management and the union could not agree on the disciplinary measures to be followed in terms of three suspended employees.

'Sanctions to deprive projects of R9,5bn'

BLOEMFONTEIN — Sanctions and boycotts would deprive SA of R9,5bn earmarked for socio-economic upliftment programmes over the next five years, President P W Botha said yesterday.

He said these programmes would have to be postponed for 10 to 15 years or scrapped if the sanctions campaign intensified.

"The sanctions campaigners inside and outside SA must accept direct responsibility for this," he said.

Government believed constitutional development had to accompany socio-economic development.

Government was committed to socio-economic upliftment programmes, but its ability to carry them out was being curtailed by the sanctions campaign. — Sapa.

See Page 2

B'day & A/R 88 280

BUSINESS

Exploding the strategic metals myth

The anti-sanctions lobby argues that the United States needs South Africa's strategic minerals. But a new report says the US can get these metals from other sources. By STEVE ASKIN

THE United States can easily find other sources for the "strategic minerals" it currently imports from South Africa, argues a new study by an expert on Southern African mining

The report, by minerals economist Paul Jourdan of Harare's Institute of Mining Research, comes when some US mining officials are rethinking traditional assumptions that American strategic interests require access to South African minerals.

Minerals are a key issue in America's heated sanctions debate. An existing ban on US trade with South African government-related companies exempts 10 "strategic minerals" which the US State Department last year "certified" as essential imports from South Africa

Legislation for an otherwise near-total ban on trade with South Africa, approved by the US House of Representatives in August and up for Senate consideration, contains a similar exemption Conservatives in Washington have argued that strict sanctions could endanger US interests by provoking South Africa counter-sanctions in the form of a ban on mineral exports to the US

In a study titled "US Mineral Dependence on South Africa Exploding the Myths" Jourdan writes that some Reagan Administration claims about American import needs are so "blatantly ludicrous" as to provoke suspicion "that the apartheid regime has significant support in the State Department"

Other Southern African countries, Jourdan reports, can supply most of the 10 minerals and already export several to the US He also sees a tragic irony in using mineral needs to oppose sanctions because, he argues, Pretoria is partly to blame for the lack of alternative sources Jourdan estimates that South African "destabilisation" — chiefly through violence against Angola and Mozambique — has cost Frontline states more than US$4,5-billion (R10,8-billion) in lost mine production

He proposes a programme of "positive sanctions" to help them expand mining industries

Even without such action, if South African minerals were cut off tomorrow, the "extra cost to the US of switching suppliers would be negligible for all but two of the 10 certified minerals, Jourdan writes

His view is echoed in a January 1988 analysis of the State Department "certification" by the US Bureau of Mines and in a June 1988 report to Congress by its General Accounting Office

For the moment, the US can't boycott South African chromium and platinum without paying higher prices, said Jourdan USBM agrees, but says the added cost would be high only in the case of platinum

Jourdan also argues that South African chrome and ferrochrome can be replaced from a low cost source, if the US invested in expansion of well-developed mining and ferrochrome manufacture in Zimbabwe The cost advantage, he says, is that neighbouring Zambia and Mozambique can supply very cheap hydropower while Mozambique has ample supplies of the particular grade of coking coal needed in making ferrochrome

South African platinum, he adds, could be replaced by developing new mines to exploit known reserves in Zimbabwe and Botswana Several companies, including Anglo American, are already moving to exploit the frontline states' platinum

South African supplies of other "certified" minerals can easily and immediately be replaced, Jourdan and USBM agree. Jourdan explains that

●Two minerals are apparently "certified" only because Zairean cobalt and Zimbabwean chrysotile asbestos travel to the US via South African ports Existing railroads and ports in frontline states are equipped to take over these shipments, Jourdan reports. The US could make cobalt supplies more secure and reduce shipping costs by stopping support for Unita violence against the Benguela railroad — the most cost-efficient cobalt export line — and pressing South Africa to do the same

●Australia and Zaire are now the main producers of industrial diamonds If South Africa's De Beers Corporation, which controls diamond sales worldwide through the Central Selling Organisation, refuses to clearly identify the stones it sells by country of origin, the US has sufficient market clout to bypass them and buy direct from producing nations

●The world's main antimony producers, China and Bolivia, provide almost half of US imports and can replace South Africa's 14 percent share

●South Africa supplies under four percent of America's manganese ore It is important only for ferromanganese, which the US can produce by refining imported ore in its own under-used smelters

●As rutile is one of several ores bearing titanium, it should not have been singled out as "strategic" Canada and Australia are the world's main titanium producers and their reserves can meet US demand Additional reserves exist in the frontline states — including deposits along the Mozambique coast now being developed by an American mining company

●The US produces most of its own vanadium and can replace South African supplies, a mere nine percent of consumption from other sources

●The US doesn't need South African andalusite as it is the world's largest producer of a related mineral which can substitute for it, Kyanite

The silent revolution could overthrow mineral economies

The materials science and engineering revolution is a serious threat to Third World countries economically dependent on individual commodities. By TED MORELLO

THE economies of mineral-producing Third World countries are being jeopardised by space-age manufacturing techniques and the rush towards substitute materials, as the industrialised countries search for replacements of traditional major metals like iron, steel, copper, aluminium, tin, lead and zinc.

"New, lighter and better materials could have a devastating effect on the economies of developing countries which are too dependent on individual commodities," warns Dr Sergio Trindade, director of the United Nations Centre for Science and Technology for Development (CSTD).

According to a CSTD publication: "Some (Third World countries) fear that a new industrial wave made possible by metal composites, polymers, glass fibres and ceramics, will have an impact on their markets for traditional metals in much the same way as petroleum-based synthetics overran commodities like rubber, cotton and fibres three decades ago"

A survey published recently by the CTSD reveals

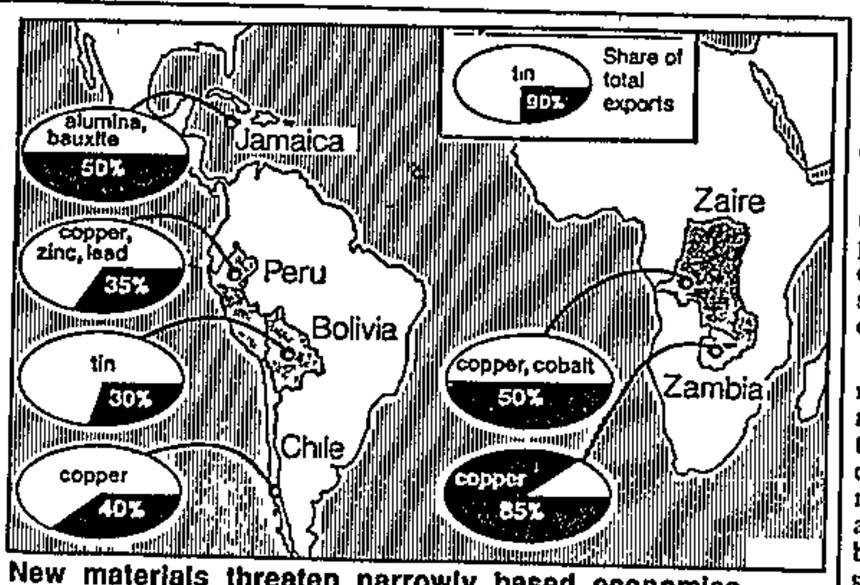
●The drop in per unit consumption in raw materials in Western industrialised countries between 1973 and 1985 amounted to 42 percent in the utilisation of tin, 35 percent in steel and 32 percent in zinc New materials will accelerate the process,

●Alloys, plastics and resin-based composites are steadily replacing the metal in passenger cars,

●The use of aluminium and plastic for packaging food and beverages has cut the market for tinplate in half,

●By the turn of the century, fibre-reinforced composites or aluminium lithium alloys are likely to have replaced most of the conventional alloys in aircraft structure Ceramics will probably replace metal turbines in aircraft engines,

●Because of their hardness and high-temperature strength, cutting tools made from silicon nitride-based materials are cutting machinery costs in industry The cost of wear and corrosion on metallic machinery parts is put at $10-billion (R24-billion) a year in the United States alone



New materials threaten narrowly based economies

Meanwhile, computer-based technologies, harnessed to industry's cost-lowering preoccupation, have produced near-miracles of design and processing For example, by reducing the thickness of containers, a US beverage-packaging company produces 7 000 more units a ton of metal than was possible a decade ago

In communications, satellites weighing under 250kg are doing the work of trans-oceanic telephone cables weighing 150 000 tons, and optical glass fibres are replacing copper in telephone trunk systems. Between 1980 and 1984, saving in copper averaged 200 000 tons a year in the US communications sector alone.

Environmental concerns and major savings benefits in both production energy and raw materials have spurred an upsurge in recycling which adds another dimension to the grim outlook for mineral producers.

It is estimated that in 1981-82 more than 48 percent of the lead, 38 percent of the copper, 27 percent of the aluminium, 24 percent of the zinc and 19 percent of the tin used in the West was recycled.

According to one recent projection of Western requirements for major minerals to the year 2000, there will be a steady decline in the demand for steel, copper, tin, lead and zinc, a mere two percent annual growth rate for aluminium and only modest growth in nickel.

Among Third World countries most likely to feel the pinch as principal producers are Chile (copper), Guinea, Jamaica and Brazil (bauxite), Peru and Mexico (zinc and lead), Brazil, China and India (iron ore) and Malaysia, Indonesia, Thailand and Bolivia (tin).

Trinidade emphasises that countries faced with the impact of change do have policy options but in order to act they must be made aware of their existence. An early awareness of scientific breakthroughs could be the first step in formulating active policy responses, the CSTD study says.

In a chapter dealing with metals, ceramics, polymers and composites, Professor Merton Flemings, head of the Materials Science and Engineering Department at the Massachusetts Institute of Technology, says such advanced structural materials present both opportunities and problems for all countries.

"Materials science and engineering is in the midst of a revolution — and one that is certain to be a key factor in shaping the global economy," he concludes. — Gemini News

Since its inception The Urban Foundation has significantly progressed in its aims of contributing towards the improvement of the quality of life in South Africa

RESEARCH ASSISTANT
HEAD OFFICE
JOHANNESBURG

A position for a recent graduate has been created in the Urbanisation Unit to assist with **research on urban policy and planning issues in the PWV.**

The ideal candidate will have:

- A degree/s, preferably with a combination of economics and town and regional planning as subjects
- Good communication skills
- Knowledge of and interest in the PWV
- Empathy and a sensitive approach to the aims and objectives of the Foundation

A competitive package commensurate with qualifications and experience is offered, together with normal fringe benefits

Qualified and interested persons are requested to forward WRITTEN APPLICATIONS under confidential cover enclosing a curriculum vitae addressed to:

The Personnel Officer
The Urban Foundation
PO Box 1198
JOHANNESBURG 2000

All applications will be treated confidentially and should reach us by 16 SEPTEMBER 1988.

THE URBAN FOUNDATION

Ask an expert about office space and he'll probably quote you these figures:

(011)
'833-4811'

Anglo American Property Services (Pty) Ltd

(280)

This is the pullir British anti-apart



Hundreds of thousands of music fans crowd Wembley Stadium in June f

We cannot ignore them. B

CHARLOTTE BAUER reports on the cultural boycott controversy

The 'cultural boycott' has shifted ground in the past year. But the British Anti-Apartheid Movement, which all-but invented the boycott 30 years ago, has been reluctant to shift with it

THIS time last year local architects of the new, improved version of the cultural boycott were engaged in much anxious scrutiny.

For if the total cultural boycott had been a dinosaur, the "selective" one — introduced early last year by, among others, the African National Congress and the United Democratic Front — was proving no less of a monster. In learning to walk on its large, ungainly legs, it often banged into the wrong people.

At the Culture for Another South Africa (Casa) conference in Amsterdam in December — which brought together artists and political organisations to discuss "progressive" cultural policy — the direction of "another culture" was better defined.

By the time the UDF was restricted in February, rendering its culture desk virtually inoperable, the groundwork had been done. Artists in some areas — film and writing in particular — were organising themselves into cohesive structures to apply the new boycott guidelines and to stimulate the growth of "progressive" culture.

On the home front, at least, degrees of tolerance, unity and sophistication among the formerly unruly cultural community were starting to show.

And then, just as the local dust was settling, the cultural boycott hit a snag: the British Anti-Apartheid Movement. In a nutshell, the AAM, which had been virtually running the boycott show for almost 30 years, was paying little or no heed to decisions being made about culture inside South Africa. Its boycott policy remained a blanket one, with no recognition of the updated thoughts on the subject of selectivity, either by the ANC or the UDF.

An AAM official used the image of a large ship to convey the movement's point. If you punch one hole in the sail, he said, and then another and another ... it will eventually collapse in tatters, sinking the ship. It is this simplistic vision of how the boycott should (or shouldn't) work that has become a source of conflict between many South African artists and anti-apartheid organisations operating outside the country.

To be fair, as Achmat Dangor of the Congress of South African Writers (Cosaw) points out, the cultural boycott as orchestrated by the AAM had rubbed along in an efficient, consistent fashion for nearly three decades before a sudden re-evaluation took place. "It would be unrealistic for anyone to expect that we could solve all our problems within a year — especially as the state has all but destroyed the consulting mechanism (the UDF's culture desk)."

But, says Dangor, the central point remains: "While we appreciate what the AAM has done, the time has come for the movement to take some advice from us."

So far this hope has received little encouragement in reality, despite the fact that, in theory, AAM chief Mike Terry says the organisation recognises "the need for criteria to be established to identify areas of contact with South Africa which fall outside the cultural boycott".

In the case of Johnny Clegg and his now notorious exclusion from the Mandela 70th birthday concert, the AAM ignored the blunt message of a letter sent to it by cultural activists linked to the UDF in support of Clegg's right to perform at the event.

"Clegg has consulted the mass democratic movement in the country and has the blessing for his participation in the Mandela concert of the representative structures," the letter said. "Quite simply put, we are trying to build bridges among sympathetic and committed artists in the country, not trying to destroy existing ones."

The British Musicians Union's expulsion of Clegg from its ranks was, in a way, an unfortunate test case. As the holder of a British passport and a member of the BMU, Clegg was in a unique position among South African artists The issue is not one which sets any useful precedents for other South Africans.

However, once again, a pointed message from the UDF to the BMU saying that "perhaps if the BMU consulted with South Africans about this whole issue, it would get a clearer and more cohesive picture" was digested in silence.

The BMU adopted a total boycott position on South Africa in 1959 — and it hasn't changed since. But BMU branch secretary Stan Martin de-

e pulling power of the -apartheid movement



Wembley Stadium in June for the AAM's Mandela Birthday Concert

Picture: INGRID GAVSHON

e them. But can they ignore us?

Part 1: Controversy

- structures," the letter said "Quite we are trying to build bridges among and committed artists in the country, destroy existing ones "

Musicians Union's expulsion of its ranks was, in a way, an unfortu-

As the holder of a British passport of the BMU, Clegg was in a mong South African artists The which sets any useful precedents Africans

- again, a pointed message from e BMU saying that "perhaps if the with South Africans about this it would get a clearer and more co " was digested in silence adopted a total boycott position on in 1959 — and it hasn't changed branch secretary Stan Martin defended the union's "datedness" thus "What we have always said is that in a way, boycotts are a rather crude weapon — once you start to make them sophisticated, you might as well forget it "

Both the BMU and the AAM have raised similar objections to applying a selective boycott, one of them being that deciding what is "acceptable" and what is not leads to "political", "inquisitorial" censorship

Clearly, none of the solidarity organisations want to be seen as censors. But "progressive" artists who have produced valuable work against the odds, which include tight censorship, find it difficult to stomach the AAM's further control over who does or doesn't see their work

The more likely reason for ducking the selective boycott issue is, as Terry says, that it is simply "easier" for someone to take the view "my work shouldn't go to South Africa" than to agonise about whether "my work should be presented at this event and not at that event"

The current *Weekly Mail* "Cinema Under Siege" festival provided another testing ground for irony-besieged boycott politics which, according to cultural activist, Sefako Nyaka, are "unhealthy (and) could ultimately retard the whole process of struggle"

The festival, whose theme necessitated the importation of many films which required exemption from the boycott before their distributors would release them, was jointly organised and supported by several anti-apartheid cultural bodies, including Cosaw, the Congress of South African Trade Unions, the Anti-Censorship Action Group (Acag) and the Progressive Arts Project (Pap)

The AAM appeared reluctant to take a stand on the political status of the festival — and this led to confusion among British distributors as to whether they should send their films. The confusion resulted in a massive delay in getting films into South Africa — and that disrupted the entire programme.

By the time the AAM gave the distributors the green light, nodding only tentative assent, it was too late for many of the films to go through Pretoria's censorship machinery

Again, despite the clearly expressed wishes of the South African organisations, the AAM appeared too caught up in its own contradictions to take the cue

However, the AAM's dilemma over the festival cannot be lightly dismissed Within the context of its mandate and constituency it is not really surprising it should have commented that when it comes to film, records, books or other "commodified" forms of culture, the AAM is clearly scared to set precedents for wholesale imports or exports

It is probably for this reason that while openly commending the recent *Weekly Mail* Film Festival as a "very valuable forum", the AAM would not make a public statement giving the event its sanction It would be difficult for the group to justify this to a British constituency less familiar with the subtleties of the issue.

Dangor believes that fear of losing this constituency, which includes some of Britain's most rigid trade unions (including Equity and the BMU), is an underlying reason for the AAM's hesitance to follow the lead of the ANC's developing cultural policies

"The anti-apartheid movements in Europe have a constituency that grew out of the repressive policies of the 1960s The struggle in South Africa was seen as a simple one black versus white

"They assumed that anything coming out of the country must have had the approval of the white minority government and therefore almost anyone was treated with suspicion as some sort of 'favoured son' of the regime."

The British movement has retained the strongest tradition of this absolutism and have, as Nyaka points out, "always considered themselves the pace-setters"

Dangor says South Africans acknowledge the AAM is "sympathetic, but lives at a distance".

There is an often expressed general feeling among local cultural workers that many members of the AAM are locked into a time-warp, particularly those who left the country when some of the "battle lines" between, for instance, the ANC and the Pan Africanist Congress were still clearly drawn

The bottom line, Dangor says, is that "South Africans will decide the issues and the AAM will eventually have to accept that I sympathise with their problems, but I think they should have a little more sympathy for ours "

That the British Anti-Apartheid Movement is regarded as an important ally by anti-apartheid organisations here goes without saying Whatever the divisions of opinion, the AAM's ability to attract 100 000 people to a rally or concert is rooted in established credentials that cannot afford to be alienated

Likewise, the movement can surely not afford to undermine the voice and authority of those they are fighting for — South Africans living under apartheid.

In Athens: A seminar on anti-apartheid art

THE United Nations Special Committee Against Apartheid, with the co-operation of the Greek government, is hosting a special seminar on the cultural boycott from today.

About 30 actors, musicians and other cultural personalities and entertainment industry executives are expected to participate, including Harry Belafonte, Linton Kwesi Johnson, Nadine Gordimer, Glenda Jackson, Joseph Papp and Yves Montand.

Committee chairman Joseph Garba of Nigeria says the seminar "will give the opportunity to participants to exchange views on ways to counter the injustice of apartheid through concrete positive measures.

"At a time when Pretoria is mounting its repression of the people of South Africa, we feel that the voices of artists from various countries should be clearly and unequivocally heard and an effective stand on the world of culture against apartheid should be reasserted."

Since 1983, the Special Committee has published a "register of entertainers, actors and others who have performed in apartheid South Africa" — the controversial "blacklist".

The Special Committee is also responsible for monitoring and implementing the cultural boycott. However, its policy recognises that a "culture of the oppressed people exists in South Africa". Thus activities and contacts which in its view have the intention and effect of "expressing opposition to apartheid, enriching this culture and futhering the liberation struggle, do not come within the scope of the cultural boycott".

PW's plea to Dr No

BLOEMFONTEIN. — In a dramatic appeal to heal the growing rift in Afrikanerdom, President P W Botha yesterday held out the hand of friendship to the leader of the Conservative Party, Dr Andries Treurnicht.

As he spoke, the State President's eyes brimmed with tears and his jaw quivered with emotion.

He told a public meeting in the Bloemfontein City Hall during the Free State National Party Congress that, in his view, there were only two people who could play a decisive role in giving new meaning to Afrikaner unity.

"The two people are Dr A P Treurnicht and myself. I extend a hand of goodwill to him."

He asked why, in this year of festivals, Afrikaners could not celebrate together.

"I am of the opinion that we must build bridges to help Afrikaners move closer together."

Mr Botha's statement to his party faithful comes against the background of burgeoning support for the right-wing Conservative Party.

Last night Dr Treurnicht said he would respond to Mr Botha at a public meeting in Germiston tonight.

Mr Botha's emotional appeal to Dr Treurnicht came after he had dealt with the anti-South African sanctions campaign and allegations of a troop and arms build-up in Angola.

Mr Botha said that while South Africa faced one of the greatest onslaughts in its history, there was division and disunity among Afrikaners.

This division was to be found at church, cultural and political levels.

This year of festivals — including both the Dias Festival and 150th anniversary of the Great Trek — would be less meaningful if it only reminisced about the past. It should also contain a message of greater national unity for the future, Mr Botha said.

He said there had been venomous attacks from the ranks of Afrikaners on his person and his presidency.

"I have no other desire than to achieve the best for our country. I now wait for a response; my hand is outstretched to everyone wanting to cooperate," Mr Botha said.

On the issue of sanctions and boycotts, Mr Botha said these would affect the R9,5 billion earmarked for socio-economic upliftment programmes over the next five years.

To page 3

From page 1

These programmes would have to be postponed for between 10 and 15 years or even scrapped if the sanctions campaign intensified.

Turning to recent allegations of large-scale build-up of Cuban troops and arms in Angola, Mr Botha said no one should confuse South Africa's willingness to negotiate for peace with weakness to defend itself if necessary.

"If the recent reports of a further large-scale build-up of Cuban troops and armaments in Angola are correct — we will have to make sure of that — then it is a breach of the principles agreed to in New York and of the provisions of the Geneva Protocol.

"This is the subject which will be placed on top of the agenda at today's negotiations by our delegation.

"The linkage between implementation of Resolution 435 and Cuban withdrawal has been formally recognized but there will have to be a fair and realistic balance between the timetable for Cuban withdrawal and the implementation of Resolution 435.

The leader of the Independent Party, Dr Denis Worrall, last night said: "A lot of Afrikaners and traditional NP supporters would have much preferred President Botha to be making overtures to a leader like Chief Buthelezi than Dr Andries Treurnicht."

Independent MP Mr Jan Van Eck said Mr Botha's speech was that of "a broken man making offers of peace from a position of weakness".

US Senate sanctions turned full on SA

The Argus Foreign Service

WASHINGTON. — Liberal US senators join battle today for a virtual trade cut-off from South Africa and obligatory American disinvestment within six months.

Acknowledging a lot of uncertainty in their quest — unlike the previous big sanctions debate in 1986 — a group of liberal Democrats seeks to stir momentum for almost total trade restrictions in an effort to match the severe Bill passed by the House of Representatives on August 11.

Senator Alan Cranston of California, a hardline advocate of anti-apartheid sanctions, said yesterday he was introducing a similar Bill for consideration today by the Senate Foreign Relations Committee.

He described today's deliberations, and the confrontation expected with anti-sanctions lawmakers, as "high noon in the Senate Foreign Relations Committee". Mr Cranston said he had heard that Senator Jesse Helms, a fiery conservative and anti-communist and a South African sympathiser, planned to introduce 40 amendments to legislation at today's sitting in an effort to thwart it.

Crucial phase

The Senate's sanctions launch follows a request yesterday by the US Secretary of State, Mr George Shultz, to brief the committee on misgivings about the timing of it at this crucial phase of South Africa-Cuba-Angola talks on peace for SWA/Namibia.

The committee convenes at the same time as talks continue in Brazzaville on settlement for Namibia and Angola, focusing at this point on a timetable for Cuban troop withdrawal from Angola. Senator Paul Simon, co-sponsor of the new sanctions campaign, said he did not think the Senate action would have any impact on those talks — a view clearly not shared by the Reagan administration.

Senator Simon said his group would probably not have the votes (66 percent) in the Senate to override a Reagan veto. But the effort would send a signal to the South African government.

Simon plan for SA surprises Rupert

The Argus Foreign Service

WASHINGTON. — A key figure in the new Senate drive for sanctions against South Africa has proposed a conference of South African leaders outside the country.

Senator Paul Simon, chairman of the Senate's sub-committee on Africa, who returned last week from a five-day visit to South Africa, said dialogue had to start soon between black and white.

"What is needed in the immediate future — before the government is likely to act — is an informal meeting, without significant government representation because they would decline to participate ..." he told the Senate yesterday.

"One person I met in South Africa who commands enough respect to launch such a meeting is Anton Rupert," he said, adding that Dr Rupert would probably be totally surprised at his proposal.

Dr Rupert said the remarks had indeed come like "a bolt from the blue".

He declined to comment on whether he thought the proposal was a good idea or whether he would take part in such a conference. However, he said the sanctions programme could lead to enormous sacrifices.

The meeting, said Mr Simon, would last several days. From it would emerge the outline of the kind of government South Africa might eventually have, and what steps should be taken to achieve it.

280 B/Day 8/9/88.

R4m social programme ends as Unisys quits SA

CHRISTOPHER TUCHER

AS COMPUTER giant Unisys jumps on the bandwagon of US companies rolling out of SA, it takes with it one of the most conspicuous social responsibility programmes in the country.

The estimated R4m that Unisys spent last year for black education, township clinics, legal resources centres and housing made it one of the most active of the Sullivan Principles signatories.

This budget — more than 12% of Unisys's payroll expense — is to be phased out, says MD Jack Horton, following the acquisition of Unisys's SA operations by Mercedes Datacor.

Horton says the new corporation — Datacor — remains an equal-opportunity employer but will be unable to fund a budget for social responsibility projects.

To ease the pain for its most important benefactors, the American parent company will establish a trust fund of approximately R4m to provide transitional funding for two years.

Horton lists some of the major programmes: the Unisys Edutrain, a Standard 5 science programme, teacher colleges and several "adopted" schools. Much of its work served the nearby Alexandra township, from which Unisys drew most of its black workforce.

Unisys is the second US subsidiary in recent months to make headlines by withdrawing its social responsibility programme.

It follows on the heels of Carlton Paper, which renounced the Sullivan Principles and, in so doing, saved itself R2m.

The Unisys departure comes as a particular blow because it has been such a stellar corporate donor. Unisys had received a Category I top rating from the Sullivan Commission since its inception in 1977.

'Involved'

"Unisys has been phenomenal," says a co-ordinator for READ, an organisation working for better education in the townships. "They have underwritten our most important projects."

READ particularly praises the computer-makers for their hands-on commitment.

"They did not just sign cheques, rather they were personally involved in the projects we have run."

"Unisys has stood out as a leader," says Jill Ortel of Thussong, another promoter of non-racial education projects. She also has the highest praise for Unisys' physical involvement in the projects it sponsored.

The Rev Leon Sullivan called it "sweat equity," as opposed to mere financial donations.

READ estimates that the void left by Unisys will eventually be filled by South African companies, but it will require three or four of them to provide the same level of funding.

"There is not the same sense of responsibility among SA companies, nor the external pressure to get involved," says the READ spokeswoman.

Furthermore, there is a widespread belief in South African boardrooms that black education and medical care are matters for government, not the private sector.

Horton thinks Unisys's withdrawal is a "tragedy," and the anti-apartheid movement that has forced it and other US firms to abandon SA he calls a "retrogressive step".

Thussong's Ortel, clearly, is also "very sad to see them leave".

But some black business leaders see it differently. Eric Mafuna — formerly with a US advertiser, now in business for himself — says it is government that should be pumping money into township schools and medical facilities.

Message

His message to US companies: "You didn't create these problems by forcing blacks to live where and how they do. So it is not your job to try to clean them up. That is government's business."

Lionel Grewan, former Citibank executive and officer in the Signatory commission, agrees with Mafuna.

"US companies are dealing with problems created by the South African government, which government itself needs to come to grips with."

SANCTIONS

A short respite

The US Congress returned to Washington last week for a month-long rump session before going home again to face the voters in the November 8 general election. It is likely that the lawmakers will manage to produce the most Draconian anti-SA sanctions ever voted thus far, in a last attempt to embarrass President Ronald Reagan into a veto — and, thereby, also embarrass George Bush.

This prediction runs contrary to the common wisdom, which has it that the Bill authored by representatives Ronald Dellums and Howard Wolpe and adopted by the House last month is too radical to make it through the US Senate. The reasoning goes like this: the liberals in Congress are counting on Democratic presidential nominee Michael Dukakis to win in November. Not wishing to tie the hands of the incoming new chief executive, the Senate leadership will snarl up the Dellums-Wolpe Bill. Dukakis will then fill his State Department Africa desk with "true professionals", who will soon have the P W Botha government pleading for peace.

The trouble with this is that it misreads the power dynamic that exists between the ultra-liberal leadership of the US House and the president, whoever he is. The debate between the president and the House over SA has only tangentially to do with apartheid and the true interests of SA blacks. So it is with the Dellums-Wolpe Bill, which has a strong anti-corporate element in its call for an almost total economic embargo on US trade with SA.

The House-adopted Bill goes far beyond the 1986 version. US firms would have a phase-out period to unwind their current investment positions in SA. After that, no investments of any kind would be allowed. Imports, except for the most important of strategic defence minerals, would be banned. Already US producers of speciality steel products are complaining that supplies are drying up of SA-produced ferrochrome, which makes up 47% of American consumption.

The only other exclusions would be goods from black-owned companies and publications. Among the more excessive provisions would be a ban on travel to the US by bearers of SA passports. It is unlikely that the latter provision would last into the Senate version, since it would ban such liberal favourites as Archbishop Desmond Tutu as well as SA business visitors.

The Senate Foreign Relations Committee is supposed to produce a milder version of SA sanctions within the week. This will pave the way for House and Senate leaders to meet to draft a compromise Bill for both chambers to approve and send to Reagan, who will then surely veto it.

Then the question becomes one of whether both chambers can muster the necessary two-thirds majority vote needed to override that White House cancellation in time for the Bill to become law after the November election. Will the Senate hold back until after November 8? Since Dukakis seems to have lost his commanding lead, would the Democrats risk turning SA into an issue that could *help* Bush?

The only certain thing is that South Africans must not take any comfort from the pulling and hauling over the Bill — it could very well become law soon enough. The only thing that could block sanctions is a Bush landslide that gives his Republican Party control of both houses of Congress. Don't hold your breath. ■

280 b/down 9/9/88

Buthelezi on long tour to stop curbs

GLEN SHELTON

KWAZULU Chief Minister Mangosuthu Buthelezi has been criss-crossing the world for the past eight months on a personal campaign to counter the international drive towards more sanctions.

He has visited Portugal, West Germany, Britain, the US, Austria and Hong Kong and spoken to a wide range of people including foreign ministers and MPs.

A spokesman for his office, Roy Rudden, said in Durban that Buthelezi's travels were a "way of ensuring stability and to buy change by negotiations before we have a permanent scorched-earth situation".

He added that the theme of Buthelezi's speeches was that the objectives of Inkatha were the same as those of the ANC with the exception of opposition to sanctions and the fact that Inkatha had a "de facto elected constituency".

He said the ANC had no such constituency because of its lack of ability to elect leaders.

Rudden said he was sure most of Buthelezi's trips were being paid for by people who invited the chief minister.

"I don't know who is paying for the visits but it seems that the organisers would pay. Invariably this is what happens," Rudden added.

Sanctions bite - PW

REPORTS, pictures and comment in this edition may be censored in terms of the Government's state of emergency.

DESPITE Government challenges at the beginning of the year to the international community to "do its damndest," President P W Botha has for the first time admitted to the terrific damage being done to the country by economic sanctions.

Hitting out at the growing sanctions campaign Mr Botha said at the National Party Free State congress it was estimated that boycotts and sanctions already in place against South Africa would result in R9 500 million rand not being made available in socio-economic development over the next five years.

The socio-economic development programme would be set back by 10 to 15 years and if sanctions increased the programme would be damaged even more.

The pro-sanctions lobby has repeatedly

• To Page 2

280 Sunday Tribune 9/9/88

Sanctions bite - PW

9/9/88 Sunday Tribune 280

• From page 1

shown that it will not be moved by arguments that blacks will suffer most from sanctions, coming as it does, from a white government which in the past has not shown much concern for its black citizens.

S
ST.,
20646

epublicans cool off on harsher sanctions

280

SPM 9/9/88.

WASHINGTON — Republican members of the US Senate Foreign Relations Committee yesterday made clear it would be difficult, if not impossible, to build bipartisan support for legislation imposing harsh new economic sanctions against South Africa.

Senator Richard Lugar, a Republican who was a key supporter of sanctions legislation in 1986, called the present Bill "untimely" and told the committee: "There are occasions when legislation is not always helpful.

"At this moment, to go into a total disruption of our business in South Africa does not benefit anyone."

He added that the measure would remove any leverage the United States had to bring pressure on South Africa to end apartheid.

Senator Nancy Kassebaum, a fellow Republican, agreed, saying she did not believe comprehensive sanctions would end apartheid.

MORAL OBLIGATION

But Senator Alan Cranston, a Democrat, said: "If we fail to focus on South Africa we will, in essence, allow the South African regime to declare victory. We have a moral obligation to continue to press for freedom for all South Africans."

A recent visitor to South Africa, Democrat Senator Paul Simon, who is a backer of the harsher sanctions measure, said his trip had convinced him it was time to adopt the most punishing economic sanctions to date as a signal to Pretoria that apartheid had to be abandoned.

Senator Jesse Helms, a conservative Republican, is reportedly ready to submit up to 40 amendments designed to dilute the impact of the legislation.

State Department officials suggested that any action on the measure to institute an almost-total trade embargo on South Africa and to pull out most US investment might disrupt negotiations on independence for Namibia and the withdrawal of Cuban troops from Angola. — Sapa-AP.

Senators efforts may wreck peace talks

Timing of US sanctions Bill 'is unfortunate'

(280) 9/9/88 SM

The Reagan administration has warned US senators bent on imposing harsh new sanctions on South Africa that their efforts could wreck the current Namibia-Angola peace talks.

Consideration of a sanctions Bill now was likely to harden South African and Cuban positions rather than pursue the accommodations the US was trying to mediate at this "very delicate" stage in the negotiations, a senior State Department official said.

The warning came as yet another round of talks ended yesterday in Brazzaville, Congo.

Talks advanced

Head of the South African delegation at the talks, Foreign Affairs Director General Mr Neil van Heerden said: "We feel this meeting has again significantly advanced the process from the previous meeting here."

Mr van Heerden said the parties would meet again soon.

He said the various sides would report back to their governments who would study the latest proposals raised at the meeting.

But, citing a news blackout agreed by all parties, he declined to give details of the proposals.

Asked whether he thought they could reach agreement in time to keep to a previously agreed November 1 target date to start implementing a United Nations independence plan for South African-ruled Namibia, he replied:

"As far as South Africa is concerned, the date of November 1 is still on the table."

Still remaining as an obstacle to progress in the peace negotiations is the renewed rejection by Angola of any talks with Unita.

Speaking at a Senate Foreign Relations Committee meeting on sanctions yesterday, the Deputy Assistant Secretary of State for African Affairs, Mr Chas Freeman, said the Bill's timing was unfortunate:

"And the substance of the Bill seems to us to send a signal to the South Africans that, regardless of whether they heed American policy concerns in southern Africa, sanctions will be imposed," he said.

Main promoter

Senator Alan Cranston, main promoter of the Bill, noted that the talks had started since the US had first imposed "rather moderate" sanctions in 1986.

The House of Representatives passing a similar Bill on August 11 had not harmed them either. Sanctions bore remote relevance to those talks, he argued.

Senators were due to continue their deliberations today. — The Star's Foreign and Africa News Services, Reuter.

Damage to our country evident

280
JM
9/9/88

BY BRUCE CAMERON

Despite challenges by the Government at the beginning of the year to the international community to "do its damndest", President Botha has, for the first time, admitted that damage is being done to the country by economic sanctions.

Hitting out at the growing sanctions campaign, President Botha said at the National Party Free State congress it was estimated that boycotts and sanctions already in operation would result in R9 500 million not being made available in socio-economic development over the next five years.

And the socio-economic development programme would be set back by 10 to 15 years if sanctions increased.

With the balance of payments in a bad way, reserves dwindling and import restrictions, the Government is increasingly facing the reality of a foreign investment starved economy. Consequences are not only the inability to improve the lot of the black masses, but also a general drop in white living standards.

The pro-sanctions lobby has repeatedly shown that it will not be moved by arguments that blacks will suffer most.

The campaign is orchestrated more by the actions of the Government and any action perceived as hardline could spark another wave.

Even the British Ambassador, Mr Robin Renwick, has recently warned the Government not to take the UK's comparatively friendly stance for granted.

Dr Frederik van Zyl Slabbert, co-director of the Institute for a Democratic Alternative in South Africa, says although there are signs of a more reasoned debate on the merits of sanctions, "the fever is still running high".

Frustration

This was particularly the case in the United States with the presidential election campaign in full swing.

Mr Kurt von Schirnding, former South African Ambassador to the UN and now director-general of the independent South Africa Foundation, says there is a growing sense of frustration "at the perceived lack of any discernible progress in the direction of meaningful political reform".

On top of this, he says, the state of emergency, the controversy surrounding the release of Nelson Mandela, restrictions on the media, the Group Areas Act and the Sharpeville Six will all speed or slow sanctions depending on how the Government handles them.

The Government anti-sanctions campaign had clearly not been very effective as the pro-sanctions lobby still had to be persuaded that their strategy was wrong, he said.

He predicted the campaign has "far from run its course".

And he warned that even a successful outcome of the peace talks on Nambia-Angola would not be sufficient to retard the momentum which the sanctions campaign had achieved.

"Sanctions are directed primarily at our domestic situation and pressure to increase them is great," he said.

Sanctions fervour starting to wane

WASHINGTON — Republicans on the Senate foreign relations committee yesterday made it clear Democrats would be hard pressed to win their support for new economic sanctions against SA.

US State Department officials suggested any action on the measure to institute an almost total trade embargo, and pull out most US investment, might disrupt delicate negotiations on independence for Namibia and withdrawal of Cuban troops from Angola.

The committee is expected to vote on Tuesday on the measure.

Statements by Republican members indicated the proposed legislation would not enjoy wide bipartisan support.

Republican Senator Richard Lugar, a

280 B/Days To Page 2 ⇨ 9/9/88

Sanctions fervour shows signs of waning

key supporter of sanctions legislation in 1986, called the present Bill untimely and added: "There are occasions when legislation is not always helpful."

He said: "At this moment, to go into a total disruption of our business in SA, does not benefit anyone."

Lugar added the measure would remove any leverage the US had to bring pressure on SA to end apartheid.

Republican Senator Nancy Kassebaum agreed by saying she did not believe comprehensive sanctions would end apartheid.

"We simply create havoc," she said.

280 B/Days ⇦ 9/9/88 From Page 1

Democratic Senator Alan Cranston argued, however, the Bill was designed to "increase the costs of maintaining apartheid".

He added: "If we fail to focus on SA we will, in essence, allow the SA regime to declare victory."

Senator Jesse Helms, a Republican opponent, is likely to submit up to 40 amendments to dilute impact of the legislation during examination by the foreign relations panel. — Sapa-AP.

TUC calls for tougher sanctions

BOURNEMOUTH. — Britain's trade union movement voted yesterday to step up a campaign for greater sanctions against South Africa because of its apartheid system.

A resolution calling for more pressure to be put on the British government to join international measures against Pretoria was passed unanimously on the last day of the Trades Union Congress (TUC) annual conference.

Calling apartheid a fundamental moral issue, the TUC resolution demanded a ban on the import of SA coal and embargoes on oil and computer exports.

During the conference, delegates rejected a new government training scheme — designed to create half-a-million jobs for Britain's long-term unemployed — against the advice of the TUC council and Labour Party leader Mr Neil Kinnock. — Sapa-Reuter

Pope, Tutu don't agree on sanctions

MCGS 12/9/89 28C



ES ARRIVAL: Pope John Paul II seen here with a young Zimbabwean girl ... traditional dancing and singing shortly after his arrival in Harare on Saturday at the start of a Southern African tour.

The Argus Foreign Service

LONDON. — Pope John Paul has disagreed with Archbishop Desmond Tutu on some sensitive political issues, according to a report here.

And the head of the Roman Catholic church's appeal from Harare for an end to violence as a means to fighting injustice has been attacked by Anglican leaders in Britain

The Pope is quoted in the Daily Mail as disagreeing with Archbishop Tutu on economic sanctions against South Africa.

"Sanctions are a political means. From a global point of view they are politically acceptable in some situations. But a search should be made for a solution that is less drastic and more worthy of man," the Pope is reported to have told the Mail's correspondent.

English protests

He was also asked about Dr Tutu's attitude to next month's municipal elections.

"Archbishop Tutu is a citizen of South Africa and has South African experience I am not a citizen I can give only a global judgment In principle it is not a good thing to boycott an election but it is always possible to do so in some situations."

The Pope's appeal to end violence provoked protests from English church leaders who feel that when there is no other way for a people to gain their liberty, then violence is "understandable"

Manchester's Bishop Stanley Booth-Clibborn, said "The Pope does not sufficiently accept the depth of the problems faced by South African blacks.

"The African National Congress was forced to move down another path because there was no other way open."

Peterborough's Bishop William Westwood, said "Outsiders who do not live in the country and who are not at the sharp end have no right to make pronouncements like this."

Attacked apartheid

The Pope, speaking in Harare, had said: "I appeal to all those who bear responsibility for the destiny of the people of this region, of whatever racial extraction or ideological inspiration, to renounce the use of violence as a method for achieving their ends"

He had already attacked apartheid as a violation of human rights

The Pope today moved to Bulawayo, where he will celebrate Mass before an expected 100 000 at Ascot racecourse and meet priests at an ecumenical gathering, Sapa-AP reports

Mr Joshua Nkomo, a senior minister in the government and the political chief of the Matabeleland province, and local church leaders greeted the Pope as he stepped from a chartered Air Zimbabwe Boeing 707.

Cardinal McCann joins Pope on tour of Africa

Staff Reporter

OWEN Cardinal McCann, Roman Catholic Archbishop emeritus of Cape Town, has joined Pope John Paul II's official party for the rest of his five-nation Southern African tour.

Cardinal McCann will travel on the Pope's aircraft to Botswana, Lesotho, Swaziland and Mozambique.

Cardinal McCann was asked to join the Pope because he wanted someone with him who knew the Southern African region and South Africa.

The party is in Bulawayo today where the Pope was to meet priests and religious leaders at the Bulawayo Catholic cathedral and this afternoon there was to be an ecumenical meeting at the Anglican cathedral.

FAREWELL CEREMONY

Tomorrow there will be an official farewell ceremony at Harare airport and the next stop is Gaborone where the Pope will meet President Quett Masire. He will also meet clergy and religious leaders.

He will celebrate Mass at the National Stadium in Gaborone.

On Wednesday the Pope goes to Lesotho where he will meet King Moshoeshoe II. He will be given a traditional welcome at Thaba Boshio.

Same owners 'remain in control'

Disinvestment often a ruse, claims union

The "disinvestment" of many multinationals from South Africa has often been nothing more than "corporate camouflage", the Chemical Workers Industrial Union said in a statement yesterday.

"Disinvested' companies remain within control of the same owners who claim to have 'disinvested'," the CWIU statement, released in Johannesburg, claims.

"Such companies still profit from apartheid but in a more devious way. They compound the hypocrisy by righteously claiming to have complied with the demands of the disinvestment campaign."

The union says that a dispute now exists between the union and 39 multinationals, all of which have refused to enter into negotiations with the union concerning the possibility of their disinvesting and the terms of a possible disinvestment.

The union was representative in all the companies concerned and had a collective-bargaining relationship with each of them, the statement added.

It said the terms and manner of the "disinvestment" were negotiated beforehand "in secret between the multinational and the local management. Workers are excluded from these discussions".

The CWIU claims that several companies have gone on record to the union as not contemplating disinvestment only months before presenting the *fait accompli* of a "disinvestment" package to workers.

"The 'disinvestment' package has predictably strengthened the position of those parties involved in negotiating the 'disinvestment' to the disadvantage of those excluded from the negotiations."

The union said local managements can look forward to shares in a renamed, debt-free and profitable operation at bargain prices — with the knowledge that their jobs remain secure after retained licensing, franchising and technological agreements.

On the other hand, "workers experience a refusal to recognise their union, a change for the worse in their conditions of employment and job insecurity which often translates into retrenchment soon after the 'disinvestment' deal has been put into practice".

The union is pushing ahead with the declaration of the dispute over the refusal of multi-nationals to negotiate the terms of a possible disinvestment.

"Accordingly on August 30, the union launched what is probably a unique application for a conciliation board in which 39 companies are cited as parties to the dispute." — Sapa.

Little stomach in US for new anti-SA curbs

BY ALAN DUNN, THE STAR BUREAU

A new bid to impose tougher sanctions on South Africa may backfire on Mr Michael Dukakis, only weeks before the election.

Drastic further sanctions against South Africa, which should be approved by the US senate's foreign relations committee tomorrow, appear to be doomed

Republicans do not like the Bill imposing the measures, warning that it will muddy relations with US trading partners and allies Some Democrats are growing to dislike it as they discover the sweeping nature of the Anti-Apartheid Act Amendment Bill of 1988.

It must by this stage be dawning on the Democrats that the Bill, endorsed by their presidential candidate, Governor Michael Dukakis. could become a political albatross for him because it seeks to make American sanctions policy multilateral, imposing US will on other sovereign nations and foreign individuals, instructing them how they should or should not treat South Africa.

Which explains why at least three of the Republican minority on the foreign relations committee said last week they intended offering amendments to the "wrong-headed" Bill, but did not do so why should they soften the flaws of legislation they oppose, lend it acceptability, and see it pass?

So they left the dirty work to the Democrats. Let them re-shape their Bill to win it more support in the senate, if it ever reaches the floor In its present form, it stands only an outside chance of beating a Republican filibuster in the senate or President Ronald Reagan's inevitable veto after that.

So the Democrats are going to have to temper the Bill's zeal to squeeze South Africa and force other countries to toe the line. If they do, Mr Dukakis, their choice for the White House, stands to suffer a black eye from his own camp weeks before the presidential election — on foreign policy, an area in which his opponent, Mr George Bush, charges he is weak.

While Republicans do not see any wisdom now in almost total sanc-



Mr Michael Dukakis may have blundered in supporting new sanctions Bill.



President Ronald Reagan is confidently expected to exercise his veto — as he did before.

tions and forced American disinvestment from South Africa, and a significant number of Democrats are admitting misgivings privately at least, domestic political currents are also powerful

Some Republicans on the Foreign Relations Committee found it more than strange last week that Democratic outrage about South Africa should peak during election years in the US "I fear that that is what is afoot here," said Senator Daniel Evans, a Republican from Washington state

It happened in 1986, when Democrats found themselves on a winner with Republican lawmakers not wanting to risk votes by rejecting legislation aimed — misguidedly or not — at apartheid

This year, however, Republicans seem more sure of their ground, better organised and prepared on the South Africa issue than they were then, and determined to oppose the current Bill "Enough is enough," they are saying. "South Africa and the world have our message on apartheid"

The Bill's excesses boost their resolve So did a Sunday editorial in the influential *Washington Post* which said the US's unquestionable priority now was to keep South Africa engaged in regional peace talks with Cuba and Angola

"The United States is brokering these talks It would be foolish in the extreme for congress to take a step that could close a briefly opened diplomatic window that offers South Africa's neighbours immensely important relief from the depredations of the apartheid regime"

Republicans and some of the more candid Democrats involved, such as Senator Paul Simon, chairman of the senate's panel on Africa who recently returned from a five-day visit to the Republic, say that if the Bill reaches the senate floor in the final two or three weeks of the chamber's session this year, it may meet a Republican filibuster — a senate debating device to prevent a vote by the 100-member body

In the unlikely event that the Bill's supporters muster the 60 votes necessary to force a vote, the Bill may pass. Then it meets Mr Reagan's veto, as did the Comprehensive Anti-Apartheid Act of 1986

After that it goes back to the senate for further consideration This time, however, if 46 Republicans back Mr Reagan's veto — as seems possible at this stage — the Bill will fall short of the 67 votes required to override his veto and enact more penalties against South Africa

Those are the scenarios doing the rounds this week on Capitol Hill. But the numbers, strong as they are against sanctions this year, remain on a knife-edge If the South African Government so much as breathes hard, it will tilt it sharply the other way and answer the prayers of sanctions advocates in the US, as it has done in the past



The postal strike in Britain is over, so the 30 000 or so letters stockpiled at the Jeppe Street Post Office are now starting on their way overseas. Here Mrs Maria Jose Quintas sorts yesterday's burgeoning international mail — and piles up the British section.

Tighter SA oil boycott 'feasible'

AMSTERDAM — A Dutch monitoring group has made claims concerning South Africa's importation of crude oil in defiance of oil sanctions.

The Shipping Research Bureau, a non-governmental body set up in 1980 to keep watch on Pretoria's backdoor oil imports, said in a report that because of measures to conceal deliveries, it takes some time for evidence of trade to emerge.

CONSIDERABLE COSTS

However, the monitoring of oil deliveries to South Africa has been shown to be feasible despite the secrecy surrounding such deliveries.

It said South Africa had incurred considerable extra costs in order to secure crude supplies.

The report said a further tightening of the current voluntary oil embargo against South Africa was feasible If oil exporting countries would observe and enforce their embargo policy, and increase the penalties against companies which violated their policy, the flow of oil to SA could be significantly curtailed.

Embargo legislation by countries in which oil traders were based might disrupt the oil procurement system which the South Africa Government, together with a number of these traders, had set up, it added —Sapa-Reuter.

Report Restricted

● This report has been cut and amended to comply with the Petroleum Products Act.

WCC to pressurise govts to cut airline links to SA

UTRECHT — Cutting airline links and further economic boycotts are the only ways left to put pressure on the Botha Government, an emergency session of the World Council of Churches (WCC) in Geneva decided yesterday.

The WCC church leaders have undertaken to increase pressure on their own governments for economic sanctions in response to the increased climate of violence against South African churches and church leaders.

This was said by the secretary-general of the Netherlands' Reformed Church, Rev R Blij, who attended the emergency meeting yesterday.

"We considered whether it would serve any purpose to invite again a delegation of South African church leaders on a tour of Western European countries.

"However, the opinion was expressed that economic sanctions were the only method left in which to accomplish anything. Mentioned in particular were the airline links with South Africa. This possibility was first raised in The Netherlands' churches several months ago.

"The Council of Churches members who attended the emergency meeting have now bound themselves, as this (a boycott of South Africa's airlinks) would hit white South Africans hard, but blacks much less as they do not travel as much," Mr Blij said in a radio interview. — Sapa.

Bid to sort out CWIU dispute

By Adele Baleta

A conciliation board is to sit on September 28 and 29 in an attempt to resolve a dispute between the Chemical Workers Industrial Union (CWIU) and nine petrol companies — BP, Caltex Oil, Cera Oil, Mobil Oil, Mobil Refining, Sapref, Shell Oil, Shell Chemicals and Veetech Oil.

The union's petroleum co-ordinator, Mr Martin Jansen, announced the latest development yesterday

The CWIU claims employers have refused to negotiate common employment conditions, including public holidays, maternity and paternity leave, pensions and "an end to taxation while people are not allowed proper political expression".

The CWIU has also declared a dispute with 39 multinationals over disinvestment and applied for a conciliation board hearing

No plans to disinvest, most say

Companies plan to oppose union move

By Kaizer Nyatsumba

Most of the 39 multinationals cited as parties to the dispute declared by the Chemical Workers' Industrial Union have no intention of disinvesting from South Africa and they will oppose the union's application for a conciliation board, a survey conducted by The Star has shown.

The CWIU disclosed on Monday that it had declared a dispute with the 39 multinationals over their "refusal to negotiate the terms of a possible disinvestment" and had launched a "probably unique application" for a conciliation board

Companies cited as parties to the dispute include Shell SA, Mobil SA, Colgate-Palmolive, Caltex Oil SA, Total Oil SA and Bayer SA

Yesterday, a number of companies expressed their intention to oppose the CWIU's application for a conciliation board

Declaring the dispute, the CWIU said the companies had ignored its proposals for a joint management-union forum to discuss disinvestment.

"All of these (companies) have refused to enter into negotiations with the union concerning the possibility of their disinvesting from South Africa as well as the terms of a possible disinvestment," the CWIU said

A spokesman for Shell SA in Cape Town said Shell intended to oppose the union's application.

"The company's shareholders have made plain their commitment to the future of South Africa and their determination to continue to conduct business in the country

"In the light of this, any talks on disinvesment would be futile It (disinvestment) is not a subject the company considers," he said

Mr Roy Wright of Caltex Oil SA said while Caltex had no intention to disinvest, it was prepared to hold discussions with the union.

Caltex had twice told the CWIU that it was prepared to discuss the union's position together with its own views — on an individual, and not on an industry, basis — at a mutually convenient time, according to Mr Wright.

Small membership

Caltex said "the ball is now fairly and squarely in their (the union's) court".

Mr A S Thornton, a personnel manager of Total SA, said his company was "surprised" that it was one of the 39 multinationals listed by the CWIU as parties to the dispute

Total had neither agreements nor negotiations with the CWIU, which had a membership of less than 19 percent in Total's employ, he said

"We have sent in a letter to the Minister opposing the establishment of a conciliation board," he said

A spokesman for Bayer SA said the company had "never considered disinvesting from this country". A full statement on Bayer's response to the CWIU's declaration of a dispute would be available in the near future, the spokesman said

Mr R Pollard, the director of Colgate-Palmolive, said the company was formulating representations, which would be made to the Minister before the union's deadline

280 Sowetan 14/9/88

SOWETAN Foreign Service

SANCTIONS BILL SEEMS DOOMED

WASHINGTON — Drastic further sanctions against South Africa, which should be approved by the US Senate's Foreign Relations Committee today, appear to be doomed.

Republicans do not like the Bill imposing the measures, warning it will muddy relations with US trading partners and allies.

Some Democrats are growing to dislike it as they discover the sweeping nature of the "anti-Apartheid Act Amendments of 1988".

It must by this stage be dawning on the Democrats that the Bill, endorsed by their presidential candidate, Governor Michael Dukakis, could become a political albatross for him — it seeks to make American sanctions policy multilateral, imposing US will on other sovereign nations and foreign individuals, instructing them on how they should or should not treat South Africa.

Explains

Which explains why at least three of the Republican minority on the Foreign Relations Committee said last week they intended offering amendments to the "wrong-headed" Bill, but did not do so: why should they soften the flaws of legislation they oppose, lend it acceptability, and see it pass?

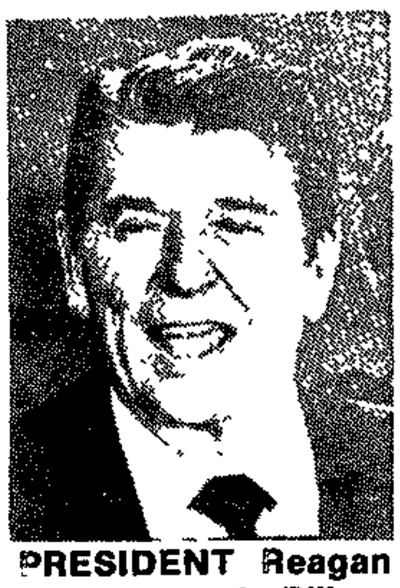
So they left the dirty work to the Democrats. Let them re-shape their Bill to win it more support in the Senate, if it ever reaches the floor.

In its present form, it stands only an outside chance of beating a Republican filibuster in the Senate or President Reagan's inevitable veto after that.

So the Democrats are going to have to temper the Bill's zeal to squeeze South Africa and force other countries to toe the line. If they do, Mr Dukakis, their choice for the Bill's supporters' muster the 60 votes necessary for cloture, thus forcing a vote, the Bill may pass. Then it meets Mr Reagan's veto, as did the "comprehensive Anti-apartheid Act of 1986."

After that it goes back to the Senate for further consideration. This time, however, if 46 Republicans back Mr Reagan's veto — as seems possible at this stage — the Bill will fall short of the 67 votes required to override his veto and enact more penalties against South Africa.

Those are the scenarios doing the rounds this week on Capitol Hill — but the numbers, strong as they are against sanctions this year, remain on a knife-edge. If the South African Government so much as breathes hard, it will tilt it sharply the other way and answer the prayers of sanctions advocates in the US, as it has done in the past.



PRESIDENT Reagan . . . can veto Bill.

Ruling party in US flexes muscle

the White House, stands to suffer a black eye from his own camp weeks before the presidential election — on foreign policy, an area in which his opponent George Bush charges he is weak.

While Republicans do not see any wisdom now in almost total sanctions and forced . American disinvestment from South Africa, and a significant number of democrats are admitting misgivings privately at least, domestic political currents are also powerful.

Some Republicans on the Foreign Relations Committee found it more than passing strange last week that Democratic outrage about South Africa should peak during election year in the US: "I fear that that is what is afoot here," said Senator Daniel Evans, a Republican of Washington State.

It happened in 1986, when Democrats found themselves on a winner with Republican lawmakers not wanting to risk votes by rejecting legislation aimed — misguidedly or not — at apartheid.

Prepared

This year, however, Republicans seem more sure of their ground, better organised and prepared on the South Africa issue than they were then, and determined to oppose the current Bill. "Enough is enough," they are saying.

"South Africa and the world have our message on apartheid".

The Bill's excesses boosts their resolve So did a Sunday editorial in the influential *Washington Post* which said the US's unquestionable priority now was to keep South Africa engaged in regional peace talks with Cuba and Angola:

"The United States is brokering these talks. It would be foolish in the extreme for Congress to take a step that could close a briefly opened diplomatic window that offers South Africa's neighbours immensely important relief from the depredations of the apartheid regime".

Republicans and some of the more candid Democrats involved, such as Senator Paul Simon, chairman of the Senate's Panel on Africa who recently returned from a five-day visit to the Republic, say that if the Bill reaches the Senate floor in the final two or three weeks of the Chamber's session this year, it may meet a Republican filibuster — a Senate debating device to prevent a vote by the 100-member body.



SENATOR Paul Simon . . . behind sanctions drive.

Event

In the unlikely event

580 Bdays 14/9/88

'Responsible' way for Americans to help change in SA

ROGER BLACKWELL, Professor of marketing at Ohio State University, wrote an open letter on sanctions to his fellow Americans on his return from a lecturing visit to the Wits Business School
This is an edited extract

THE disinvestment policies of American business firms have been a disaster Disinvestment has helped the South African government consolidate power, destroyed what positive influence American business had and, tragically, destroyed the economic prospects of millions of black South Africans.

As usual, we Americans have lunged forward, admittedly with good intentions, to solve the problems of the world with little regard for the unintended consequences of our actions. We have also been intellectually lazy in looking at the results of our policies and beliefs

However, sanctions can produce some positive benefits and therefore should not be ignored as a strategy Sanctions that communicate to the South African government (and the watching world, especially black Africa) should be supported by concerned business leaders and all other concerned Americans. However, disinvestment should not be one of these

The consequences of disinvestment can be discerned by any careful observer in SA As American firms disinvested, the rest of the world has taken up the slack, apparently quite willingly.

A direct result of the decision of American firms to disinvest is a decline in firms adhering to the Sullivan Principles. While interviewing business firms in SA, I received case after case telling of firms who have stopped their efforts to recruit and promote black personnel. I was told of specific instances in which firms found it cheaper to hire the qualified white workers who had become available as a result of disinvestment-created layoffs than to hire and train black employees

Americans are peculiar in that they appear to believe there is a solution to every problem. Our first response is usually to organise a committee. The reality is that Americans will not solve the problem of South Africans. Only South Africans, both black and white, will solve their problems.

But there are responses that Americans and concerned people in other countries can make to encourage South Africans in their struggles. They will not offer immediate or perfect solutions, but there are responses that are probably more helpful and responsible than those we have undertaken to date

Business people know that the best solutions demand a knowledge of the facts and the weaknesses and strengths of alternative actions. Thus the first action Americans or any other concerned persons should take is to be well informed about the country. To act otherwise is irresponsible.

The marketing function of corporations is the area primarily charged with the responsibility for the interaction of a firm and its environment Marketing should therefore have a primary role to play in collecting and communicating data about SA

If the firm is not involved in SA it may miss a valuable global market opportunity Already SA supplies many of the requirements of "Frontline" nations and unofficially to many other African countries When SA becomes no more racist than the US or Britain, it will probably become the Singapore of Africa.

The concern of responsible American businesses and other concerned persons should be how to end apartheid in such a way as to retain (and expand) the infrastructure and economic development of the country One of the most irresponsible acts that Americans perpetrate is to be concerned about ending the evils of apartheid without also asking "What comes after apartheid?"

KwaZulu Chief Minister Mangosuthu Buthelezi has indicated that SA is at the crossroads, it can choose a path which leads to its becoming a country like Canada or France or it can choose a path which leads to its becoming a country like the Lebanon

If civil war erupts in SA, Americans might equate it to our own war between the states Experts predict about three to four-million South Africans would be killed in an era of violence. Such a price is not unlike our own Civil War If the outcome were a democratic society, then perhaps we Americans could be proud of our responsibility for encouraging such a war But would Americans wish to accept the responsibility of encouraging the chaos, economic disaster, bloodshed and divisive political power that currently characterises a country such as the Lebanon?



☐ BUTHELEZI... SA at crossroads

In a recent US News and World Report examination of the military and industrial situation in SA, it was concluded that, barring anything less than massive military intervention from the US, the Soviet Union, Britain and other countries, the whites can maintain power in a garrison or seige stage for the foreseeable future. Even if a revolution were successful, the result might be the end of apartheid, but with the institution of a military dictatorship in its stead

Another post-apartheid scenario is one in which power is somehow transferred from the present "haves" to a new group of "haves" primarily composed of blacks The possibility at least exists that the nature of a post-apartheid South African society ruled by blacks will be one of enormous violence and industrial destruction similar to that in many other African countries

But one scenario that could achieve both political and economic freedom, and the one that may be most likely if Americans choose their strategies on sanctions and disinvestment carefully, is one of transforming more and more "have nots" into "haves".

There has been substantial progress in the elimination of apartheid — progress that can be objectively evaluated by those who are open-minded and responsible enough to do so

The repeal of the job reservations law freed many firms to employ people of all races in jobs at all levels In a few firms, two-thirds of management is now black.

It is more difficult to be a racist when your colleague at work drives a Mercedes like you do, dresses as well as or better than you do, has a good education and can afford a home like yours, and wants to do so. In a climate of unrestricted economic growth, the growing number of such blacks would have put tremendous pressure on government to repeal the Group Areas Act. But disinvestment put the damper on such a process.

A careful analysis of the situation should lead to the conclusion that the most important action American business firms can take is to support economic advance for blacks We should avoid actions likely to retard that progress, as disinvestment clearly has done.

As a practical step, we should form a group that would formulate criteria for evaluating firms, both US and South African, in the fields of recruiting, training and promoting blacks We should boycott firms unless they are following such principles, which at the minimum would probably include the Sullivan Principles We should boycott firms that were making a contribution to progress but which have bowed to consumer and shareholder pressures and disinvested

Such a committee should identify South African firms which are demonstrating their commitment to promoting the economic development of black citizens and should encourage American firms that develop trading or other relationships with such firms

We should continue to use selective sanctions that punish firms that do not meet such standards

Responsible Americans will build an anti-apartheid policy and programmes on the psychological principle that positive reinforcement (rewards) for SA and US firms making a contribution to the economic development of a multiracial SA are more effective than negative reinforcement (sanctions), especially the blanket sanctions that punish firms or a society equally when they obstruct progress or when they make progress toward a post-apartheid society

Activities could include
1 — Convening of a group of individuals committed to these assumptions, representing academics, businesses in SA and the US and other relevant organisations,
2 — Personal visits to SA to determine what South African and US firms are doing to contribute to the personal, economic and political goals of a multiracial society Such visits should include interviews with South African and US firms that have demonstrated progress in their organisations, as well as interviews with community members in cities, townships and homelands,
3 — The committee should develop criteria according to which it would evaluate the contributions towards achieving an effective multiracial society;
4 — It should suggest actions by the American public to reward South African and US firms which meet the criteria and negatively respond to firms that do not, and
5 — It should also convene in the US in a place and in a manner that will elicit media interest in the dissemination of factual and realistic information about SA

It is proposed that six or more American firms with historical or current involvement in SA each contribute US$100 000 and that six or more South African firms each contribute R20 000 in initial funding of this project.

☐ The full text of Roger Blackwell's open letter appears in the current issue of the Business School's publication Business Alert.

Sweeping sanctions Bill scrapes home

15/9/88 SIMON BARBER (980) Blaay

WASHINGTON — In spite of serious misgivings, the Senate Foreign Relations Committee narrowly endorsed the total removal of US investment from SA and a sweeping trade embargo yesterday.

The 10-9 vote, on strict party lines, came after Senator Alan Cranston, the Bill's chief sponsor, offered a surprise amendment removing highly controversial penalties on non-US oil companies active in SA — prompted by heavy pressure from the Texas oil industry.

Sanctions Bill 'a turkey going nowhere'

The Argus Foreign Service

WASHINGTON. — The Senate's foreign relations committee has approved almost complete economic sanctions against South Africa amid predictions that they stand little chance of becoming law.

"I recognise this Bill as a 'turkey,' the panel's ranking Republican, Senator Jesse Helms, said before senators voted 10-9 to pass it, all Democrats supporting it, and the Republican minority rejecting it.

"It's a one-legged turkey and it's going to hop around, and it's going nowhere," he said. "It's going nowhere. In the unlikely event the measure even gets to the floor of the Senate, there will be a long and hard debate about it."

Filibuster

The Bill, titled the "Anti-Apartheid Act Amendments of 1988", imposes near total trade restrictions on South Africa, and forces American disinvestment from the Republic within six months.

If it does reach the full Senate it now faces an almost certain Republican filibuster, a deliberate prolonging of the debate which will block a vote.

Republicans are confident, and Democrats know that supporters of the Bill do not have the 60 votes required in the 100-member body to break that filibuster and force a vote.

Deleted

Minutes before the committee voted yesterday, the Bill's chief sponsor, Senator Alan Cranston of California, softened his creation by deleting energy-related measures which have caused widespread concern.

The passage he scratched, section 102, prohibited any American citizen or vessel from supplying South Africa with crude oil or refined petroleum products.

It also penalised any foreign oil firms, in this case mainly Shell and British Petroleum, from access to future US government oil or coal leases if they had any ties at all with South Africa.

It was this clause which spurred the British government to warn US legislators that they faced retaliation if British interests were damaged. American operations in the North Sea oilfields might be restricted in return, it said.

Senate sources said Senator Cranston suddenly deleted the section after being pressed to do so on Tuesday by Senator Lloyd Bentsen of Texas, the Democratic vice-presidential candidate and a co-sponsor of the legislation.

'SA terror': Democrats may abandon demand

The Argus Foreign Service

WASHINGTON. — There are strong hints here that the Democrats may abandon their demand that South Africa be officially declared a terrorist state — as long as the South African government continues to reduce regional and internal tensions.

Under pressure by the Rev Jesse Jackson, the Democratic presidential candidate Mr Michael Dukakis has supported the move to make South Africa the seventh nation on America's terror list, a development that is seen here as a serious threat to relations between the two countries.

But indications of a shift have come from Mr Jackson himself after an hour-long meeting with the South African ambassador Dr Piet Koornhof.

The meeting was held in the ambassador's residence at the request of Mr Jackson to discuss the situation in the US consulate in Johannesburg, where three UDF leaders sought refuge this week.

Dr Koornhof told newsmen afterwards that the meeting had been held in a conciliatory spirit and he hoped this would not be lost on both the American and South African public.

In a meeting with the press, Mr Jackson repeatedly avoided discussing the terrorist-state issue and took a significantly softer line on South Africa.

"In the last few weeks," he said, "a few things have happened that are in the right direction, and they must be encouraged."

The black leader named the positive developments as the withdrawal of SA troops from Angola and the laying of the groundwork for a Cuban withdrawal, the movement toward elections in Namibia and the establishment of a rapprochement with Mozambique.

September 15 1988 3

Sanctions move seems sure to fail

By Alan Dunn,
The Star Bureau

WASHINGTON — The US senate's foreign relations committee has approved almost total economic sanctions against South Africa amid predictions that they stand little chance of becoming law.

"I recognise this Bill as a turkey," the committee's senior Republican, Senator Jesse Helms, said before senators voted 10-9 to pass it. All Democrats supported it and the Republican minority rejected it.

The Bill, called the "Anti-Apartheid Act Amendments of 1988", imposes almost total trade restrictions on South Africa and forces American disinvestment within six months.

If it does reach the full senate, it faces an almost certain Republican filibuster — deliberate prolonging of the debate — which will block a vote.

Republicans are confident and Democrats know that supporters of the Bill do not have the 60 votes required in the 100-member body to break the filibuster and force a vote.

Minutes before the committee voted yesterday, the Bill's chief sponsor, Senator Alan Cranston of California, softened it by deleting energy-related measures which have caused concern.

The deleted parts prohibited any US citizen or vessel from supplying SA with crude oil or refined petroleum products.

It also penalised any foreign oil firms — mainly Shell and British Petroleum — from access to future US government oil or coal leases if they had any ties with South Africa.

It was this clause which spurred the British government to warn US lawmakers that they faced retaliation if British interests were damaged.



TV presenter Nana Moloi ... the third person after P.J. Powers and Gaby Magomola to lash out at a video, ***South Africa — In search of moderation.*** The video was produced by Understanding through Communication (Ucom).

TV's Nana Moloi slams film

By LEN MASEKO

TV3 PRESENTER Nana Moloi, featured in a controversial video titled "South Africa — in Search of Moderation", has dissociated herself from the anti-sanctions film.

Miss Moloi said procedures of the video had not approached her for permission to use excerpts from SABC's 1986 National Song Festival, which she co-presented with TV1 presenter Eon de Vos.

The TV presenter is the third person in recent weeks to lash out at the video, which has been produced by Understanding Through Communication (UCOM). The two others are African Bank chief executive Mr. Gaby Magomola and singer PJ Powers.

Miss Moloi said she wanted excerpts featuring her to be blacked out because the film sought to make a political statement while the festival was "purely an entertainment project".

"I refuse to become a victim of this politically-motivated film," she said.

Mr Bill Faure, one of the producers of the 40-minute film, said UCOM had bought excerpts featuring Miss Moloi from the SABC. It would be difficult to remove portions featuring her in the film, he said.

"The parts featuring her were used simply as an illustration. We do not want to harm anybody," the film producer said.

Mr Faure said they had removed sections featuring PJ Powers and that concerning Mr Magomola "it was a different case". He referred the *Sowetan* to Prof Chris Barnard, who could not be reached for comment.

Among other things, the film carries a footage of township violence including necklacings, stonings and beatings.

Featured in UCOM are Professor Barnard and American Dr Robert Hall, who is based in the Cape.

This association aims to promote "international understanding of South Africa and its problems".

It also seeks to refute "lies told by Winnie Mandela, ANC Oliver Tambo, Archbishop Desmond Tutu and the Reverend Allan Boesak".

SM. Times 5/9/88

Amendment, and anti-SA bill gets nod

From SIMON BARBER

WASHINGTON. — A surprise amendment removing controversial penalties on non-US oil companies active in SA, resulted in the US Senate foreign relations committee endorsing the total removal of US investment from SA and a sweeping trade embargo yesterday.

The 10-9 vote, on strict party lines, came after Senator Alan Cranston, the bill's chief sponsor, offered the amendment.

The change was prompted by Senator Lloyd Bentsen, of Texas, the Democratic vice-presidential candidate, who was under pressure from the powerful oil industry in his state.

Excised was Section 102 of the bill passed last month by the House of Representatives which would have denied federal oil leases to Shell, BP and other foreign companies if they continued to operate in SA.

The British government has threatened to deny US firms access to the North Sea in retaliation, and the domestic industry has warned that thousands of jobs could be lost in the so-called "oil patch" states along the Gulf of Mexico.

'Bad faith'

Without this change, which Senator Jesse Helms, the panel's senior Republican, decried as an act of "bad faith", it was possible the bill would not have survived the committee vote.

It might also have become a serious embarrassment to Democratic presidential candidate Mr Michael Dukakis, a supporter of the original bill, pitting him against his running mate and losing him votes in the oil states.

The legislation, the Anti-Apartheid Act Amendments of 1988, cannot be debated by the full Senate until September 22.

Even as modified, few of its Democratic supporters expect it to pass this year because they do not have enough Republican support to garner the 60 out of 100 votes needed to cut short Mr Helms's promised filibuster.

Mr Helms said he initiated the agreement because "I recognized this bill was a one-legged turkey, hopping around, going nowhere".

Cape Times 16/9/88

Sanctions 'affect other regional countries'

Staff Reporter

THE WHOLE of Southern Africa would be affected by sanctions, others more so than South Africa, and Assocom saw a need to forge links with other groups of businessmen throughout the region, Assocom president Mr Alec Rogoff said last night.

Speaking to Tygerberg Chamber of Commerce and Industrial Association, he said this move should not be seen as a means of making other countries more dependent on South Africa but to assist them to function more effectively.

Mr Rogoff saw a major task in mobilizing and harnessing segments of American opinion to neutralize the disinvestment campaign there.

But he warned that the sanctions campaign had trade overtones and South Africa just happened to present a convenient political excuse to curb trade.

Trade was changing as the world economy slowed and world business was increasingly faced with barriers to trade freely.

World trade was shifting away from raw materials to high technology, which "would have long-term serious implications for South Africa".

Church leaders to campaign for more sanctions

INTERNATIONAL church leaders are to campaign for stricter economic measures against SA, SA Council of Churches general secretary Rev Frank Chikane said yesterday.

In a statement released in Johannesburg, Chikane said church leaders from SA, Europe and North America met in Geneva on Monday under the auspices of the World Council of Churches to discuss the situation of SA churches after the bombing of Khotso House and Law and Order Minister Adriaan Vlok's "threats against church leaders".

The meeting affirmed it was the right and duty of Christians "to denounce apartheid and to call on others to defy or disobey", he said.

Leaders decided to campaign more actively for European and North American governments to adopt stricter sanctions against SA. Measures mooted included stricter implementation of the oil embargo, stopping European airlines from flying to SA and withdrawing SAA landing rights.

Chikane said the meeting decided to encourage closer monitoring of the arms embargo and to campaign against the rescheduling of loan repayments owed by SA. — Sapa.

Assocom moots unity in face of sanctions

Own Correspondent B/day 16/9/88

THE whole of southern Africa would be affected by sanctions, others more so than SA, and Assocom saw a need to forge links with other groups of businessmen throughout the region, Assocom president Alec Rogoff said told the Tygerberg Chamber of Commerce and Industrial Association last night.

Mr Rogoff told the Tygerberg Chamber of Commerce and Industrial Association this move should not be seen as a means of making other countries more dependent on SA — but to assist them to function more effectively.

He saw a major task in mobilising and harnessing segments of US opinion to neutralise the disinvestment campaign there.

But he warned that the sanctions campaign had trade overtones and SA just happened to present a convenient political excuse to curb trade.

Trade was changing as the world economy slowed and world business was increasingly faced with barriers to trade freely.

Welcoming government's moves to privatise parts of Sats and the Post Office, he cautioned that business had to take a harder look at its own bureaucracies.

The question of growth of the public sector's involvement in the economy also had to be faced. By 1985/86 this had grown to a massive 38% of GDP.

SUNDAY TIMES

280 Times

18/9/88

Sanctions: Robbing Peter, paying Paul



by Jan Steyn

chairman of the Urban Foundation, from a speech delivered to the Industrie-und Handelskammer, Frankfurt, this week.

NO ECONOMY in Southern Africa has a growth rate that is keeping pace with population increase.

All countries are desperately short of foreign exchange. Most countries outside of South Africa have chronic shortages of goods on their shelves.

And the AIDS epidemic is more serious in its implications for central and Southern Africa than anywhere else in the world

Brave attempts by the Southern African Development Co-Ordinating Conference to redress the economic imbalances of the region have failed to impact significantly on these problems.

It is in this context that the Angolan peace talks and the resumption of the Nkomati Accord between South Africa and Mozambique are examples of what Southern Africa needs most — co-operation for development.

If these ventures succeed, and Namibia gains independence under favourable conditions of internal co-operation and constructive relations with its neighbours, we might have two beacons of light on a figuratively dark sub-continent.

These experiments, vital though they may be, however, are not enough. We need more positive initiatives to impel us upwards out of a condition in which we all seem to be our own worst enemies.

Pillars

In the West, foreign policy as regards Southern Africa appears to rest on two main pillars: Various forms of assistance and support for the Frontline States and for a range of internal South African initiatives, and either sanctions or at least an embargo on access to foreign capital.

This dualism in politics is based almost entirely on political rather than upon economic factors. I appreciate only too well that international perceptions are such that any other, more positive, policy options seem inappropriate at the present time.

Yet it is a policy which can be predicted to produce wide-ranging negative responses and a destructive impact or further economic decline for the entire sub-continent.

Trade of Southern African countries with South Africa represents some 25 percent of their total trade on average. For example, some 70 percent of Zambia's imports and 40 percent of her exports move through South Africa.

What this shows is that development aid to Southern Africa, excluding South Africa, and aimed at reducing dependence of the region on its most developed economy, creates enormous difficulties in the development of the region as a whole.

It is roughly analogous to a situation in which development aid is given to a state in Central America while trying to ignore the fact that the giant North American economy exists.

Or it is roughly equivalent to an attempt to duplicate the economic barriers between East and Western Europe in Southern Africa.

For example, we know that the Southern African transportation systems, excluding those of South Africa, are unable to cope with the present import and export needs of the region.

These transportation systems need to be dramatically upgraded. But such improvements will take a long time. In the meantime, any expansion of the Southern African Frontline economies will have to depend on South African transport routes.

The sanctions policy, resting on its other pillar, however, will be be undermining the efficiency of the effective transportation systems for the entire region

The same applies to other aspects of economic development Economic development requires not only sound specific economic projects but a whole range of back-up services, such as maintenance and repair of equipment, computers, linkages with major suppliers and so on.

All the Frontline economies are deficient in these ongoing requirements. Hence, as new projects get under way in the Frontline States, they will need more, not less, interaction with South Africa who can supply the cheapest repair services and back-up linkages.

Natural

The states of Southern Africa, including South Africa, are best able to supply one another with markets for goods.

Southern Africa, with the exception of certain commodity exports, cannot possibly compete in the export field with Europe and the Far East.

Its most advantageous markets are within its own region. By destroying one, the largest of those markets, and assisting the others, the overall effect is self-cancelling.

Southern Africa is a natural economic community. The best path to development is one that benefits all the states in the region. Current policies attempt artificially to deny this reality.

Having said this, however, I am painfully aware of the many reasons why this dual policy exists

One of them is to be found in the unacceptable aspects of the South African Government's internal policies conveniently stigmatised as "apartheid". I am fully conscious of the pressures on European governments to be seen to be acting against these racially discriminatory policies.

Finally, on this topic, I return to my original observation about Southern Africa.

The Southern African economies are highly interdependent. It is impossible, given the lack of infrastructure in Southern Africa, to effectively help the poorer states while attempting to destroy the economy of the large state which supplies markets, transportation, customs income, wage employment, expertise, technology and tourism to the poorer countries.

Output

Greater self-sufficiency is essential for the poorer countries of Southern Africa.

But the route to their development lies not in destabilising the region by attacking the major economy. It lies through working for a shared increase in economic output.

This is simple economics and simple geo-politics. If South Africa's economy becomes less and less efficient, so the neighbours will become poorer.

Europe will lose the opportunity to participate in real development in that part of Africa which has a basis for viable regional growth

Apart from a major initiative of this kind, no European company should succumb to the pressure to withdraw from South Africa.

Instead, South Africans should be assisted to create new economic and community development initiatives in joint ventures with blacks as equal or major partners.

They too can help create a web of black influence, organisational and economic power which will almost certainly change the balance in South African society.

Counter measures to sanctions suggested

£50 B/day 19/9/88

A SURCHARGE could be placed on exports of SA strategic goods and services, including minerals, to sanctioneering countries, with the revenue channeled into the Unemployment Insurance Fund (UIF) to compensate for increased payouts resulting from sanctions job losses.

This is one of four basic policy options which government could use to alleviate the heavy costs of sanctions, a report by Stellenbosch-based economists Medium-Term Forecasting Associates says.

Such a strategy, the report says, would put countries imposing sanctions in an awkward position.

"They will surely wish to be seen to be sympathetic to our unemployed masses, and they may well have to accept surcharges with good grace, bearing in mind their intended use."

Another option which government has is the active promotion of exports

PETER DELMAR

as a positive means of earning foreign exchange needed to sustain the balance of payments. The success of this strategy cannot, however, be "remotely" guaranteed as some 70% of SA exports are dependent on world markets for their foreign exchange value.

The report proposes a third alternative: that government endorses legislation leading to selective import controls on luxury goods, which is seen by some as being more effective than current measures aimed at constraining domestic credit expansion to protect the balance of payments.

The report concludes that a fourth alternative is the "negotiation of a coherent, firm economic strategy in an attempt to direct the economy safely and profitably through the malaise of sanctions".

Sanctions root of Eskom cuts

By Therese Anders, Highveld Bureau

Eskom has blamed economic sanctions for the country having a substantial electricity over-capacity.

Last week Eskom announced it was to shed up to 5 000 workers over the next three years — 2 000 before the end of this year — and mothball or close 13 power stations.

In an advertisement printed in national newspapers yesterday, Eskom's chief executive Mr Ian McRae said "many nations" had imposed a wide range of economic sanctions on South Africa in the period between the planning and commissioning of new power stations.

SLOWING

He said the sanctions had had the effect of slowing down the economy and therefore the overall demand for energy.

It took about 15 years to plan, construct and bring on line a major power station.

Mr McRae said Eskom was "deeply concerned" about the impact the scale-down of operations would have on staff.

"We have calculated that about 5 000 jobs may become redundant over the next three years.

"But that does not mean 5 000 people could lose their jobs. Some could be absorbed as maintenance crews on the 'mothballed' stations.

"Some we will re-train in skills that will serve them even better in the future. Others will be assisted in placements in other organisations, and some, regrettably, we will not be able to accommodate."

He said he wanted to stress that the cutback decision was in no way influenced by the recently proposed reinstatement of Cahora Bassa.

"Power from this source will not come on stream for at least 18 months and it will not account for more than 1,7 percent of our total demand."

He said if Cahora Bassa came on stream it would have no negative influence on job opportunities.

Challenge on Tutu

DR A P Treurnicht, leader of the Conservative Party, challenged the Government to act against Archbishop Tutu whom he said had been "looking for trouble" with South Africa for a long time.

Addressing an enthusiastic meeting attended by some 1 000 people in the Cape Town city hall at the weekend, Dr Treurnicht said he found it a strange world where the Government had prohibited calls for a boycott of the municipal election but was not applying the decision.

280 Sunday Times 19/9/88

All-out sanctions, Dukakis vows

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — South Africa will no longer be able to rely on an American veto of UN-imposed mandatory sanctions if the Democratic Party candidate, Mr Michael Dukakis, wins the November 8 US presidential election.

Mr Dukakis made this clear at the weekend when he accused President Botha of "terrorism" and told the annual conference of the congressional black caucus in Washington that under his presidency the US would lead the way in the United Nations for international sanctions against South Africa.

Under President Reagan and previous presidents the US ambassador at the UN has used America's permanent veto power in the Security Council several times to block binding anti-SA economic sanctions.

In a speech pitched to win the enthusiasm of black voters for his candidacy, Mr Dukakis promised action on many issues of deep concern to black Americans.

He told the conference: "We'll defend workers' rights in Poland and in South Africa.

(Turn to page 3, col 1)

Total sanctions, Dukakis vows

(Continued from page 1)

We'll oppose Gadaffi's terrorism and Botha's terrorism."

Under his administration Congress would pass the Dellums Bill — a comprehensive package of anti-SA sanctions that has been approved by the House of Representatives and the Senate's foreign relations committee but which appears destined to be shelved during the present Congress.

Mr Dukakis's endorsement of the Dellums Bill, legislation that virtually severs all trade ties and makes it an offence for Americans to hold investments in South Africa, puts him at odds with many in his own party who no longer accept the wisdom of such tough sanctions.

By linking South Africa with Poland and Libya, Mr Dukakis was responding to accusations by some black American leaders that US foreign policy is more concerned about the plight of foreign whites than foreign blacks.

His reference to "Botha's terrorism" has raised uncertainty again about the Democrats' threats to include South Africa in the official American list of countries that sponsor terrorism — Cuba, Libya, North Korea, South Yemen, Syria and Iran.

In a meeting with South African journalists last week the man behind the idea, the Rev Jesse Jackson, repeatedly avoided committing himself to a South African inclusion, causing speculation that he was backing away from it.

ENTHUSIASM

Mr Dukakis's speech to the black caucus capped a week in which his campaign has made a strenuous effort to shake off the image that it is ill-defined and losing ground to Mr George Bush, the Republican candidate.

The Democrats are counting on a massive turn-out by black voters in November and are hoping that Mr Jackson will be able to drum up enthusiasm for the Dukakis-Bentsen ticket.

Mr Dukakis has promised a living minimum wage rate, the creation of jobs for all, support for black schools and colleges, firm action on civil rights, a commitment to cure Aids, a war against drug-abuse and economic aid for Africa.

The Democratic candidate, who has harshly criticised the Republicans for failing to balance the federal budget, did not explain how he would pay for his programmes.

Saru also holds talks with ANC

DURBAN. — The South African Rugby Union (Saru) have also held talks in Lusaka with the ANC it was revealed this weekend.

A statement released by the Saru excecutive, said their president, Mr Ebrahim Patel, and four other members, met an ANC delegation led by the ANC information boss Mr Thabo Mbeki.

According to the statement, Saru had been invited by the ANC to discuss the rugby situation in the country with specific reference to its future.

The Lusaka talks followed the recent disclosures of meetings in London and Frankfurt between the Transvaal rugby boss Dr Louis Luyt, African sports administrators and members of the ANC.

The discussions, the statement said were "fruitful and constructive", and Saru was hoping that the talks would benefit all who support the anti-apartheid sports movement.

The statement also said that Saru had always maintained that it was prepared to meet any person or organization to outline its position and principles for true non-racial rugby and its opposition to apartheid.

Among other things achieved at the talks, is the ANC's commitment to work closer with the South African Non-Racial Olympic Committee (Sanroc) to popularize Saru internationally.

"We will brief our affiliates on the talks with the ANC and do not regard this initiative as sensational. On the contray, it is simply a natural consequence of Saru's principled position being brought nearer to realization," said Mr Patel.

Cape Times 19/9/87

CP 'will slit the throats of SARB

By ANTHONY JOHNSON

DR DANIE CRAVEN has been told that his SA Rugby Board would have its "throat slit" if the Conservative Party came to power.

This was disclosed at the CP's weekend congress in Cape Town at which several delegates took strong exception to the SARB talks with the ANC and efforts to promote racially-integrated sport at schools.

Mr Boetie Malan, who has been a prominent Eastern Cape rugby administrator, told the congress that when Dr Craven asked him (Mr Malan) recently what the

Homelands 'success story' — PAGE 7

CP would do with the SARB if it came to power, he had replied: "Doctor, slit your throats" (Doctor, keelaf).

Dr Craven said yesterday he recalled the conversation, which took place only about a week ago. "We are still friends, although we disagree," Dr Craven said. "I remember that he (Mr Malan) was very optimistic "about their (the CP's) chances and their future."

Mr Malan joked that he was worried that he might be expelled from the CP for daring to talk with someone like Dr Craven (who is on record as favouring talks with African sports administrators, including ANC members).

Earlier, the CP education spokesman and MP for Brits, Mr Andrew Gerber, sharply criticized Dr Craven's efforts at promoting mixed school sport.

African bid to oust SA from IAEA

Cape Times 20/9/88 280

VIENNA. — African states were optimistic that they could oust South Africa from the International Atomic Energy Agency (IAEA), delegates at its annual conference said yesterday.

South Africa circulated a note indicating it was ready to sign the Nuclear Non-Proliferation Treaty (NPT) to delegates at the opening of the IAEA's general meeting, but African members said it was only a delaying tactic.

"This statement is incredibly weak," Nigerian delegate Mr Timothy Mgbokwere said. "It is quite clear that South Africa has no intention of signing the treaty."



Mr Pik Botha

Instead they predicted the move would boost support for the Third World resolution against South Africa. Zimbabwe Energy Minister Mr Kumbiria Kangai said the group had produced a draft calling for Pretoria's suspension, which would require a two-thirds majority.

Western diplomatic sources said the key to the success of the African group's resolution could lie with the Soviet Union and its allies, which withdrew their support from a similar resolution last year.

If successful, the resolution aimed at ousting South Africa would be the first suspension in the Vienna-based agency's 30-year history. The IAEA promotes nuclear energy and limits the spread of nuclear weapons.

The South African note indicated that it would open all its nuclear installations to international inspection, as required by the NPT, if it is allowed to negotiate on the terms of the treaty.

Pretoria now only allows inspection of its Koeberg power station and one of two research centres. A second research centre, reported to be capable of producing weapon-grade plutonium, remains top secret.

Mr Pik Botha, Minister of Foreign Affairs, announced in August that South Africa could make nuclear weapons but refused to say if it had already done so.

Last year Nigeria and other Third World states mounted a bid to suspend South Africa, but delegates at the 1987 conference opted to defer the decision after Pretoria announced it hoped to sign the NPT.

Mr Kangai said he hoped delegates at this year's conference would finally lose patience with Pretoria and vote to suspend them from the agency.

"I think their present statement is testimony to the fact that South Africa is not willing to ratify the treaty, so we hope it will influence those nations who have been sitting on the fence and those who wanted to give Pretoria more time to be decisive," he said.

However, many Western delegations are reluctant to oust Pretoria even if it refuses to sign the NPT, preferring to maintain universal membership. France and China, among others, have not signed the treaty but are still members.

"As long as South Africa is a member of the IAEA, it is possible to have international influence on the nuclear scene there," West German delegate Mr Gephard Ziller said.

"We also hope there will soon be a peaceful solution to the Namibian and Angolan question. Throwing South Africa out of the IAEA will not help that." — Sapa-Reuter

Chamber fighting sanctions

CM-Times 20/9/88 280

By BRUCE WILLAN

SANCTIONS mean that the SA economy will be about 10% smaller in 1990 than it would otherwise have been, Cape Town Chamber of Commerce president Anthony Coombe said last night.

This means that the average South African will be up to 10% poorer. And the brunt of this loss will undoubtedly fall on the less privileged.

Coombe was speaking at the Western Cape regional presentation of AIESEC awards. AIESEC is an international organization of economics and management students which makes a point of being non-political.

But Coombe said that although business had no unified lobby "it certainly has a common economic purpose. In my own chamber of commerce, which alone represents 2 800 member companies, we will not take a political posture unless — as is often the case — the issue has an economic consequence for the business of our members".

Sanctions and disinvestment, for example, had hardened attitudes towards reform and had undermined the economic and social requirements for reform. "All this will lead to an estimated further annual increase in unemployment of as much as 20 000."

Coombe said the recent visit of an Assocom mission to Europe to counteract the sanctions campaign "made it very clear to us that SA has many friends who would dearly like to be more supportive provided they are given indications that real progress is being achieved."

Cape Town Chamber of Commerce was proposing a motion at the forthcoming Assocom conference in Durban that economic growth and progress were interdependent, that private investment — both local and foreign — was essential to economic growth, that the prospects for generating investment in SA were directly dependent on the elimination of all forms of statutory racial discrimination and the accommodation of all people in a new political dispensation, and that "this congress agrees to take certain action to help achieve those principles".

20/4/88 Star

'Sanctions will be destructive'

Chamber urges US to change policy on SA

By Michael Chester

The Witwatersrand Chamber of Commerce and Industry has urged the United States Congress to swing its political aim away from sanctions and towards the encouragement of black economic advancement.

The advice was contained in a letter which Mr Hennie Viljoen, president of the Chamber, handed to Senator Paul Simon and Congressman Richard Lehman during their recent fact-finding tour of South Africa.

Mr Viljoen argued that sanction measures initiated by the US were both ill-conceived and ill-considered, and had interrupted significant progress towards reform.

Our needs

"As a developing country, with a strong Third World component, our needs are massive in the areas of housing, education, infrastructure development and in job creation," said the letter.

"Instead of a destructive sanctions policy, we would respectfully suggest that political energies be directed at a process of encouraging black economic development, of empowerment.

"It is already a well documented fact that our most meaningful political changes came about as a result of economic and not political pressures and forces."

The Chamber viewed the Dellums proposals of sweeping new US sanction measures with the gravest concern.

"Should the proposed legislation be enacted, we foresee, as an immediate result, massive unemployment and even starvation in the entire southern African region.

"The legislation will not achieve its political objectives of forcing our Government to abandon apartheid; quite the contrary, it will strengthen a strongly growing right-wing element, with dire consequences for our internal politics."

SA Sport to be probed by IOC

From IAN HOBBS

LONDON. — The International Olympic Committee (IOC) is considering sending a high-powered mission to South Africa early next year to investigate claims that apartheid has been eradicated from sport.

The IOC is not about to re-admit South Africa, but a fact-finding mission is considered to be a spectacular change of thinking by the IOC with regard to South Africa.

The move, still in an early and precarious stage, has been initiated by IOC president Mr Juan Antonio Samaranch after dozens of approaches from South Africa and private urgings from some Western countries

Six years ago Mr Samaranch promised that he would set up a delegation, but he backed off under pressure from Africa. He has had to conduct the argument since with patience and sensitivity.

Breakthrough

While the new move will be fought by anti-apartheid groups and some Third World countries, it is a major breakthrough for South African sport to even have such a visit considered.

South Africa was expelled from the Olympic movement in 1964.

It is reported that a six-man team of IOC dignitaries will meet in Vienna in December to consider all factors involved in visiting South Africa.

The South African Olympic Committee would probably be expected to give absolute guarantees that the IOC delegation could go where it wished and meet whoever it wanted, including opposition political groups and those in the country backing sports isolation.

According to a report from Seoul published in the Independent of London, the most powerful figures in African sport have agreed to take part in the six-man team, to be headed by Mr Keba Mbaye of Senegal, who is a judge at the International Court of Justice in The Hague.

The other members are named as Mr Ivan Skavkov of Bulgaria, Mr Kevin Gosper of Australia and Mr Marc Hodler of Switzerland.

Harsh SA sanctions would harm Zimbabwe, says Smith



Former Prime Minister of Rhodesia, Mr Ian Smith.

By Neil Lurssen,
The Star Bureau

WASHINGTON — The former Prime Minister of Rhodesia, Mr Ian Smith, has warned that a new round of economic sanctions against South Africa would ruin Zimbabwe's economy and cause wide damage in the region.

Mr Smith, in Washington to warn members of the US Congress and other policymakers about the dangers of harming on South Africa economically, said that, if the pressure became too great, South Africa would not allow Zimbabwe's exports to move through its ports while it was being denied trade because of Western sanctions.

The latest sanctions threat to South Africa — the comprehensive Dellums Bill which goes far further than current US sanctions — faces an uncertain future this year.

It has been approved by the US House of Representatives and by a US Senate panel that deals with foreign relations, but there are indications that it will be killed either by a Senate filibuster mounted by conservatives, or by a presidential veto.

However, the Democratic Party's presidential candidate, Mr Michael Dukakis, has repeatedly declared his support for the Bill and liberals say they will re-introduce it next year.

Mr Smith praised the SA Government for withdrawing its troops from Angola and said the West should insist that Cuba pull its troops out too.

Star

21/9/88

'Botha's policies have less than 50-50 chance'

US report gloomy over prospects for reform in SA

By Neil Lurssen,
The Star Bureau

WASHINGTON — Significant political reform is most unlikely in South Africa over the next five years, according to a new report here designed to help banks, international businesses and government agencies with their forward planning.

"Mounting pressure on the Right and growing black opposition give President Botha's pragmatic policies less than a 50-50 chance of survival, regardless of whether Botha is replaced," it says.

"Over the next five years the National Party government might regain support from domestic conservatives by shifting to reactionary policies," it adds.

Retain support

The 50-page report was compiled by Political Risk Services (PRS), an international market research division of the respected New York-based company, Frost and Sullivan.

Its latest report on South Africa, just released, predicts that the National Party will retain much of its support among Afrikaners, but it predicts a struggle for the party to retain its parliamentary majority at the next elections, which must be held by 1992.

Offering three possible political scenarios for South Africa over the next five years, it says: "At 40 percent the odds for the South African Government to abandon even the pretence of reform are almost as great as the odds for the National Party to remain on its present policy course.

"Even if the NP lost the vote of traditional white supporters, it could still stay in power by forming a coalition with the military, which already plays a major role in government.

"The third most likely scenario for the next five years is the remote chance, with a 15 percent probability, for the formation of a multiracial government to lead the country."

The report predicts a period of stagnation in economic growth, depending on international demand for raw materials.

"The Government will introduce slightly more expansionary fiscal measures, partly for political and social reasons and partly to keep the rate of black unemployment down.

"Nevertheless, the high rate of inflation along with sanctions and stagnating gold prices will push real gross domestic product growth back down to an average rate of about 2 percent through 1994, after peaking at 3,5 percent this year."

The PRS report, compiled by a five-member team, expects the present government to remain in power over the short term, making "modest" reforms to accommodate the urbanisation of blacks.

Two members of the team believe more strongly than their colleagues that economic deterioration and growing violence will lead to reactionary retrenchment by the Government over the next five years.

All five see the possibility of significant political reform in South Africa as most unlikely.

Among other points made in the report are that:

- South Africa will be careful to avoid antagonising its major trading partners, and its regional dominance will temper the policies of neighbouring countries.

Evade sanctions

- By mid-1988 nearly 200 foreign companies had withdrawn, but South Africa and its customers and suppliers skillfully evade many sanctions, and more than 1 200 companies from 20 countries continue to operate there.
- The military and the police do not yet dominate the country, but the power structure has become a fusion of civilian and security forces. The military's role in day-to-day decisions will continue to grow.
- Black groups lack sufficient unity and military clout to threaten the Government seriously.

22/9/88 Star 280 389

Republican filibuster may stop Senate vote

Call to debate tough Bill on SA sanctions

By Alan Dunn,
The Star Bureau

WASHINGTON — A political tug of war has developed on Capitol Hill with pro and anti-sanctions senators tussling over whether the Senate should debate a Bill containing almost total economic sanctions against South Africa.

The Bill, approved by the Senate Foreign Relations Committee last week, can be brought to the floor as early as tomorrow if liberal Democrats sponsoring it have their way

At the centre of the struggle is the outgoing leader of the Senate's Democrat majority, Senator Robert Byrd of West Virginia.

Powerful pressure

Powerful pressure has been exerted on him this week to allow the Anti-Apartheid Amendments Act of 1988 to be debated.

Behind that pressure are the main sponsors of the Bill, particularly Senator Alan Cranston of California. Sources said Senator Byrd was also being pressured by trade unions in his state.

Senator Byrd, who has indicated his reluctance to accommodate South African legislation in the final sitting this year, also faces a fierce anti-sanctions clique in the Senate.

Senator Steve Symms, Idaho Republican and one of the Senate's most conservative members, has asked fellow-Republicans to sign a petition threatening a filibuster.

This is aimed to combat the Cranston pressure and force Senator Byrd to calculate a political equation rather than meet demands from the other side.

Senator Byrd must now balance what a South Africa debate would do for Democrats seeking re-election in November and the probability of facing a defeat or an extended session at the end of his 11-year leadership of the Senate Democrats.

A Republican filibuster, where the debate is extended ad infinitum to block a vote, can only be prevented by invoking "cloture" — 60 votes in a 100-member body against a filibuster — thus limiting a debate and bringing it to a vote.

It is not yet known how many Republican signatures the Symms letter has attracted.

"It is a very difficult position for the Leader (Senator Byrd)," said a Symms aide.

The widespread expectation in the Senate is that sanctions advocates do not have enough support to invoke cloture The count currently is 55 but the slightest tilt could swing it in favour of the pro-sanctions senators.

The bishops debate: Is Marxism worse than apartheid?

BY STEVE ASKIN in Harare

SOUTHERN AFRICA'S anti-apartheid and anti-communist bishops almost argued each other into silence in Harare last weekend as they tried to devise a common social justice platform.

As the Second Quadrenial Inter-Regional Meeting of Bishops of Southern Africa (Imbisa) drew up its final statement — released on Sunday as the Pope arrived to close the meeting — conservatives from the former Portuguese colonies tried to omit any reference to apartheid.

South Africa should not be singled out for criticism, some bishops from Mozambique and Angola argued, because the Marxism under which they lived was worse than apartheid.

This view reflects the bitter antagonism of bishops in both countries towards governments which ended Catholicism's state religion status when they took power in 1975.

The social justice pastoral letter they released urged an end to the Southern African wars which led to "bloodshed and destruction and the cruel displacement of millions of innocent men, women and children".

At the insistence of the South African bishops, they did include one carefully framed anti-apartheid paragraph urging South Africa "to reject the politics of separation". It said "apartheid is one of the major causes of destabilisation and suffering in Southern Africa."

Statements on Mozambique and Angola were deliberately ambiguous, offering "an impassioned plea to the warring parties in those countries to reach out to each other in peace".

Imbisa's most outspoken conservative, Archbishop Jaime Goncalvez of Beira, was overwhelmingly re-elected president.

The willingness of the numerically dominant South African bishops to vote for him was a reminder that the church has avoided the bruising political battles that have divided the Catholic Church in countries such as Nicaragua.

Ten thousand may strike at multinationals

By EDDIE KOCH

SOME 10 000 workers are poised to strike at 39 multinational chemical firms across the country if the companies refuse to discuss with their union the conditions under which foreign owners will be able to sell out to local management.

The Chemical Workers' Industrial Union (CWIU) announced this week it had declared a dispute with the multinationals because management refuses to consider a broad set of demands relating to the security of the local workforce in the event of any withdrawal from South Africa

The CWIU believes disinvestment has taken place in a way that allows foreign firms to continue making profits out of apartheid at the expense of local workers The union has also mounted a national "multinational disinvestment campaign" that it hopes will establish a set of principles for pro-sanctions lobbies overseas to follow.

The union has asked the government to appoint a conciliation board to resolve the dispute If this fails its members will be entitled to take legal strike action to press home their demands It is the first time that the disinvestment issue and such a large number of companies have been involved in a formal labour dispute

The CWIU is a member of the Congress of South African Trade Unions (Cosatu) and endorses the labour federation's support for comprehensive and mandatory sanctions

"The disinvestment of many multinationals from South African has often been nothing more than corporate camouflage," says Taffy Adler, co-ordinator of the CWIU's disinvestment campaign

"Disinvested companies remain within the control of the very same owners who claim to have disinvested Control is no longer by direct ownership but by other means such as franchise, licensing or technology agreements Such companies still profit from apartheid but in a more devious way "

Says Adler "The argument that disinvestment hurts black workers the most becomes a self-fulfilling prophecy because of the way the deals have been structured.

"Local management can look forward to shares in a renamed, debt free and profitable operation at bargain prices Workers on the other hand experience a refusal to recognise their union, a change for the worse in their conditions of employment and job insecurity "

The CWIU's list of demands includes calls for one year's notice of disinvestment, no termination of agreements with the union and no less favourable conditions of employment The union wants its members to receive severance pay of one month's wages for each year of service, loans to workers for housing to be cancelled and wages to be guaranteed for one year from the date of closure

It also says the company must ensure an adequate pension payout to workers when they retire and that the "disinvesting company pay over to a trust fund nominated by the CWIU the proceeds of the disinvestment sale" as well as proceeds from royalties, licence fees, franchise and service agreements

Companies involved in the dispute include BP South Africa, Shell, Mobil Oil, Sapref, Caltex, Total, Ciba-Ceigy, Dunlop, Reckitt and Coleman, Hoechst, Colgate Palmolive, Gillette and Pilkington Glass Most managements have declined to comment to the press but union sources say some firms have indicated they are preparing a response to the worker demands

Dusty Ngwane, senior shop steward at Gillette, said workers were prepared to back their demands with strike action because they felt "the intention of sanctions is to weaken the apartheid regime ... the manner in which disinvestment is taking place is not doing this".

The CWIU, which claims more than 9 000 members out of 11 500 workers employed by the 39 multinationals, says the firms were selected because of the possibility they may withdraw from South Africa

CWIU general secretary Rod Crompton told the *Weekly Mail* he hoped the demands would provide a programme for pro-sanctions organisations overseas to follow

The guidelines have been widely canvassed with rank-and-file union members "In every factory we discussed the matter," says Ngwane. "During lunchtime if we had 45 minutes, we would say 'look, let's eat quickly' and then we would gather outside under the tree and discuss the political issues relating to sanctions and disinvestment "

Ideas from these meetings were then taken to the union's branch and national leadership and drafted into the official set of demands

My loyalty is to the Lord, says the teenager who won't serve

By EDDIE KOCH

WHEN teenager Charles Bester is asked to explain why he refuses to be conscripted into the SA Defence Force, he will say his stance derives from loyalty to the same God under whose authority the court has tried him

Bester, 18, a Christian volunteer worker, could become the second white South African to receive a six-year jail sentence for refusing to serve

"We will both be appealing to the same higher authority," he says "It's an irony that runs throughout South Africa The government which claims to be Christlike is in fact pursuing policies which many people believe to be against the laws of God "



Charles Bester — "I believe it would be very arrogant of me, as an 18-year-old, to go into a township and impose law and order."

Bester could follow the path of 26-year-old David Bruce — who in July became the first conscript to receive a six-year sentence for refusing, on political and moral grounds, to serve in the army

"The basic reason (for my stand) is that I am a Christian and as a Christian I must follow a path of love in every situation," Bester said "I cannot put my life into compartments so that my religious life has no bearing on my political, sporting and other areas of my life

"Evil is manifesting itself in a political system and the government of the day is using the army and people of my age to implement its policies which I believe are in no way Christian . Apartheid laws such as the Group Areas Act, the Population Registration Act and other laws that curb people's freedoms are in no way just "

He added "I believe it would be very arrogant of me, as an 18-year-old, to go into a township on the back of a military vehicle and impose law and order I don't see the war in Namibia as my war I would like to see the people of Namibia making their own choice about who they want to rule them "

Bester is a firm believer in non-violent solutions to South Africa's problems

He could have used this to appeal to the Board For Religious Objection — which can allow conscripts with pacifist and religious scruples the chance to do community service rather than military training

Instead, after receiving his call-up papers Bester went to Sturrock Park in Johannesburg, where young conscripts gather before being taken to their military bases, and told the commanding officer he was not prepared to serve

Remarkably articulate for a person so young, Bester first considered not serving while he was in Std 7 He believed joining the SADF and his approach to life were irreconcilable

A thorough process of deliberation since then has left him with no illusions about the consequences of his decision He knows by the time he comes out of jail, he may have spent one-quarter of his life behind bars

"Ultimately I am doing this out of love for Christ But it is not a sentimental notion of love."

Bester is scheduled to appear in the Potchefstroom Magistrate's Court for the third time on October 3

At midnight on Sunday, a tent town must move out

By GAYE DAVIS
Cape Town

AN entire community living in tents in a salt pan near the West Coast fishing town of Port Nolloth face eviction after midnight on September 18

The Port Nolloth Municipality and the Cape Provincial Administration have told them to leave the area because there is no proclaimed residential township for people classified black.

Opposed to moving, residents will host a church service, organised by the local civic association and the Namaqualand Council of Churches, at 4pm on Sunday in the town's Anglican Church.

Meanwhile, the Port Nolloth municipality has applied to the Cape Supreme Court for a declaratory order empowering it to evict residents, with the aid of the police and Cape Provincial Administration officials, who fail to move of their own accord

The tent-towners — officially estimated at 200, although the people themselves say they number 500 — have battled for years for permanent homes in the area

Many originally had homes in a shanty town which also housed "coloured" people They were forced out in the early 1980s when the shanty town was demolished and new "coloured" housing built.

A group of about 300 fled to Namibia, only to be forced back into South Africa by the Namibian authorities

They were trucked back to Port Nolloth, given tents and told they could live in the salt pan on a temporary basis That was two years ago

This year, officials started pressuring residents to move — and residents started mobilising in opposition, forming representative committees and approaching businesses to support them in their bid to stay.

In February, residents appealed to the Cape Supreme Court against the municipality's bid to evict them They were granted a six-month reprieve on grounds that the length of time given them to leave the area was unreasonable This respite expires at midnight on September 18

None have any idea of where to move to The nearest proclaimed black township is in Upington, 550km away.

R2,6bn SA disinvestment plan

Minorco in UK's biggest takeover bid

LONDON — Consolidated Gold Fields (ConsGold) yesterday rejected Britain's largest takeover bid — a £2bn offer by Minorco.

Minorco's plan would involve the biggest disinvestment from SA — involving R2,6bn at current financial rand prices.



● EDWARDES

ConsGold rejected the bid immediately as unwelcome and devoid of commercial logic.

The bid was accompanied by the announcement that Sir Michael Edwardes was taking over as deputy chairman and CE of Minorco.

The offer involves a £19 cash consideration and one new Minorco share for every two ConsGold shares. This works out at £13,06 a share and values ConsGold at about £2,9bn.

London brokers dismissed the bid as "derisory" and "a sighting shot", saying Minorco would have to pay up to £16 a share if it were to succeed.

At a London Press conference yesterday Edwardes said if the bid was successful, Minorco intended having no investments in SA. This would involve selling ConsGold's 38% stake in GFSA and its holdings in SA gold mines.

If the offer were accepted, Anglo American's and De Beers' joint stake in Minorco would drop from 60% to 40%.

In a simultaneous statement, Anglo chairman Gavin Relly and De Beers chairman Julian Ogilvie Thomson (who remains Minorco chairman) said: "In today's climate, Minorco can best prosper as an international company if it is properly independent. AAC and De Beers will not therefore seek to play any role in the day-to-day affairs of Minorco."

Minorco holds some $890m in liquid form. Edwardes said this would be enough under the bid to take Minorco's stake in ConsGold to 50% while the equity issue would take it to 70%. The remaining £990m would be funded by borrowings. However, if Minorco is forced to up its offer to £16, it will have to borrow an additional £470m.

Edwardes stressed if the bid were successful, Minorco intended redeploying ConsGold assets to reduce borrowings rapidly. This would involve selling the GFSA stake and reducing the 49% stake in Newmont Mining Corporation.

Edwardes said a major factor in his agreeing to take the position was an assurance from Anglo and De Beers that Minorco would be allowed to operate as an independent company.

He rejected suggestions that the bid would attract opposition from the British monopolies commission because of the SA connection. Minorco, he said, was a Luxembourg-based company and under the deal most of its shareholders would be based in Europe and the US.

Responding to the offer ConsGold said it would be vigorously defended.

Minorco's proposals envisaged the dismembering of the company, which would effectively damage it and was not in the shareholders' interests, ConsGold chairman Rudolph Agnew said.

MIKE ROBERTSON

More reports — Page 10

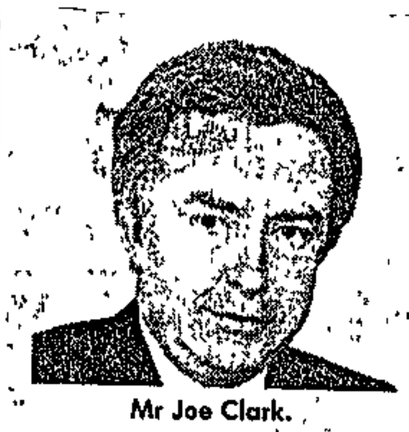
● To Page 2

● From Page 1

Canadian politician Joe Clark writes to South Africans . . .

Sanctions necessary for death of apartheid

22/9/88 Star



Mr Joe Clark.

An extraordinary public exchange of letters is being conducted between the foreign affairs Ministers of South Africa and Canada about South Africa's internal policies and the effectiveness of worldwide actions to end apartheid.

I am one of those people a lot of white South Africans see as sanctimonious Canadians always more than ready to tell South Africans how to run their country

But you will pardon me if I think of myself as an honourable man, representing an honourable country, which is involved in this issue because it is too important to avoid.

I harbour no delusions of moral superiority. I have no idea whether white Canadians, had they grown up in the South African context, would be behaving much differently than a lot of white South Africans are now. Nobody knows.

What I do know is that there has been an affinity between our two, relatively young and rugged nations before — it wasn't that long ago that we were both members of the same Commonwealth family — and, God willing, there will be warmth and friendship again when apartheid has ended.

Making up lost ground

We must be honest with each other. Allow me to begin Canada is not an icebox filled with saints. I won't suggest that Canadian governments always treated our Indians, Inuit and Metis completely fairly (although I think we're making up for lost ground), or that there's no hint of racism in Canada.

Nor will I argue that our government, as broadly active as it is in the human rights arena, has always expressed exactly the same degree of indignation over appalling incidents which have taken place internationally — from Chile to Burundi, from Lebanon to Haiti — as it has over apartheid. We try to promote human rights everywhere but I acknowledge that it must sometimes seem as though we're singling out white South Africans

In return I would appreciate some honesty about what the government elected by white South Africans is up to. And I'm not at all sure I'm getting an accurate picture from your country's Foreign Minister, who had an article printed in several Canadian newspapers recently.

According to Mr Pik Botha, his government has firmly rejected "racial discrimination and the impairment of human dignity"

If there is any significant progress being made toward this end in South Africa, it is all but imperceptible to the outside world. And Mr Botha's efforts to sanctify some far-off democracy based on "communities" appears to be a prescription for continued white domination.

To white South Africans who have grown up with a system it may seem as though that system is changing significantly. If I honestly believed it were it would be a relief to forego sanctions and other forms of international censure

But what we see is tightening repression under the state of emergency, continued black disenfranchisement, harsh measures against multi-racial mixing, censorship, threats against moderate church leaders, threats to foreign funding for development, increased influence of the security services in internal administration all signs of a government committed to the protection of a privileged minority at the expense of the majority.

Mr Botha says his government will not prescribe who will represent non-whites, but nearly all but the most accommodating and least critical are indeed prescribed. A new wave of bans on outspoken opponents of apartheid reveals a government unwilling to accept even peaceful dissent.

Mr Botha says the outside world should encourage dialogue and stick to quiet diplomacy rather than taking stronger measures to provoke change. For 40 years the world applied quiet diplomacy and moral suasion.

We did it while the Group Areas Act was introduced and while millions of South Africans were forcibly removed from their homes. We did it after massacres in Sharpeville and Soweto

And after all the quiet diplomacy the pillars of apartheid — the Population Registration Act, the homelands system, the Group Areas Act, segregated education and the Separate Amenities Act — remain firmly in place

Mr Botha pleads for time He has had time but his government has never used time to effect basic change Beyond that, there are two reasons why reasonable outside governments cannot just sit back and say "they need more time".

The first is that if the forces of delay continue to win the day within the South African community, a violent outcome becomes more likely. The second is that the injustices of apartheid compound over time. Consider South Africa's segregated education system.

While expenditures on non-white education have increased, the ratio remains scandalous. You cannot spend several times the money on education for the white minority than you do on the rest of the population without continually robbing the latter of its potential. The longer you keep doing it, the more the gap widens between the two groups

And the more the majority is robbed of its potential the more incapable it appears to the white minority And the more whites can pretend it is sensible to argue the right to dominate, at least for a little while longer

It is an insidious process, and black students know it. It doesn't need any more time to fester

So we impose sanctions, as part of a Commonwealth movement to stimulate a change in the South African government's attitude And two countries, whose shared newness and sense of adventure united them in the past, become antagonists.

On this side of the line we are willing to concede that there is some truth to some of what Mr Botha says South Africa is, in many respects, "the prime generator of growth for the whole southern African region", as he puts it, and economic sanctions stand to hurt its neighbours

It is also true that sanctions stand to hurt non-white South Africans by increasing unemployment That's not easy to swallow, but anyone who says there is not strong support for sanctions in the black community had better face the reality

Far more difficult

I'll add another truth It is far more difficult for a minority holding political power to relinquish full political rights to the majority around it than it is for a largely white population to treat its minority indigenous people fairly

That being said, there is a larger truth than any of these Apartheid is destroying the soul of your country It is in the tradition of the worst of what humanity has had to offer, and allowing it to persist would be to admit defeat in the quest for a more humane world

Apartheid is both unworkable and immoral, and it has to end, not by saying it has ended, but by destroying it. Yes, that is preaching, from an imperfect pulpit But anyone who would advise you otherwise would never qualify as a friend

Joe Clark
Secretary of State
for External Affairs
Ottawa, Ontario.
September 16 1988.

TRADE UNIONS

Leave but love us

The Chemical Workers' Industrial Union (CWIU) supports sanctions and disinvestment against SA as tools to help end apartheid. At the same time, it wants the multinational companies where its members are employed to negotiate with the union beforehand the terms of their possible disinvestment — so that "the social wealth of SA remains the property of the people of SA."

To this end, the union filed a unique application on August 30 for the Minister of Manpower to appoint a conciliation board, in which 39 foreign-owned companies are cited as parties to the dispute.

Among the companies are BP, Shell, Caltex, Total, Sapref, Ciba-Geigy, Colgate Palmolive, Elida Ponds, Unilever, Gillette, Hoechst, Fedgas, Pilkington Glass, Reckitt & Coleman, SA Cyanamid, Revertex, Dunlop, Price Candles, Vulco Latex and Cookson Chemicals. None of the companies accepted the union's first entreaties to negotiate the matter, which were contained in letters in July and November last year.

If, by September 30, the Minister does not set up a conciliation board, or if one is set up but fails to resolve the dispute, strike action "becomes a possibility," warns CWIU General Secretary Rod Crompton.

According to the union, the terms of reference of the conciliation board should encompass: the inability of the parties to reach agreement on joint negotiations on the disinvestment issue; notice of disinvestment; separation pay; social security; information to be provided to the union; pension/provident funds; and trust funds. Further, in the event of partial disinvestment and in addition to the above, additional information, guaranteed conditions of employment and shareholding.

The companies (which have set up an informal contact group chaired by Hoechst's Ian Thompson), have, not surprisingly, baulked at what amounts to a demand for full disclosure of such information. According to one employer spokesman, most of the companies cited do not wish to negotiate the issue at industry level, but are quite happy to do so at plant level, largely because each one is different. In any case, he maintains, most of them are very supportive of the Thatcher stance against disinvesting and have no intention of pulling out of SA.

A Unilever spokesman suggests that "it is unrealistic to expect 39 separate and independently managed companies to bargain as a single entity. What is more, Unilever believes that there is no point in attempting to negotiate the terms of a hypothetical improbability."

"That's what they all say," Crompton rejoins. "If it's true, why are they prepared to negotiate the issue at plant level at all?" He says the union wants to establish disinvestment procedures in industries particularly susceptible to pressure to leave and also because what passes for disinvestment is "corporate camouflage."

Most so-called "disinvestments" the union claims, "were suddenly presented to employees as a *fait accompli* and in some cases (for example, Sterling Drugs), immediately after the company concerned had publicly announced that it had no intention of disinvesting whatsoever." Some companies, it continues, claimed in SA that they were not disinvesting while announcing overseas they had "disinvested." The union also claims that, contrary to certain reports, "these 'disinvestments' were not resulting in job losses, but rather in less favourable conditions of employment for the same employees, and a less favourable collective bargaining relationship for the union, introduced during and under the guise of disinvestment."

Closely linked to this, CWIU maintains, is the phenomenon of "disinvested" companies remaining within the control of the very same owners who claimed to have disinvested. This is done indirectly through franchise and licensing or technology agreements and explains the apparently contradictory statements made locally and internationally.

In the union's view, notice and terms of disinvesment must be agreed on as all 39 respondent companies are susceptible to disinvestment pressure to varying degrees and all are capable of disinvesting whether their local management supports the decision or not.

"The only way the union can avoid 'disinvestments' being presented as a *fait accompli* is for a prior agreement to be reached between the parties on the course of action the parties would follow should they be affected by a disinvestment decision," the CWIU has submitted.

Bid to oust SA from IAEA fails

Cpt Times 23/9/85 286

VIENNA. — Black African states yesterday backed down from a bid to oust South Africa from the International Atomic Energy Agency (IAEA) after the Soviet Union failed to support the move for the second year running.

African diplomats said the Nigerian-led group withdrew a call to delegates at the IAEA's general conference to suspend SA after the Soviet Union indicated it wished to keep South Africa in the UN body.

"We expected to get support from the Soviet Union and other socialist countries, but in the end we didn't get it," a spokesman for the group said.

"If they had given us their support, the resolution would easily have sailed through."

The group said it had withdrawn its resolution till next year's conference, after Soviet delegates indicated that they believed SA would soon sign the 1970 Nuclear Non-Proliferation Treaty (NPT).

This would oblige SA to open its nuclear plants to regular inspection by IAEA experts to ensure that material was not being diverted for military purposes.

SA currently permits inspection of the Koeberg power station and one of two research centres, but a second research centre at Valindaba, believed to be capable of making weapons-grade plutonium, remains top secret.

Last month Foreign Minister Mr Pik Botha conceded that SA could make nuclear weapons, but declined to say if it had already done so.

At last year's IAEA conference the Soviet Union failed to support a similar move by black African states after President P W Botha said his government hoped to sign the NPT soon.

SA has still not signed the treaty, but a joint statement made on Wednesday by the NPT's three guarantor states — the Soviet Union, US and Britain — said they believed SA was considering signing it.

"The Soviet Union was hardly going to be party to that kind of statement and then turn around and vote for the expulsion of SA," an African diplomat said.

Black African delegates dismissed, as diversionary tactics, a South African statement issued to the conference on Monday in which SA said it wished to negotiate the terms for signing the NPT.

"We are confident that by next year's conference SA will have shown its true colours, and those countries who had hopes of their signing the NPT will realise they have miscalculated," a spokesman for the group said. — Sapa-Reuter

Growth rate improvement sought

SA's ability to change struck by sanctions

(280) B/day 23/1/88

GERALD REILLY

PRETORIA — Sanctions and disinvestment had begun to "negatively influence SA's ability to make necessary structural adjustments", Department of Development Planning chief executive director C F Scheepers said yesterday.

Speaking in Venda, he stressed the current performance of the country's economy demanded urgent attention.

Important policy decisions aimed at improving the country's growth rate potential were being carefully considered.

"Whatever the underlying causes of the current economic situation, it is evident the situation cannot be tolerated much longer." The time had come to make certain definitive structural economic changes, he said.

Internally the current performance of the SA economy was a mirror image of what was happening in the rest of the Third World.

"Our economic growth rate dropped from 5,8% in the fifties to 1,3% in the eighties. Inflation reached 20% in 1986, while the balance of payments had to be kept in surplus to pay foreign debts.

Measured in terms of economic growth, employment creation, price stability and the real value of the rand, the SA economy had performed dismally since the early 70s.

Economic policies over the short and medium term should be directed to increase the economic growth potential over the longer term based on local labour and capital.

"These changes will not be convenient to all of us.

"There will also be pressure on regional policies, especially in those areas where a lack of performance and success is indicated," Scheepers said.

Sanctions unwise, say Republican senators

By Alan Dunn,
The Star Bureau 26/9/88

WASHINGTON — Republican senators who say they are solidly against a Bill severing almost all trade ties with South Africa have described it as unwise and poorly timed.

They say the Bill is unconstitutional and excessive — striking at the private sector in South Africa which had been a force for good.

They add that the United States should work with its allies to develop a multinational response to apartheid.

The Republican view has been stated in a report prepared by nine dissenting senators on the senate foreign relations committee who disagreed this month with the committee's 10-man Democratic majority on passing the Bill.

UNWISE AND INAPPROPRIATE

The report is due to be released this week, but their remarks emerged as some senators were threatening to filibuster the Anti-Apartheid Act Amendments of 1988.

The Republicans said: "Our conclusion is that the pending legislation is both unwise in substance and inappropriate in its timing."

They said the senate was being asked in the closing days of the congressional session to consider extremely significant foreign policy with far-reaching consequences.

There are six weeks to go to the election of a new president.

"This is not the time to undertake drastic, unilateral actions which may narrow or foreclose the options available to a new administration ... it would be most unwise to hamper the next president in his opportunity to establish new direction and policies towards South Africa."

The senators also shared the US State Department's view that further sanctions now could jeopardise peace talks between South Africa, Cuba and Angola.

It would be wiser to postpone until next year consideration of policy modifications towards South Africa.

They noted that the Bill's substance was ill-considered: it imposed a total disruption of US business activity in South Africa by requiring disinvestment.

280 B/day 28/9/88

BU

DISINVESTOR SELLS HICKSON'S TIMBERS FOR R6m

KAY TURVEY

IN a disinvestment move, UK-based Hickson's International has sold its SA timber division for R6m through a leveraged management buyout backed by Central Merchant Bank.

In terms of the agreement, local management — supported by Senbank, which has taken a 25% stake — has bought all the local assets of the London Stock Exchange-listed, SA-based Hickson's Timbers.

The company, which fought its way up to be a leading SA supplier of treated wooden poles, has an annual turnover of about R16m and has captured an estimated 40% of the telephone pole market in Southern Africa.

The division has entered into a seven-year licence and technology agreement with the R720m-a-year (turnover) Hickson's International to ensure continued access to international research and development.

The name Hickson's Timbers would change to Woodline Industries to reflect its local ownership.

Woodline MD Dendy Post said in order for Hickson's to consolidate its focus on chemicals, it was required to sell off the timber division.

He added that the sale was not politically motivated, although the move leaves Woodline well-positioned should international sanctions pressure be brought to bear by the UK against SA.

Aid pledged for Khotso House

Canadian sanctions extended

280

B/Sday
28/9/88.

WASHINGTON — Canada was tightening its curbs on trade with SA and would provide funds to help rebuild bombed-out Khotso House, External Affairs Minister Joe Clark announced.

The stiffest new sanction is an extension of the existing ban on sales of computer, communications and other high technology equipment to cover private sector customers as well as the SA government.

Clark's announcement was designed to strengthen Canada's bid for a two-year term on the UN Security Council, said officials quoted by the Toronto Globe and Mail.



● CLARK

Addressing students at Laval University in Quebec on Monday night, Clark also said Canadian parastatals would be barred from trading with SA.

One such corporation is Petro-Canada, which will lose an estimated $6m in annual sulphur sales to SA.

SIMON BARBER

Clark did not specify how much his government was prepared to spend on refurbishing Khotso House, the bombed Johannesburg headquarters of the SA Council of Churches and other groups.

He did, however, promise $2,4m to "involved origanisations" in SA, as well as $30 000 for the Anti-censorship Action Group and $50 000 for the Media Defence Trust Fund.

As a Commonwealth member, Canada has already ended previously non-existent air links with SA, banned new investment and loans and embargoed a variety of SA products.

In 1985, Prime Minister Brian Mulroney vowed to break diplomatic relations with SA, but Clark ruled out such a step "for the time being".

Canada is facing stiff competition for a vacant seat on the Security Council from Greece. Mulroney is expected to use his SA policy as a key argument in Canada's favour when he addresses the General Assembly today.

Howe attacks sanctions

Cape Times 29/9/88 280

NEW YORK. — The British Foreign Secretary, Sir Geoffrey Howe, said last night that sanctions against South Africa would be an empty gesture with too high a price attached.

In an address to the UN General Assembly in New York, he reiterated Britain's opposition to apartheid and spoke of the need to find a lever to effect change in South Africa.

But he added: "We do not believe that comprehensive sanctions are that lever.

"Some see sanctions as a political gesture which should be made almost for its own sake.

"It would be an empty gesture with too high a price attached. Too high a price in terms of the millions of black jobs, black livelihoods, which would be at stake." — Sapa-Reuter

Barend appeals to IMF for aid to Africa

Cape Times 29/9/88

WEST BERLIN. — South Africa, appealing yesterday for more economic support for black Africa, said its ability to help its neighbours was limited by the impact of anti-apartheid sanctions and its own debt-service burden.

Finance Minister Mr Barend du Plessis told the annual meeting of the International Monetary Fund and World Bank that South Africa would seek greater co-operation within the region to increase trade and the exchange of technical know-how.

But he added: "Because it has large internal economic needs to address and because it has become subject to abnormal external constraints, South Africa's ability to provide economic support to neighbouring countries is regrettably limited."

Sources in the South African delegation said he was referring to both the impact of sanctions and the need to make foreign debt repayments under an accord reached with creditor banks in 1986.

Mr Du Plessis called on industrial countries to reverse what he termed the ever-increasing trend towards greater protectionism.

To page 2

From page 1

IMF

Cape Times 27/9/88

"The world must guard against the unwarranted extension of restrictions on trade and capital flows," he said.

Mr Du Plessis said Pretoria fully backed IMF and World Bank efforts to ease the debt crisis in sub-Saharan Africa, but he was cautious on plans to cancel or "forgive" foreign debt.

"The private banks of the world or their shareholders cannot be expected to write off lightly by decree debts against hard-earned profits," he said.

"Likewise, it cannot unreservedly be expected of taxpayers in creditor countries to foot the bill through additional allocations made for this purpose in the budgets of their governments." — Sapa-Reuter

ANC's line on sport

By JIM FREEMAN

THE African National Congress has denied reports that South African sport has become integrated sufficiently for the movement to drop its "no normal sport in an abnormal society" stand.

Reliable sources in Lusaka said yesterday that while there had been extensive integration in certain sports, this had not been sufficient to warrant ANC support for an application for any sporting body to re-enter the international arena.

"The integration has been implemented for the wrong reasons. The integration in sports like soccer and athletics has not been intended to destroy apartheid, but to promote professionalism," said the source.

"There is no doubt that soccer has not been normalized, but that there has been integration to a certain extent on a senior level.

"But our children are not allowed to play together, and there is an uproar when a black child wants to play in Pretoria.

"Even in athletics the participation of blacks in long-distance running has increased integration. However, the children are not running together because apartheid is still very much alive in South African sport. South African sport will only be fully integrated when our children play together.

'Not enough integration to end isolation'

"The ANC cannot support an application for South Africa to return to the international soccer fold either in Africa or the world.

"If sport is 'integrated enough', the applications will be supported."

The Lusaka statements come on the eve of reports of a further meeting "somewhere in Africa, but probably either Lusaka or Harare" between the ANC and officials of the SA Rugby Board.

Yesterday the president of the SARB, Dr Danie Craven, said he would attend the third round of talks between the SARB and the ANC.

● Unsourced reports from Lusaka yesterday said the ANC was prepared to waive its stipulation that no normal sport could be played in an abnormal society.

The policy change had been brought about "by the ANC's realization that some sports like boxing, soccer and athletics have become integrated at senior level and that this integration has had a positive effect on racial attitudes in the country", said the reports.



SA's African role 'restricted'

GRETA STEYN

WEST BERLIN — SA's ability to help its neighbours was restricted by sanctions and its own debt burden, Finance Minister Barend du Plessis said yesterday.

Du Plessis had appealed at the annual meeting of the IMF and World Bank for more economic support for black Africa.

Political freedom in those countries had so far not brought freedom from poverty.

"Without release from deprivation and poverty, freedom is not complete," he said.

Du Plessis said SA appreciated the problems of adjustment forced by the need to repay foreign debt.

The absorption of domestic saving for the purpose restricted the ability to finance domestic investment from own resources, at a time when little foreign assistance was available.

"The issue is not only one of repayment of old debt but is indeed one of financing the vital needs of the future," he said.

SA, as a debtor country, knew the difficulties of coping with unemployment, exacerbated by the large number of work-seekers from neighbouring countries.

"But as a creditor country in our region, we also understand the plight of

● To Page 2

Sanctions hit African role — Barend

● From Page 1

those who rely on our assistance."

His speech carried a strong message of identification with Africa.

"The people of my country are part of, and identify with, Africa, and feel great concern for the present position of and the prospects for the economies of many countries on the continent."

This applied especially to the sub-Saharan African countries "whose destiny and future prosperity are, in more than one way, linked to our own".

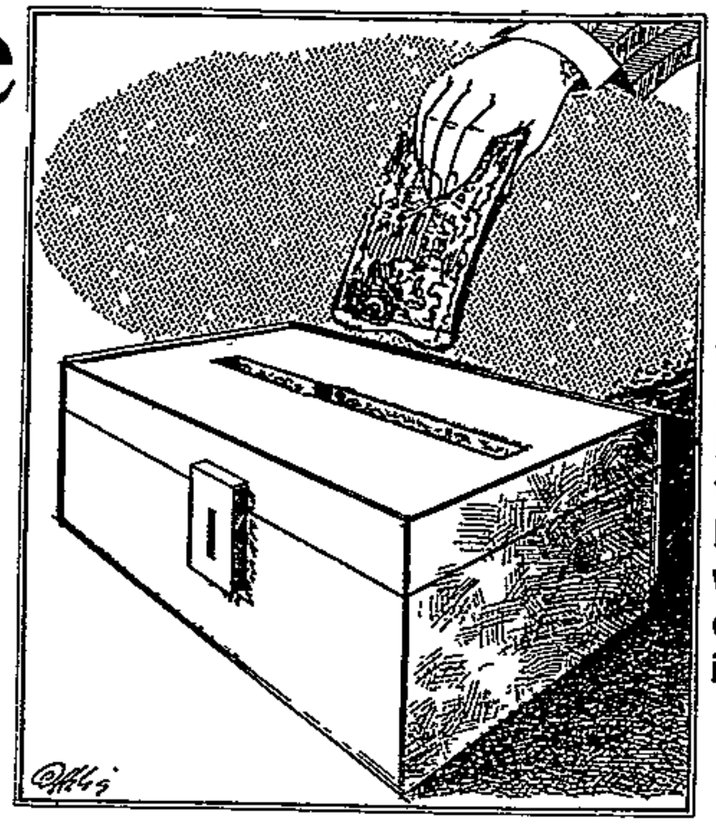
He pledged SA's support for the proposal to increase substantially the quotas of the IMF, "against the background of the needs of Africa".

● See Pages 5 and 6

BUSINESS

What price the Nats' election present to civil servants?

Economists seem unsurprised by PW's eve-of-election gift to the public sector, but they differ on how much it will cost.
HILARY JOFFE reports



What the state gives out with one hand, it takes back with the other — in taxes

THIS year's public sector pay freeze was a central part of the government's anti-inflationary drive, given much play in the state president's opening of parliament in February this year.

It was also the main prong of Finance Minister Barend du Plessis' curb on the increase in state spending in this year's budget — budgeted spending was to increase by only 12,6 percent to R53,8-billion.

PW Botha's announcement this week that civil servants would get a 15 percent increase from January 1 partly vindicated those who said the government couldn't do it.

While the Nats hope the new measures will win them votes in October's municipal elections, economists are speculating about the cost.

Some are predicting huge increases in taxes or in inflation while others say the government can finance the increase relatively easily.

Botha told parliament on Monday the total amount involved in the pay increase, which had been brought forward from April 1 to January 1, would be almost R3-billion for the calendar year. More than 700 000 public servants would benefit.

An additional R950-million is to be allocated to fund increases in the state old age pension and in civil and military pensions from January 1.

Old age pensioners will get an across-the-board R32,70. This will narrow the racial gap somewhat but pensions are still well below subsistence levels. For black (African) pensioners, this represents a 28 percent increase on the current R117 a month and for whites, a 15 percent increase on the current R218 a month. "Coloured" and Indian pensions currently receive R167 a month — their pension will rise to R199,70 from January.

The public servants' pay increase hasn't itself come as too much of a surprise — except for the fact that it's been brought forward to January. Most observers expected a pay increase in next year's budget.

"We expected the government couldn't hold down salary increases for two years," says economist Mike Brown of stockbrokers Davis Borkum Hare.

Standard Bank economist Nico Czypionka predicted before this year's budget that the public sector wage bill would rise by seven or eight percent despite the pay freeze. "They were never capable of holding the increase down completely — there have been creeping increases all the time," he says. January's increase will raise the figure but will still not cause a huge overshoot of the budget, he believes.

The government doesn't have to find all R4-billion in the current 1988/89 fiscal year. The increases will be effective for only three months of this fiscal year — from January to March — and are likely to add about R1-billion to this year's budget figures.

Cyzpionka suspects the government may already have raised the funds in the capital market.

Others, including Brown, see tax increases on the cards before next March's budget. The general sales tax rate is one which can be increased outside the budget.

Tax consultant Costa Divaris points out the government will be pulling in more revenue this year than it budgeted for, following the imposition of higher surcharges on imports in August and the phasing out of the debtors' allowance for GST.

The question is what will happen beyond this fiscal year.

Brown says a tax increase in next year's budget of up to 10 percent is now certain — higher government spending will have to be funded with tax revenues if inflationary effects are to be avoided. There is also likely to be slightly higher government borrowing.

Brown believes next year's spending increase could be around 16 to 17 percent, given that the pay increase will put up total spending by eight or nine percent.

Another economist, who calls the pay increase a "disgrace", sees a contradiction between the expansionary fiscal policy implied by it and the restrictive monetary policy the government is adopting in the attempt to curb domestic demand and address the balance of payments problem.

The increase in government spending could have severe implications for economic growth in the latter half of next year and in 1990/91, he says. The tax burden on individuals is already high, the government cannot borrow overseas and higher local borrowing will push up interest rates, with a possibility of prime rising to 20 percent next year.

Bearer bonds due for repayment to foreign creditors (mainly European pension funds) in 1990/91 will require an additional R5-billion of reserves at current exchange rates — a further pressure on the economy from next year.

But other economists are more sanguine about Botha's announcement.

"At least they've saved the money for nine months," says Divaris. "South Africa is running a gigantic budget and there is plenty of money to fund a piffling increase in salaries and pensions."

Inflation alone pulls in at least an additional R2-billion in tax revenue, the effect of fiscal drag, Divaris says.

He adds that a sizeable chunk — probably an average 30 percent — of the pay increases to public servants immediately come back to the exchequer in taxes.

SANCTIONS — 1988

OCT. — DEC.

Senate liberals want tougher SA sanctions

280

Star 1/10/88

WASHINGTON — Claiming that the racial situation in South Africa has worsened since US economic sanctions were imposed in 1986, liberals in the US Senate are pressing to bring tough new sanctions to the vote next week.

In a letter to their Senate colleagues this week, the liberal group — led by Democratic Senators Edward Kennedy (Massachusetts) and Alan Cranston (California) — said the US Congress was committed by the 1986 legislation to impose tougher punitive measures if conditions in South Africa had not improved by now.

It is not yet clear what steps the liberals will take next week, but it is likely they will introduce a motion of closure to stop a time-killing filibuster by conservatives should the sanctions Bill go to the floor of the Senate.

This will almost certainly spark off another heated and emotional clash over South Africa, with opponents of the Bill arguing its drastic provisions that cut nearly all trade between the two countries will wipe out jobs for blacks and anger the SA Government to the point that it will walk away from the US-mediated Angola/Namibia talks.

A report by President Reagan on the effects of the 1986 sanctions, due to be delivered to the Congress on Monday, is expected to figure prominently if a debate does take place.

President Reagan will argue that it is unwise to impose new sanctions at this time because they will reduce US influence even further and set back chances of racial reform.

Among the liberals pressing for harsher sanctions is Senator J Bennett Johnston who objected to clauses that would have had an adverse effect on the oil industry in his home state, Louisiana.

When his colleagues agreed to drop the oil clause, Senator Johnston dropped his opposition.

NEIL LURSSEN

The oil clause, which denies exploration lease rights to companies with SA ties, is still contained in a version of the legislation approved by the US House of Representatives.

In their "Dear Colleague" letter, the liberal group says: "We believe that the Senate should not duck this issue simply because this is an election year.

"We recognise that we have a limited ability to effect events in South Africa. But those of us who do have some modest power to act against the continuing outrage of apartheid have an obligation to work on behalf of those who remain powerless."

● Minorco's assault on Consgold was intended, aside from other considerations, to be a way to prepare for harsher sanctions. — See Page 6.

Sanctions survey is 'biased'

2/10/88 Star

By Ian Smith

TAIWAN has hit back at a leading UK academic institution's survey of SA sanctions which concluded that the island republic has benefited from trade restraints by the US and other major industrial countries.

Taiwan's econonmic counsellor in SA Chu-Cheng Kan labelled the study by the London-based Overseas Development Institute "arbitrary, illogical and biased," in a sharp attack this week.

Says Mr Kan: "It is arbitrary because it is not based on facts and statistics, it is illogical because none of the major exports from Taiwan to SA are boycotted by any other country and it is biased because, besides Japan, it makes no mention of SA's major trading partners which in 1987 exported three or four times the dollar value of Taiwan's exports to this country."

He says Taiwan's main exports to SA last year were electrical machinery and equipment, textiles and textile articles, rubber and plastic goods, machinery and clothing.

"None of these is denied to SA by any country. Since they are not boycotted the increase had nothing to do with sanctions. The increase should be attributed to improved quality and better understanding between people of both countries."

Last year Taiwan's two-way trade with SA was worth $912-million, only 1% of its external two-way trade and 2,6% of SA's total foreign trade.

Taiwan ranked 7th in SA's list of trading partners.

He says his office reduced its trade promotion activities early this year "in order not to cause misunderstandings with other countries." If there had been no sanctions, he says, trade would have been much higher.

Mr Kan says total Taiwanese investment in SA does not exceedc $200-million "whereas many foreign companies have invested more than this in SA."

But, he says the small Taiwanese companies investing in this country have created more than 40 000 jobs for blacks. None of the companies are supported by the Taiwanese Government.

Mr Kan says the ODI survey's conclusion would not have been surprising if it had come from a politician. "But it is incredible that it has come from an academic institution."

The study urged the US Government to put pressure on its allies to publish more detailed trade statistics. But Taiwan publishes monthly trade statistics by country and commodity, he says.

Mr Kan says the republic relies heavily on foreign trade, but it had been committed too heavily to the US market. In recent years it had tried to diversify, bringing down the US share from 48% in 1985 to 44% last year. "Our efforts to diversify are aimed at all trading partners, including SA."

day October 3 1988

Comoros leader admits to close ties with S Africa

Ster 3/10/88 280

By James Tomlins, The Star's Foreign News Service

PARIS — President Ahmed Abdallah of the Comoros yesterday publicly admitted that while he was firmly opposed to apartheid, his country maintains close ties with South Africa.

The weekly magazine *Jeune Afrique* asked him during a private visit to Paris: "Although the Comoros are far from South Africa, you have close ties with this country where apartheid is rampant. Can you tell us why?"

The president answered. "I will never defend apartheid I am profoundly opposed to it, but I do not like playing hide-and-seek. Numerous African countries have relations with South Africa, that is well known. Not only its immediate neighbours, but many others. But they do so secretly.

"But I don't hide anything. I am frank. Like Mozambique, I do not deny the presence of South Africans in the Comoros."

Asked why he was defying a UN resolution banning ties with Pretoria, he replied: "One simply has to be realistic. How can a country ignore South Africa, which is so rich and produces everything.'

He denied that the MNR was supplied with arms which transited through the Comoros, and also said that so far as he was aware, Mr Pik Botha and General Magnus Malan had never visisted Comoros.

He stated that while SA tourists often visited his country "no Pretoria officials have ever done so".

President Abdallah was ousted by a coup in August 1975 but returned three years later with the help of French mercenary leader Colonel Bob Denard.

Ever since, Comoros has retained close links with South Africa, and has been publicly attacked for this by the Organisation of African Unity (OAU).

It is clear from this interview that President Abdallah is prepared to join other moderate African leaders in dialogue with the President, Mr P W Botha.

Cape Times 3/10/88 (Sat) 280

Softening of academic boycott?

Own Correspondent

JOHANNESBURG. — Anti-apartheid groups, including the ANC, appear to be softening their attitudes towards the blanket academic boycott, university sources say.

A Sunday Tribune report yesterday quoted University of Cape Town deputy vice-chancellor Professor John Reid as saying "there seems to be a softening of the (ANC) attitude and we have the perception that there has been a selection process going on".

Prof Reid said this impression had been carried back to the university by travellers abroad who had had contact with the ANC.

UCT vice-chancellor Dr Stuart Saunders said yesterday that he was not aware of a shift in stance by the ANC in particular, but rather that there seemed to be a general change of attitude by anti-apartheid groups.

"It is my distinct impression that it is increasingly being realized in most circles that the academic boycott is damaging for everyone, including institutions which want a fair and just society and embody those goals in their mission statement.

"Therefore it is likely that there is a reassessment of the value of such tactics going on."

In the university's last annual report, Dr Saunders said the boycott was a "destructive strategy incompatible with being a scholar and inimical to the existence of all universities".

Wits vice-chancellor Professor Robert Charlton said he was not personally aware of any moves to reconsider the boycott but that doing so "was a matter of the greatest importance to every university in SA".

The boycott prevents the exchange of visiting lecturers, research and academic publications

4/10/88 (280) B/day 4/10/88

Capital and the marketplace the means to freedom

SIMON BARBER in Washington

A SENIOR deputy of Archbishop Desmond Tutu recently asserted to a delegation of US Congressional staff members that apartheid would end "tomorrow" if President Ronald Reagan so wished it.

Another activist who had spent some years on Robben Island informed the same delegation that it did not matter if sanctions destroyed the South African economy. He did not know much about economics, he said, but whatever happened his fellow Africans could always return to the bush and "eat roots".

A Cosatu official was asked by the visitors why, if his organisation was so keen to see the outside world apply sanctions, did not its own members take the same action for themselves by simply walking off the job?

Because, he replied, without jobs they would be hungry within a couple of days.

The delegation, a genuinely bipartisan group, was appalled. Here was a union leader demanding that his members, unwilling to lay down their tools on their own behalf, be thrown out of work by the action of foreign authorities beyond their control.

To borrow a phrase from Lenin, these three men and the opposition elites they represent are suffering from an infantile disorder. Despite what one would think would be the unmissable evidence of their eyes, they seem entirely blind to the nature of power and the means of its acquisition. The National Party has been holding a daily seminar on the subject for only 40 years.

But no, they appear determined, in the manner of Tennessee Williams' Blanche Dubois, to rely exclusively upon the kindness of strangers.

It is not altogether their fault. Many strangers, like pimps recruiting teenage runaways at big city bus terminals, are all too happy to be relied upon. Others, shedding what the French writer Paul Bruckner has called "the tears of the white man," lack the spine to be honest lest they be accused of "blaming the victim".

The truth is, whether they know it or not, those who have been elected by the world to represent the aspirations of black South Africans are plying their joyless trade for the profit of foreigners.

Is it really so difficult to see through the cravenness of Canada's sanctions, to see how Prime Minister Brian Mulroney is trying to strut the only stage the world will give him — the Commonwealth and the United Nations — to play the statesman for his electorate at home?

How many times does it have to be said that the Anti-Apartheid Act Amendment of 1988 (AAAA), now headed for temporary oblivion in the US Senate, is purely a matter of domestic American politics? Even the sponsors of the Bill admit as much.

Consider the "dear colleague" letter Senator Edward Kennedy circulated to his fellow legislators last week. It pleads not for passage of the Bill, but simply for a procedural vote, something to put members on record so that they may be pilloried for being "pro-apartheid" before a voting public that knows nothing of the Bill's real contents.

Kennedy runs through the standard litany: "More than 30 000 persons have been arrested for resisting the apartheid regime since our 1986 legislation was passed. Thousands of those detained have been children, many of whom have been tortured by the SA Police and army, according to reliable reports.

"Virtually all peaceful avenues of protest have been shut down. The offices of the SA Council of Churches have been bombed. And in recent days, SA authorities have been preparing a legal case for the possible arrest of Bishop (*sic*) Tutu."

Of course, there is no logical connection between this menu of pain and how the AAAA is supposed to alleviate it, but then that is not the point. In order to achieve some marginal political advantage through a procedural vote, Kennedy is palpably luxuriating in Pretoria's repression. So much so that he can't get enough of it and has to dangle the possibility of Tutu's detention. Oh please, please arrest him, he is saying, that I may have my little victory.



☐ KENNEDY . . . standard litany

☐ A line was dropped from Ken Owen's column in yesterday's issue, creating the erroneous impression that Randolph Vigne and Bob Watson were among the ARM members arrested with Adrian Leftwich. In fact, they were among the leaders who escaped.

One might note in passing the absence from the litany of the Kine three still holed up at this writing in the US Consulate in Johannesburg. So much for that attempt at consciousness-raising.

The Reverend Jesse Jackson told the three the sit-in would raise SA to the top of the American political agenda, but that was before he had to flit off to Jamaica to be photographed among the victims of Hurricane Gilbert. Oh dear.

My question is this: how long are ordinary black South Africans going to have to wait before their leaders wise up to how these distant politicians are exploiting them — and doing so with all the sanctimonious cynicism of the priests whom Spain used to pacify the indigenes of Latin America?

How long before it is understood that "eating roots" is not an option and that the ravings of those who think it is must be rejected? How long before the futile, enervating wait for some *deus ex machina* in the form of comprehensive sanctions (or the lifting of the state of emergency, or the legal return of the ANC, or even the almost certainly disappointing release of Nelson Mandela) is finally and totally abandoned in favour of a strategy that makes apartheid's victims their own men and therefore victims no more?

Emotional pulpitry, however momentarily stirring, will not do the trick. Nor will cathartic marches and demonstrations that invite the State to respond with what it does best. Nor will bombings and township terror that serve only to demoralise and make more captive still a captive population.

Nor will highly publicised conferences set up in such as way as to provoke the usual bannings and arrests.

The point is to organise, develop networks and unity, a programme even, not to prove Pretoria's viciousness for the umpteenth time as though it were still a matter of dispute. That message has long reached saturation point, surely?

If the State is to be captured, it must be hit where it is weakest. Its concessions — the right to vote in the up-coming regional elections, for example — must be confidently seized and turned against it, as must its cooptative largesse.

The assertion that the state of emergency and the chronic clampdown on existing leadership cadres makes such participation impossible is ludicrous, a further excuse to wait and play government's game. It also has an anti-democratic tinge, suggesting that the restricted leadership echelon is loath to let others take its place for the common purpose.

Finally, it must be understood that capital and the marketplace are freedom. Even Lenin recognised this, which is why the Soviet state attempted effectively to illegalise them. The Nationalists certainly understood, which is why they for so long blocked black access and why their massive bureaucratic machinery still attempts to do so.

The working of capital, not the bleating of clergy, is responsible for the extent to which apartheid is now eroding. Its shortage or absence is the main reason Cosatu's members cannot exercise their choice in the open marketplace to withhold their labour without starving after two days — and why that union official quoted above apparently wants the West to force that choice upon them.

How about a revolution that works for a change? A revolution that accepts the world for what it is and makes use of it, a revolution that does not beat its head against a brick wall and depend on the self-serving kindness of strangers.

A revolution, in other words, that actually liberates.

SA

seek-
egion
ge.
age 6

ice

oner,
ities,
Pre-
which
e al-
from

age 8

rtini

ge 10

in
ify a

ge 11

y

"The
Naas
sman
why
r to
they

ge 12

ng

tive sanctions," the president wi

Shell vows to remain in South Africa

Star 4/10/88

280

The Star Bureau

LONDON — A director of Shell International has reaffirmed the company's commitment to staying in South Africa, while describing the State as "protectionist, bureaucratic, inefficient and wasteful".

Mr Desmond Watkins, a director of Shell International, was speaking in London yesterday at Business International's "South Africa: 1989" conference.

"The call from Shell's black employees, dealers and customers is for Shell to stay in South Africa. There is no black boycott of Shell in South Africa.

"The black community increasingly looks to Shell for support," said Mr Watkins, who is also the company's Africa regional co-ordinator.

"By what authority do those who urge disinvestment also claim to speak for these members of the South African community. They do so without having to suffer themselves the consequences of loss of jobs."

Mr Watkins said Shell shared most of the objectives of the anti-apartheid campaign. He said "apartheid is incongruous with the aims and practices of business.

"We have hopes that market forces will bring about fundamental changes in the Soviet Union, so with South Africa. Left to itself the market system will seek to develop the black community and market, train black businessmen, develop black entrepreneurs, sweep away the artificial prejudices and distinctions which inhibit economic success."

Mr Watkins said anti-apartheid activity had not caused serious financial damage to Shell.

ucation proj
100 farms

'Punitive measures will not help

Reagan pleads for sanctions restraint

Star 4/10/88

280

By Neil Lurssen, The Star Bureau
Washington

President Ronald Reagan is to tell the US Congress tomorrow that economic sanctions have not persuaded the South African Government to abandon apartheid and that it is a bad idea to impose new, tougher measures.

"In good conscience, I can recommend no additional punitive sanctions," the president will tell the lawmakers.

"The sanctions enacted in 1986 have not had their intended effect of weakening the resolve of South Africa's white minority to retain its monopoly of political power," Mr Reagan says in the draft version of a report to be sent to leaders of the US House of Representatives and the Senate.

"Indeed, (sanctions) appear in some respects to have had the opposite effect," he says.

"There is no indication that the SA Government is preparing initiatives that would address adequately the aspirations of the country's black majority.

"Repression of Government opponents has intensified in the past year."

Because the 1986 US sanctions have not advanced the goals shared by both the Congress and the administration, the report states, Mr Reagan will not recommend further counter-productive sanctions "at this time".

The president's report is a requirement of the 1986 sanctions legislation.

It comes at a time when the Congress is considering a tough new package of punitive measures that would cut nearly all trade ties between the two countries and make it a criminal offence for Americans to hold South African investments.

Although the new sanctions have been approved by the House, they appear likely to be stopped in the Senate, where liberal Democrats are making a vigorous effort to revive them this week

Dialogue

Mr Reagan's report expresses support for the State President, Mr P W Botha's active diplomacy in black-ruled African countries.

Mr Reagan warns that the 1986 sanctions have increased



Shell vows to remain in South Africa

Star 4/10/88

The Star Bureau

LONDON — A director of Shell International has reaffirmed the company's commitment to staying in South Africa, while describing the State as "protectionist, bureaucratic, inefficient and wasteful".

Mr Desmond Watkins, a director of Shell International, was speaking in London yesterday at Business International's "South Africa: 1989" conference.

"The call from Shell's black employees, dealers and customers is for Shell to stay in South Africa. There is no black boycott of Shell in South Africa.

"The black community increasingly looks to Shell for support," said Mr Watkins, who is also the company's Africa regional co-ordinator.

"By what authority do those who urge disinvestment also claim to speak for these members of the South African community. They do so without having to suffer themselves the consequences of loss of jobs"

Mr Watkins said Shell shared most of the objectives of the anti-apartheid campaign. He said "apartheid is incongruous with the aims and practices of business

"We have hopes that market forces will bring about fundamental changes in the Soviet Union, so with South Africa. Left to itself the market system will seek to develop the black community and market, train black businessmen, develop black entrepreneurs, sweep away the artificial prejudices

ırn ın Africa

Bureau

ector of Shell reaffirmed the ıtment to stay- ıca, while de- te as "protec- ıtic, ınefficient

Watkins, a International, London yester- International's conference.

Shell's black s and custom- o stay in South no black boy- ıth Africa

ommunity in- o Shell for sup- atkins, who is 's Africa re-

ity do those vestment also or these mem- h African com- so without hav- ıselves the con- of jobs"

ıd Shell shared jectives of the campaign He ıs incongruous ıd practices of

s that market g about funda- ın the Soviet South Africa. market system elop the black market, train men, develop neurs, sweep ıal prejudices which inhibit "

anti-apartheid not caused seri- nage to Shell.

origin ret

Bureau

ctions buster" sidence at the al Gardens in white tiger, but remain secret, Mr Willie La-

ger was flown from Singapore a king cheetah zoo which re- o's identity re- use of political

king colouring , all it took was to bring the ndstill as the in Africa strode is new kingdom g

to retain its monopoly of political power," Mr Reagan says in the draft version of a report to be sent to leaders of the US House of Representatives and the Senate.

"Indeed, (sanctions) appear in some respects to have had the opposite effect," he says.

"There is no indication that the SA Government is preparing initiatives that would address adequately the aspirations of the country's black majority.

"Repression of Government opponents has intensified in the past year."

Because the 1986 US sanctions have not advanced the goals shared by both the Congress and the administration, the report states, Mr Reagan will not recommend further counter-productive sanctions "at this time".

The president's report is a requirement of the 1986 sanctions legislation

It comes at a time when the Congress is considering a tough new package of punitive measures that would cut nearly all trade ties between the two countries and make it a criminal offence for Americans to hold South African investments.

Although the new sanctions have been approved by the House, they appear likely to be stopped in the Senate, where liberal Democrats are making a vigorous effort to revive them this week

Dialogue

Mr Reagan's report expresses support for the State President, Mr P W Botha's active diplomacy in black-ruled African countries.

Mr Reagan warns that the 1986 sanctions have increased the appeal to whites of isolationist, ultra-conservative and white supremacist movements.

"US willingness to stay involved in South Africa and to facilitate dialogue among South Africans is the correct approach to helping South Africans peacefully resolve their country's profound political problems."

The report paints a gloomy picture of repression in South Africa, documenting restrictions on freedom of expression, association, movement and the press.

It says that since 1986 the Government has been far less responsive to representations made on behalf of anti-apartheid activists.

"Although there was steady progress in scrapping apartheid laws through mid-1986, this progress has since ground to a halt ...

"The SA Government has given no sign that it is ready to to negotiate with credible black leaders, except within narrowly-defined contexts established by the Government itself."

Mr Reagan will repeat his appeal to Mr Botha to release Nelson Mandela

Reagan rules against tough new sanctions

The Argus Foreign Service

WASHINGTON. — President Ronald Reagan is to tell the United States Congress tomorrow that economic sanctions have not persuaded the South African government to abandon apartheid and that it is a bad idea to impose new, tougher measures.

"In good conscience I can recommend no additional punitive sanctions," the President will say.

"The sanctions enacted in 1986 have not had their intended effect of weakening the resolve of South Africa's white minority to retain its monopoly of political power," Mr Reagan says in the draft version of a report to be sent to leaders of the House of Representatives and the Senate.



Mr Reagan

"Indeed, (the sanctions) appear in some respects to have had the opposite effect.

"There is no indication that the South African government is preparing initiatives that would address adequately the aspirations of the country's black majority.

"The South African government's determination to demonstrate that it will not be swayed by pressure from abroad has further decreased the capacity of the United States to influence positively events."

Because the 1986 US sanctions have not advanced the goals shared by Congress and the administration, the report says, Mr Reagan will not recommend further sanctions

PW throws sanctions lobbyists off-balance

Star 4/10/88 280

BY NEIL LURSSEN, The Star Bureau

President Botha's diplomacy in black Africa brings to mind the Outward Policy of former Prime Minister John Vorster.

WASHINGTON — If the South African Government is successful in its 1988 version of the old Vorster Outward Policy, the pro-sanctions group in the United States Congress will be thrown off balance.

A tenet of the American anti-apartheid movement is that the US must impose economic sanctions, even if they hurt some blacks, in order to have credibility with black Africa, and especially with the Frontline states

The US must declare South Africa to be an outcast among nations, and have as little to do with it as can possibly be arranged so that Americans can be counted as friends who helped when majority rule comes about eventually.

Muscle

Another tenet is that the US must use its economic muscle to boost the economies of southern Africa's black-ruled states, if not to pluck them out of Pretoria's orbit then at least to make them less vulnerable to South African economic pressure and counter-sanctions — a sort of mini-Marshall Plan just for Africa.

Realists in Washington accept that for the foreseeable future South Africa will continue to be the region's dominant economic power, and the vast amount of dollars required to change that situation simply does not exist.

This has not stopped some liberal Democrats from pursuing their dream of a viable economic alliance in southern Africa giving the finger to racist South Africa.

A successful South African venture into the African interior would undermine both of those fundamentals even if it does not remove America's basic — and genuine — abhorrence of apartheid.

If African countries themselves see the need to come to an understanding with the South Africans, what point is there in Americans imposing sanctions that will not only have an adverse effect on those very countries but also be at enormous cost to the US itself?



Mr B J Vorster, then Prime Minister, chatting with Zambia's President Kenneth Kaunda, when they met in 1976.

State President Mr P W Botha's visits to Mozambique and to Zaire are impressive starts, and both were given major treatment by the American news media, but the process of winning friends to the north will have to be continued with vigour and expanded if the liberals here are to be kept off balance.

Mozambique is seen as a country in a desperate plight. Its economy is in such a bad way and its problems are so enormous that it simply has to turn to South Africa for help and for the possibility of peace.

So it is not surprising that Mozambique's leadership welcomed a rapprochement with the South Africans.

Zaire, more stable than Mozambique, is not the favourite country of liberal activists in the US. Its leader, President Mobutu Sesu Seko, is seen as a man who has enriched himself to a breathtaking level while his countrymen have one of the lowest per capita incomes in the world

In addition, Mobutu is seen by the anti-apartheid movement as the man who made it possible for the Reagan administration to supply weapons to Unita, the puppet mercenaries of South Africa

He has allowed the weapons to be shipped to Unita from his territory and has been a willing collaborator in all sorts of US covert undertakings.

Thus attempts will be made here to see the Botha-Mobutu meeting as nothing more than a gathering of like-minded men, with the Zairian having his eye on another quick buck, or, in this case, a quick rand or two.

Nevertheless, the political reality is that a good pragmatic relationship between the two countries will have an important impact on the region, especially since the two of them control much of the world's essential minerals and metals.

American conservatives will welcome this weekend's developments not only because it gives them a good argument against sanctions, but also because it appears to strengthen ties between two fiercely anti-communist countries in a region where the communists have worrying footholds on either side of the continent.

Benefits

Thus the one-day trip to Gbadolite has injected a new element into the argument here over whether the US should impose new sanctions against South Africa or not.

Mr Botha will now have to make the moves that will show that friendship with South Africa produces tangible benefits. A good start will be to release Nelson Mandela unconditionally, perhaps to coincide with President Mobutu's visit to South Africa.

In an interview with the *Washington Post* yesterday, President Mobutu said he had obtained a firm commitment from Mr Botha that Mr Mandela would indeed be released soon.

But real dialogue between South Africa and her neighbours will have to address deeper issues such as the military threat that the Frontline states see as they look south.

If that threat is removed and the Frontline states feel more secure, the anti-SA sanctioneers will lose more steam

880. B/day 4/10/88

Union disinvestment application refused

THE Minister of Manpower has turned down an application by the Chemical Workers' Industrial Union (CWIU) for a conciliation board in its dispute with 39 multi-national companies over their refusal to negotiate agreements applicable in the event of disinvestment.

Mobil industrial relations manager Jaques Franken said he had been informed of this by a Manpower Department official yesterday.

A CWIU spokesman said he was surprised and disappointed at the decision. The matter would be discussed at an executive meeting this weekend.

ALAN FINE

The minister traditionally does not give reasons for such decisions. However, Franken said he believed the application was faulty in that it did not accord with the Act's wording that a dispute had to be, *inter alia*, within an industry.

Meanwhile, the CWIU spokesman said reports that Mobil had considered transferring control of its SA operations to a Jersey-based company last year further legitimised its demands for prior negotiations on the terms of disinvestment.

He said Mobil had responded last year to union demands saying: "Disinvestment is not an issue and we therefore consider your demands unreasonable, provocative and an unfair labour practice."

Franken replied yesterday the proposal had nothing to do with disinvestment, and merely related to the Rangel Amendment barring firms from claiming a US tax credit for taxes paid in SA.

Bonanza prospects for golds

Star 5/10/86

By Sven Forssman

American legislation prohibiting Americans from purchasing or owning any investments in South Africa could create a bonanza for non-American investors in South African mining shares.

This is the conclusion of a recent survey by Wharton Econometric Forecasting Associates says the latest *International Gold Mining Newsletter.*

According to the survey, some 500 000 US citizens stand to lose $1 200 million if legislation forces them to sell shares in SA gold mining companies within a six-month period.

The newsletter says that although the sanctions bill (called HR 1580) stands no realistic chance of being passed into law, it does indicate the possibility of a similar bill being enacted in the next session — particularly if a Democratic president is elected in November.

It adds that the recent vote in the House of Representatives aimed at imposing a ban on all trade with South Africa was a crucial seven short of the two-thirds needed to override a presidential veto, which would be expected in the unlikely event of HR 1580 passing the Senate.

(280) B/day 6/10/88

Let's not blame sanctions for all our troubles

LAWRENCE McCRYSTAL, chairman of the Board of Trade and Industry, challenged "conventional wisdoms" about the economy in a speech read on his behalf at the Institute of Directors' "Make the Future Happen" conference in Johannesburg yesterday. This is an edited extract

I SHOULD like to give a different perspective on a few key issues which appear to have become part of the conventional wisdom of the present time.

It is said, for instance, that trade and financial sanctions limit growth of the economy to 2%-2½% per annum.

Since 1980, output per worker has grown by less than 0,5% per annum. In the Sixties it averaged over 2%.

If we managed our affairs so that we could return to an annual labour productivity improvement of 2%, the growth capacity of the economy would rise to between 3% and 4%. If to this were added an improvement in capital productivity, which has been abysmal over the past 10 years, the growth capacity would be lifted to 5% or more, with minimum balance of payments consequences.

Furthermore, if our savings ratio were to improve and we applied our savings more efficiently, that too would enhance the growth capacity of the economy.

These are issues whose resolution lies within the powers of South Africans — not of either good or ill-willed foreigners.

It was not sanctions that caused:

- ☐ Our labour productivity to fall;
- ☐ Capital productivity to fall and the capital output ratio to rise, with the fixed capital cost per job rising (in 1980 prices) from R49 000 in the period 1970-1975 to about R200 000 in the period since 1981;
- ☐ Personal savings as a percentage of national income to fall dramatically (from nearly 7% in 1970-74 to about 1% now);
- ☐ Government to become a dissaver by spending on current account more than its current income;
- ☐ South African industry to fail to make the structural changes in the Seventies that other newly industralised countries made;
- ☐ Exports of manufactured goods to perform badly; and
- ☐ The rand to be over-valued for a considerable period (1980-1984).

These and other problems we brought on ourselves, and their solution lies in our own hands.

Conventional wisdom No 2 is that SA cannot generate more capital.

ed for some years because of dissaving by the public sector (spending more on current items than current income).

If the public sector becomes a net saver and interest rates are strongly positive, more risk capital will be generated. Inflation would have to be reduced. Moreover, if we exported substantially more than we import we would create our own capital.

Conventional wisdom No 3 is that SA cannot and will not attract foreign capital.

If the economy was growing at 5% per annum and we had political stability, I contend that capital would be attracted to this country. Other countries enjoying pariah status have experienced this, so why shouldn't we? Chile is a case in point.

Another conventional wisdom is that sanctions place SA in a uniquely disadvantaged position.

Sanctions are a form of protetionism in their effects. There is no dif-



☐ **McCRYSTAL . . . "Sanctions are not unique in their effects"**

ferent between the other restrictive trade practices placed by countries in the EEC and the US on imports from countries in the Far East.

The difference is in the response. The Easterners sought ways around

porting community, appear to be prepared to accept that we would slide slowly into decay.

Sanctions are not unique in their effects. In some form or other, almost every significant country is applying them — they are merely called by other names and political activists, most of whom are economic morons, do not run about propagating them.

It is said that because of sanctions SA cannot expect growth in exports.

Anyone who is a genuine long-term exporter will tell you that we are not only exporting successfully but could export more.

Sure it is tough out there and there are problems. However, even that hostile group known as the Commonwealth of mostly uncommonly unwealthy, even poverty stricken nations, has tacitly admitted they cannot win on the trade front. That is why they want to concentrate their destructive efforts on the financial side.

South African manufacturers are not able to produce the goods. It is not export markets which are lacking, but the exporters to supply them.

It is a conventional wisdom that SA's inability to borrow overseas places a limit on the economy's capacity to grow.

An unfortunate mind-set that we got ourselves into was in thinking that balance of trade deficits were not too serious because we could fund the difference by borrowing. That attitude landed us in a great deal of trouble and underlies many of our problems today.

It is, in my view, not without virtue that borrowing opportunities are limited, for we are now compelled to live wihin our means. As for the need to repay the foreign loans, that, too, could be taken care of, as pointed out recently by Dr Jan Lombard, Deputy Governor of the Reserve Bank, by a small proportion of our savings — provided the policy towards savings and the way our savings are applied is correctly implemented.

Short-term fluctuations in the balance of payments and the measures taken to deal with them should not be used as an argument in regard to the structures required to achieve economic growth in the longer-term. If we get the structures right, the balance of payments should not be a constraint.

☐ In sketching the future he would like to see, with increased growth and savings and exports comprising 20% of manufacturing output, McCrystal proposes strategies including an education system strongly biased towards technological subjects.

He advocates positive interest rates, preferably through lower inflation, a tax system which favours the creator of added value in the real economy, the promotion of sub-contracting industries and the better use of capital resources by way of a general two-shift system, emerging from a successful export effort and general growth.

McCrysal opposes direct import controls, which he says create scarcities, increase costs, distort markets and are open to abuse. He adds:

Yesterday, former Transvaal Provin- The PFP in the council warned gover

Americans count cost of sanctions

SA mineral ban could cost the US about $10bn

THE US could suffer shortfalls worth some $10bn if sanctions were to be imposed on the import of strategic minerals and metals from SA.

This is revealed in a US Bureau of Mines survey quoting a recent report from the US General Accounting Office.

Facts from the report are highlighted in the latest issue of the Chamber of Mines newsletter.

The US report says SA's role as a supplier of the 10 leading certified minerals (manganese, industrial diamonds, cobalt, chromium, vanadium, asbestos and the platinum group metals) to the US has varied over the past five years.

"It has become a more important supplier for some, less important for others.

"The Soviet Union is not now, nor has it been, a major supplier of any of the 10 certified minerals since at least 1983.

The report estimates the five-year cumulative direct economic cost of the US embargoes on SA for six of the minerals at $9,25bn.

The report notes that in 1986 SA led the world in the quantities mined for three of the 10 certified minerals — chromium, rutile (titanium) and vanadium.

SA exports ranked second in two of the remaining seven minerals — manganese and platinum group metals.

SA also has the largest reserve base for four of the 10 minerals — chromium, manganese, the platinum group metals and vanadium.

It has 84% of the world reserve base for the platinum group metals. The country is also believed to rank first in world production and reserves of andalusite, a specific type of industrial diamond and grade of chysotile asbestos.

The US Bureau of Mines report assesses the availability of six of the 10 certified minerals and concludes that there are sufficient alternative sources for manganese, chromium, palladium, rutile and vanadium to meet US industrial demand should there be an embargo on SA exports.

But there are not sufficient alternative sources for platinum and rhodium.

Supplies of cobalt would remain available via the use of alternative routes for transporting the material from Zaire, the pricipal US supplier.

Cobalt from Zaire and Zambia is currently shipped via SA rail to SA ports for export. — Sapa.

ZIMBABWE TOLD

Ministry w

Nothing will satisfy activists — Pik

(280)

Star. 6e 1/10/89

By Esmaré van der Merwe
Political Reporter

Despite the Government's efforts to abolish apartheid, the world's anti-apartheid organisations would never acknowledge the progress made with political reform in South Africa, the Minister of Foreign Affairs, Mr Pik Botha, said last night.

"A whole generation has grown up in this international anti-apartheid civil service," he told about 250 people at a municipal election meeting in Roosevelt Park, Johannesburg.

Mr Botha launched a scathing attack on the supporters of the international sanctions campaign, accusing them of insincerity and ignorance.

Very little of America's foreign aid was channelled to Africa, a continent that was suffering from malnutrition, poverty, unemployment and a lack of education.

"Instead of developing Africa, they are forever shouting 'down with apartheid' as if the abolition of apartheid in itself will create jobs in Africa."

The Government refused to pay attention to criticism based on such total ignorance, he said

Calling on voters to support the National Party in the municipal elections, he said internal unity was more important than ever before.

Mr Botha said he had received many African government Ministers in South Africa during the past few months and they had been impressed with developments in the country.

Elaborating on the Government's recent diplomatic successes in Africa, he said African leaders were realising the futility of sanctions

UCT opposes boycott

Staff Reporter MG65 6/10/88 280

THE University of Cape Town has taken a strong stand against the academic boycott because it "stifles" teaching and research and "seriously impairs" the work of the university.

The academic boycott, the University Council says, is "inimical to the whole ethos" of the university.

In a resolution proposed by the University Senate and adopted by the council, UCT says that while opposing the academic boycott it is necessary to state its "implacable opposition" to apartheid, its commitment to academic freedom and freedom of speech, and its commitment to help achieve an open non-racial democratic society.

The university recognised that the motive behind the academic boycott was opposition to apartheid, but believed that "teaching and research, the primary business of the university, are necessary resources for the education and liberation of a nation, both now and in the future, and should be promoted rather than stifled".

The resolution says "the liberation of the nation in the short-term is from political domination *tout court* ('without further addition or explanation'), but in the long-term from the depredations from illiteracy and poor education; the university's real capacity to contribute towards these long-term goals should not be compromised, but rather this capacity should be improved by the maintenance and extension of good standards, competent and exceptional faculty members and students".

The university says: "We are opposed on the grounds of principle to academic boycotts because we believe them to be inimical to the whole ethos of the university" and "we are also opposed to academic boycotts as a strategy because they will seriously impair, perhaps irretrievably, the functioning of the institution, devoted, as it is, to the education of the people of South Africa".

The council has asked the university's Academic Freedom Committee to monitor academic boycotts and their effects.

Plai
the

Embargo on minerals and metals could cost US $10bn

JOHANNESBURG. — The US could suffer shortfalls worth some $10bn if sanctions were to be imposed against the import of SA strategic minerals and metals — including platinum group metals, manganese, industrial diamonds, cobalt, chromium, vanadium and asbestos.

This is revealed in a US Bureau of Mines survey quoting a recent report from the US General Accounting Office.

Facts from these reports are highlighted in the latest issue of the Chamber of Mines Newsletter.

The US report states: "SA's role as a supplier of the certified minerals to the US varied over the past five years among the 10 leading minerals.

"It has become a more important supplier for some, less important for others ...

"The Soviet Union is not now, nor has it been a major supplier of any of the certified minerals since at least 1983.

The report estimates the five-year cumulative direct economic cost of the US embargoes on SA for six of the minerals at $9,25bn, or R1,85bn annually.

The report notes that in 1986, SA led the world in the quantities mined for three of the 10 certified minerals — chromium, rutile and vanadium.

SA exports ranked second in two of the remaining seven minerals — manganese and platinum group metals.

SA also has the largest reserve base for four of the 10 minerals — chromium, manganese, the platinum group metals and vanadium.

It has 84% of the world reserve base for the platinum group metals.

The country is also believed to rank first in world production and reserves of andalusite, a specific type of industrial diamond and grade of chysotile asbestos.

The Bureau of Mines report estimates the economic impact of a US import embargo on SA strategic minerals.

The report assesses the availability of six of the 10 certified minerals and concludes that there are sufficient alternative sources for manganese, chromium, palladium, rutile (titanium) and vanadium to meet US industrial demand should there be an embargo on SA exports.

But there are not sufficient alternative sources for platinum and rhodium.

Supplies of cobalt would remain available via the use of alternative routes for transporting the material from Zaire, the pricipal US supplier.

Cobalt from Zaire and Zambia is currently shipped via SA rail to SA ports for export. — Sapa

CULTURAL BOYCOTT

Beating the ban

M-Net watchers may yet get to watch some of Britain's best TV programmes. Moderate members of Equity are grouping to contest their union's ban on television material destined for SA.

According to reports from London, the British actors' union's moderate members, led by stage and screen veteran Marius Goring, are instituting legal action against the ban, claiming that it is "unconstitutional."

Goring and his main backer, classical actor and former Equity president Derek Bond, say the refusal to sell to SA is in breach of the union's constitution.

Victory on this action — expected to be heard this month — would be the second for Goring. In 1986 he won a High Court judgment against Equity when it sought to expel members who performed in SA — the court found the Equity action was unconstitutional and illegal.

M-Net spokesman John Badenhorst confirms that a meeting was held between Equity representatives and M-Net general manager Koos Bekker in London recently. Bekker's delegation included Doreen Morris, M-Net's TV Series programme executive.

M-Net expressed interest in programmes with black actors, which would appeal to its all-race audience in SA. This counters Equity arguments that lifting the boycott would discriminate against Afro-Asian actors in Britain, who claim that their work would not be bought by SA networks.

British TV series on the list are said to include BBC's Shakespeare drama seasons and the successful mini-series *The Jewel in the Crown.*

☐ Any lifting of the Equity Ban would only apply to M-Net. The SABC would be excluded because of its State connection. ■

FINANCIAL MAIL OCTOBER 7 1988

ceived and "distributed.

Step up pressure on SA, urges Fraser

5tar 7/10/85

280

By Robin Drew,
The Star's Africa News Service

VICTORIA FALLS — In a vitriolic attack on South Africa, former Australian Prime Minister Malcolm Fraser yesterday described as an "obscenity" Pretoria's association with Israel.

He found it indecent that Jews, who suffered under the century's most racial regime, were lending some comfort to what he called the century's second most racial regime.

Mr Fraser told Commonwealth Press Union (CPU) delegates meeting at Victoria Falls that external pressure had to be maintained on Pretoria to bring it to the negotiating table. If this were not done, blacks would one day fight for the right to participate in their own government.

"They have the ultimate right to take up arms," said Mr Fraser, who was co-chairman of the Commonwealth Eminent Persons Group that sought to bring the parties in South Africa to the negotiating table.

It had been established, he said, that words would not work. Only enormous pressure would make a "Boer" change.

If armed conflict were to eventuate, it had been estimated that 2 million people would die. He also claimed that the technique existed for breaking the power of the SA army within months, though he said that, in the nature of guerilla war, the conflict would last a long time.

Mr Fraser clashed with a Conservative MP from Britain,



Mr Malcolm Fraser . . blacks have right to take up arms.

Mr Ivan Lawrence, another guest speaker, who accused him of insulting the UK government.

Mr Lawrence said tighter US sanctions had resulted in increased repression in SA where there was substantial opposition among blacks to sanctions.

Mr Fraser said the argument that the Government was being forced into a laager because of outside pressure was a masterly piece of disinformation.

However, delegates from the CPU, whose members represent 750 newspapers, applauded Mr Lawrence's defence of Mrs Margaret Thatcher's policies.

In reply to the argument that blacks would suffer most under sanctions, Mr Fraser asked: "If people are near starvation, how can they be hurt by sanctions?"

- Star Malaya

R10m 'anti-sanctions' donations

SIPHO NGCOBO

AMERICANS opposed to sanctions and disinvestment policies against SA had donated R10m worth of food and clothing to the victims of these economic actions, Family Focus MD Claude Moller said in a statement yesterday.

He said Family Focus would co-ordinate distribution.

Donations had been made by 290 US organisations under the auspices of the National Citizen Action Network and included business enterprises, churches, community groups and individuals "concerned about the effects of sanctions and disinvestment on the family as well as social life of the people in SA".

The statement said the first consignment of food and clothing to the value of R1m had already arrived in SA and distribution had started yesterday.

Pretoria's Mamelodi mayor Bennet Ndlazi yesterday received the first relief packages for distribution to families of breadwinners who had lost their jobs as a result of US companies' withdrawal.

'Pressure will not bring change'

PW urges top bankers to stop sanctions

Star 11/10/88

By David Braun, Political Correspondent
Zurich

The State President, Mr P W Botha, last night made a strong appeal to European bankers to use their influence with political leaders to stop sanctions against South Africa and support a Marshall Plan-type infusion of capital into the country.

In a speech to the Swiss-South African Association, Mr Botha appealed for South Africa to be given time to develop constitutionally in its unique way. This could be done with the European Parliament as an example, without interference with, or the destruction of, the distinctive character of members of the co-operating communities.

He said South Africa intended to govern itself into a new constitution.

Mr Botha also assured the association that Pretoria was managing the South African economy in a way which enabled it to meet its international commitments.

He said South Africa had two strategies to increase growth performance and employment.

The first was the process of deregulating the economy by removing unnecessary regulations and by promoting the free operation of market forces.

The second was a shift to inward industrialisation, which meant concentrating on economic activity with little or no imported content.

Mr Botha said it made bad economic sense to develop South Africa's neighbours in isolation from South Africa because the country and its neighbours were interdependent. Its neighbours relied on its infrastructure and its contribution.

In political terms it should be obvious by now that sanctions simply furthered the interests of the leftist and the rightist radicals in South Africa's political spectrum.

Mr Botha said: "Their so-called remedy does not alleviate the perceived problem. Our argument is that the use of sanctions as a so-called remedy is synonymous with the argument that a patient suffering from a headache should have his arm amputated.

"In South Africa, black and white entrepreneurs together engage in a system of private enterprise in a mixed economy.

Jail 'is no answer for Mandela'

Star 11/10/88

Political Correspondent

ZURICH — President Botha reiterated his view last night that ANC leader Nelson Mandela should not be back in jail.

However he said, he carried the responsibility as Head of State to determine whether a situation would lead to disorder or not.

Mr Botha told a meeting of the Swiss-South African Association in Zurich his conscience and his duty would tell him what to do.

He said "If I have my choice, I will not put old people and people with long years behind them in jail.

"I would prefer them to be on the outside, but I also have to get some co-operation, I think you will agree."

Mr Botha said he had said early in his career as Prime Minister that he hoped Mandela would make it possible for him to be released by rejecting violence as a means to achieve political ends.

He said a misconception related to the ANC leader's position.

He said "The truth is the ANC



Before tragedy struck . . . Rebec attended the Mega Music Festival

Cubans gone 'within 24 to 30 months'

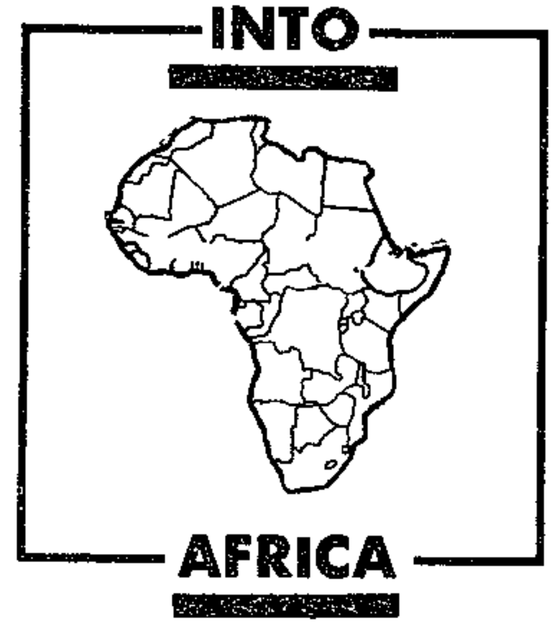
Star 11/10/88

NEW YORK — Cuban and Angolan diplomats involved in weekend talks regarding the proposed pull-out of 50 000 Cuban troops from Angola said the talks produced no agreement on a timetable for the withdrawal.

However, *The New York*

Puzzle time for the Africa watchers . . .

Argus 8/10/88 a 80



by STANLEY UYS, Weekend Argus Correspondent, in LONDON

FROM their various vantage points around the world, the Southern Africa-watchers are viewing events in the region with a kind of puzzled fascination.

They wish all the parties to the various peace processes well, but they are not quite sure where it is all leading, if indeed it is leading anywhere.

Is there peace in Angola?, or is war about to break out again between FAPLA-Cuba and Unita?, and will the US then start to step up its military aid to Unita, and will the SADF re-enter the war zone to rescue Savimbi?

Is SWA/Namibia poised on the edge of independence, or is it all a mirage that will vanish as suddenly as it appeared?

What, too, is the present flurry of activity in Africa about? President Botha has seen President Chissano, President Banda and President Mobutu in quick succession, and an African summit, apparently Francophone state-sponsored, is pending.

Some facts are evident. President Botha is Africanising South Africa's position. He is trying, via the African states, to break out of his isolation. So far so good.

As for the African states (with notable hardline exceptions, like Zimbabwe), many of them are prepared to go a long way to meet President Botha, provided this ends the interminable wars in Southern Africa. Reconstruction cannot begin until the wars are stopped, and they are all victims in one degree or another of 13 years of draining strife in Angola and Mozambique.

BUT is all this activity short-range, or does it have a longer-range potential? South African insiders may have the answer to these questions, but outside the country the broader picture is not seen clearly.

Rightly or wrongly, the Southern Africa-watchers — or at least as I read their minds — have a sense of impending change in the region, either for the better or for the worse It is as if they believe Southern Africa is approaching critical mass.

What will happen, they ask, if the Angola-Namibia peace talks, for whatever reason, lose their momentum — if Pretoria, say, wants to buy time on Namibia, or if the Cubans decide they cannot withdraw and leave the MPLA government to Unita's tender mercies? Is there any guarantee that either will be able to pick up the momentum at the point at which they left it once they are ready to start talking peace again?

The real question is whether Southern Africa can afford to let the conflict situation continue. Angola initiated the process because it was desperate — and it is just as desperate now as it was then. For South Africa, too, urgency should be of the essence.

The simple fact is that South Africa can no longer afford wars, even the kind of wars where massive numbers of men and massive amounts of weaponry are marshalled on one side of a border, as in SWA/Namibia today. Just keeping them there is prohibitively expensive.

One reason why South Africa can no longer afford wars is that it needs the money for apartheid reform. Where else can it obtain the funds? From privatisation? This is a long-term and dubious prospect From more loans — when the Republic's debt problems already are giving rise to grave apprehensions?

The obvious economies, at least as far as the outside world sees it, are the ones that can be made by cutting defence spending But the precondition for this is political solutions This is what the world wants to know: Where are these political solutions?

In a curious way, some of the more experienced Southern Africa-watchers are hoping that the October local government elections will prove to be the catalyst that forces President Botha to make up his mind finally that apartheid reform and not Afrikaner unity is South Africa's only option.

IF the Conservative Party sweeps to power in councils all over the Transvaal, and perhaps elsewhere, and if it captures sufficent control in the Regional Services Councils to block reform measures, the Southern Africa watchers will see this as a kind of decision-point, psychologically if not necessarily in electoral or practical terms.

The point is that these outsiders believe that reform in South Africa is in a state of paralysis, and that the developing situation in the country and generally in the Southern African region, is no longer compatible with this stagnation. Pretoria can no longer walk the tightrope.

Their problem, particularly as governments, is that they can keep the pressure for further sanctions at bay only if they can point to constant movement on the reform front in South Africa. And for some time now they have not been able to perceive any movement whatever.

They are convinced, though, that a season of opportunities has opened for Pretoria, but that the opportunities will have to be grasped quickly, because the season will be short-lived. For the present brief moment the dynamics,they say, are right.

What the outsiders expect of President Botha then is that he will make up his mind finally that Afrikaner unity is an illusion and that reform is his only realistic choice. South Africa is enjoying a lull in world opinion at the moment. Even some usually uncompromising critics are watching and waiting to see what will happen.

But the lull will not last for much longer. On October 27, Pretoria will have to start to move. The deadline is as close as that. After that the opportunities could start to fritter away.

Hello world — remember us?

by FRANS ESTERHUYSE
Weekend Argus Reporter

AFTER a decade of growing isolation for South Africa, President Botha seems to be trying to break back into international society.

His Africa initiative and his visit to Europe this week could be the forerunner of more outgoing moves in a bid to release South Africa from its increasingly tight corner, including sanctions.

He seems to have turned away from the defiant "do your damndest" diplomacy towards a more restrained but quietly assertive approach.

What it was that made him change his mind is unclear, but one clue is that we hear little about the "total onslaught" these days.

For the moment, his meeting with bankers and businessmen in Switzerland, after attending Bavarian premier Dr Franz-Josef Strauss's funeral, may have more significance than meets the eye.

At the very least it is an opportunity to get a first-hand impression of vibes in Europe after his much-publicised visits to African states. More likely, it is South Africa's financial and economic difficulties he has in mind.

Money could well be the crucial factor behind peace initiatives on the Angolan and SWA/Namibian questions. Some analysts indeed believe South Africa was in danger of being brought to its knees by the astronomical cost of continued involvement in a war — at a time of precarious economic conditions coupled with rampant inflation.

IT has been said in the past that South Africa's path to Europe goes through Africa. If this is what Mr Botha has in mind, he has made a promising start. But he has a long way to go.

In Europe, there have been menacing sanctions moves from the 12 Economic Community (EC) nations, coupled with strong reactions from them against actions such as the government's crackdown on anti-apartheid organisations. Their sanctions package has also been used by Japan as a "valuable reference" for additional measures to protest against apartheid.

Recently businessmen have warned of severe reaction from Western Europe should the Sharpeville Six be executed.

If easing foreign pressures is indeed what President Botha is trying to do, it is a long history of discord with the world that he is trying to reverse.

The struggle of successive Nationalist governments to come to terms with international condemnation of apartheid goes back to the early days of their rule. There have been countless diplomatic moves and initiatives, some successes and

Argus
8/10/88

MY DAD IS FUN, SAYS PW'S ROZANNE



by TONY ALLEN-MILLS

JOHANNESBURG.— President P W Botha is a loving father who is full of fun, tells good jokes, likes to sing in the shower and whose favourite tune is Danny Boy, according to his daughter, Rozanne.

These and other cosy family insights were offered during a chatty radio interview with Miss Botha this week. The interview was conducted by John Berks, a former disc jockey, who is presented by his independent radio station as South Africa's answer to Britain's Sir Robin Day.

But, confronted by the President's younger daughter, he sounded more like the romance novelist Barbara Cartland. Introducing a "multi-talented lady in her own right", Mr Berks described Miss Botha as "warm, sensitive, loving and understanding". He then lobbed up really tough questions such as "Are you your Daddy's brown-eyed little girl?"

Miss Botha, who is known to her friends as a pleasant, level-headed 27-year-old with aspirations as a cabaret singer, did her best to stay afloat on Mr Berks's relentless torrent of gush.

g impression of my father," ıss as the harsh, stern poli- y the image he has to por- oving father, full of fun, he od jokes."

the Portuguese dictator Dr Antonio de Oliveira Salazar who predicted that Mr Botha would see the day when Africa would be cut in half by a "Red belt" stretching from east to west across the continent, leaving South Africa exposed to Russia's "global" onslaught.

Mr Botha, in turn, predicted that Portugal's policy of assimilation — something similar to racial integration — would not work and that Portugal would lose its fight in Africa.

The South African government co-operated closely with Portugal and Rhodesia, especially in the military field, to help keep their beleaguered white regimes standing.

By 1970 military intelligence reports showed that the situation was becoming increasingly serious for the white regime in Rhodesia. In neighbouring Mozambique Frelimo rebels were beginning to get the upper hand against the Portuguese colonial rulers and the threat to Rhodesia's north-eastern border was increasing.

By 1978 about 10 000 people had died in the Rhodesian war and the white Smith regime finally collapsed. Assistance from South Africa helped to prop up the regime to the last.

WHEN Mr Botha was elected Prime Minister in 1978 to succeed Mr Vorster, he received a congratulatory message from the Rhodesian defence minister saying among other things: "I hope ... you will also be able to keep a watchful and helpful eye on my poor little country which is under such strain."

History showed there was little he could do.

One lesson which emerged for South Africa from the Rhodesian and Portuguese experience was that war was debilitating and cost money Economically Rhodesia's situation became desperate. The country was exhausted by the war and its people were fed-up by the time Ian Smith reached the end of the road in his struggle for "white civilisation".

The Vorster era brought a period of hope and optimism in relations with black Africa, but this



Botha's big banking bash

by NEIL BEHRMANN, Weekend Argus Correspondent, LONDON

PRESIDENT Botha's visit to Switzerland this week is seen to be a public relations exercise to persuade Swiss bankers that the political situation in Southern Africa is improving.

Major outlets for the sale of South African gold, the leading Swiss banks were also major lenders to South Africa prior to the debt moratorium in 1985.

Yet Swiss banks have also been under fire from anti-apartheid pressure groups. If they are to lend more money to South Africa in the future, Mr Botha must demonstrate that he is intent on meaningful political reform in South Africa.

Bankers say that the visit is aimed to smooth over relations ahead of new debt negotiations in the coming year.

South Africa still owes the international banking community around 22 billion dollars. About half this amount is frozen under the debt moratorium and the remainder must be repaid when loans fall due. The current repayment agreement with foreign banks expires in 1990, say South African officials.

Swiss banks have been caught by the moratorium because about 13 billion dollars of South Africa's foreign debt is in the form of Swiss Francs, Deutsche Marks, Sterling and Yen.

With international disinvestment and sanctions a key issue, foreign banks are reluctant to disclose loans to South Africa.

But South Africa has "swapped" gold for debt and the Swiss have been involved. Swiss banks have also given South African corporations trade finance.

The State President and Foreign Minister Pik Botha are unlikely to negotiate debt repayments. That is the task of the Treasury and Reserve Bank. Key officials from both institutions were at the International Monetary Fund meeting last week.

Clearly worried about the fall in the gold price and dwindling foreign exchange reserves, they met foreign bankers. Yet officials refused to disclose whether they were asking South Africa's foreign bank creditors to relax repayment terms.

WEEKEND ARGUS

A hostage nation

IN a special publication on sanctions by Leadership magazine, extracts of which we publish this week, some of the country's most respected experts spell out the forbidding consequences which major international sanctions would have on South Africa — among them huge unemployment and pervasive poverty, social disorder and endemic violence; indeed the ravaging of South African society at all levels.

But after the vigorous and continuing campaign against sanctions, it is unlikely that those who support them do not know all this already. Indeed, the very rationale behind sanctions is precisely that they would have the devastating effects on the country which are outlined by Leadership.

For its part, the South African government appears to have dug in its heels in the belief that it can evade or survive sanctions, or that sanctions are preferable to abandoning the ultimate form of apartheid which supporters of sanctions at home and abroad are insisting be abandoned — the laws which deny the same political rights to blacks which are enjoyed by whites.

The situation thus has arisen where, on the one hand, sanctions are becoming an ever more threatening reality while, on the other hand, the South African government appears to be responding to them by moving inexorably towards a siege economy and what the United States Secretary of State, Mr George Shultz, sorrowfully described this week as "a garrison state."

Both sides appear to be equally determined to succeed, and caught in the middle are millions of ordinary South Africans who seem destined to be the victims of the battle. It is a tragic case of a nation held hostage as much by its own government as by the proponents of sanctions who would destroy the economy in pursuit of their cause.

Union wants protection in case of sell-out

By EDDIE KOCH

WORKERS at Mobil Oil have vowed to continue pressing the multinational to negotiate terms of a possible disinvestment from South Africa after anti-apartheid activists in the United States leaked a document showing the company has secret contingency plans to pull out of the country.

The top leadership of the Chemical Workers' Industrial Union (CWIU) is holding a national meeting this weekend to discuss whether some 10 000 union members should take strike action against 39 multinationals who have refused to negotiate a disinvestment programme. Mobil is one of the largest companies involved in the dispute.

The Manpower Department has refused to appoint a conciliation board to resolve the dispute and this opens the way for the union to hold strike ballots and conduct a legal strike.

The Interfaith Centre for Corporate Responsibility (ICCR) last week leaked an internal Mobil memorandum indicating the oil giant had discussed the possibility of emulating IBM by selling its assets in South Africa to local employees.

The document also mentions the possibility of selling-out to a third party or of distributing the assets to Mobil shareholders so that tax liabilities in the US can be avoided.

The news has surprised anti-apartheid campaigners because Mobil has been in the forefront of the fight against sanctions and has even threatened to sue the US administration if it is forced by disinvestment legislation to leave South Africa.

ICCR executive director Tim Smith told the *Weekly Mail* that Mobil's senior public relations official in the US, Sol Marzullo, has acknowledged the pull-out plans but claims they were devised for contingency purposes. Don Bouchard, Mobil's public affairs manager, was not available

CWIU's national executive committee will meet this weekend to discuss the government's refusal to appoint a conciliation board to resolve the dispute, said Adler.

The union wants the multi-nationals to negotiate a trust fund for the benefit of black workers, severance pay and guarantees that employees' conditions of service will not be jeopardised in the event of disinvestment.

● Zenex Oil, the SA company which bought out the local assets of US oil company Exxon, this week announced plans to fund an extensive adult literacy scheme

made a strong appeal to European bankers to use their influence with political leaders to stop sanctions against South Africa and support a Marshall Plan-type infusion of capital into the country.

In a speech to the Swiss-South African Association, Mr Botha appealed for South Africa to be given time to develop constitutionally in its unique way. This could be done with the European Parliament as an example, without interference with, or the destruction of, the distinctive character of members of the co-operating communities.

He said South Africa intended to govern itself into a new constitution

Mr Botha also assured the association that Pretoria was managing the South African economy in a way which enabled it to meet its international commitments.

He said South Africa had two strategies to increase growth performance and employment.

The first was the process of deregulating the economy by removing unnecessary regulations and by promoting the free operation of market forces.

The second was a shift to inward industrialisation, which meant concentrating on economic activity with little or no imported content.

Mr Botha said it made bad economic sense to develop South Africa's neighbours in isolation from South Africa because the country and its neighbours were interdependent Its neighbours relied on its infrastructure and its contribution.

In political terms it should be obvious by now that sanctions simply furthered the interests of the leftist and the rightist radicals in South Africa's political spectrum.

Mr Botha said: "Their so-called remedy does not alleviate the perceived problem. Our argument is that the use of sanctions as a so-called remedy is synonymous with the argument that a patient suffering from a headache should have his arm amputated.

"In South Africa, black and white entrepreneurs together engage in a system of private enterprise in a mixed economy.

"Businessmen — black and white — provide jobs.

"Our case is that sanctions are aimed at the destruction of the free enterprise system which, in turn, would lead to increased unemployment, lower standards of living, poverty and hunger.

"Our case is that European powers should recognise two factors, if they agree to sanctions.

"First, they are furthering the objectives of powers hostile both to themselves and to democracy in South Africa.

"Second, they misjudge the people of South Africa if they believe that pressure will influence them to deviate from their course.

"The way to rapid economic and political development and renewal is to ensure that South Africa's economy flourishes.

"If South Africa is allowed to reach its natural potential, the whole region will benefit," said Mr Botha.

● See Pages 2 and 7.

Jail 'is no answer for Mandela'

Star 11/10/85

By Political Correspondent

ZURICH — President Botha reiterated his view last night that ANC leader Nelson Mandela should not go back to jail

However, he said, he carried the responsibility as Head of State to determine whether a situation would lead to disorder or not.

Mr Botha told a meeting of the Swiss-South African Association in Zurich his conscience and his duty would tell him what to do.

He said "If I have my choice, I will not put old people and people with long years behind them in jail

"I would prefer them to be on the outside, but I also have to get some co-operation, I think you will agree."

Mr Botha said he had said early in his career as Prime Minister that he hoped Mandela would make it possible for him to be released by rejecting violence as a means to achieve political ends.

He said a misconception related to the ANC leader's position.

He said: "The truth is the ANC does not want Mr Mandela out of prison because it suits them to project him as a martyr. The ANC also fears that the release of Mr Mandela might lead to pressure on them for peaceful negotiations

"The ANC is against negotiations. They are against the peaceful sharing of power, because they are in favour of force and violence.

"They want to seize power, not acquire it through consultation.

"It is puzzling that any European government can believe that the ANC and its master, the SA Communist Party, with its headquarters in London, would really introduce a democratic government in South Africa."

Mr Botha said Mandela was convalescing from an illness in a modern clinic

"He is at present cooperating with the authorities I hope he will continue to do so and not revert to policies which might lead to violence," he said.



Before tragedy struck ... Rebec attended the Mega Music Festival

Cubans gone 'within 24 to 30 months'

Star 11/10/85

NEW YORK — Cuban and Angolan diplomats involved in weekend talks regarding the proposed pull-out of 50 000 Cuban troops from Angola said the talks produced no agreement on a timetable for the withdrawal.

However, *The New York Times* reported yesterday that officials from Angola, Cuba and South Africa had agreed that all Cuban troops would leave within 24 to 30 months.

The newspaper said the agreement had been reached on Sunday in New York. *The New York Times* report cited unidentified "American officials".

But Cuban Deputy Foreign Minister Mr Ricardo de Quesada and Angolan UN Ambassador Mr Manuel Pacavira told journalists yesterday there had been "no agreement whatsoever" on the timetable.

"Up to now, at the negotiating table, there is a proposal from the mediator (the US State Department) that was accepted by the South African delegation for 24 months," said Mr Pacavira.

He said the Angolan-Cuban delegation considered the 24-month proposal "a basis for discussion because our proposal is 30 months, and we consider that the last limit of our concessions" — Sapa-AP.

Give us money, not aid, Botha tells Europe

Zurich. — President Botha has made a strong appeal to European bankers to reject sanctions and to support the infusion of capital into South Africa as part of a type of Marshal Plan alternative.

In a speech to the Swiss-South African Association last night, he also reiterated his view that he would not like to see ANC leader Mr Nelson Mandela return to prison, saying that Mr Mandela was still co-operating with the authorities.

Earlier, about 200 protesters demonstrated against his presence in Switzerland, attracting headline news on both Swiss radio and television.

In his speech, Mr Botha appealed for South Africa to be given time to develop constitutionally in its unique way, pointing to the European Parliament as an example of government being possible without interference with, or the destruction of, the distinctive character of the co-operating communities.

He also gave the Swiss-South African Association assurances that Pretoria was managing the South African economy in a way which enabled it to meet its international commitments.

Poverty and hunger

South Africa had two strategies to increase growth performance and employment.

The first was the process of deregulating the economy by removing unnecessary rules and regulations and by promoting the free operation of market forces.

The second was a shift to national industrialisation, which meant concentrating on economic activity with little or no imported content.

It should be obvious by now, he said, that sanctions simply furthered the interests of left and right radicals in South Africa.

President Botha added: "Sanctions are aimed at the destruction of the free enterprise system which in turn would lead to increased unemployment, lower standards of living, poverty and hunger.

"European powers should recognise two factors, if they agree to sanctions. Firstly, they are furthering the objectives of powers hostile both to themselves and to democracy in South Africa. Secondly, they misjudge the people of South Africa if they believe that pressure will influence them to deviate from their course.

"The way to rapid economic and political development and renewal is to ensure that South Africa's economy flourishes.

"It will afford the government the necessary scope to improve social services for all communities. If South Africa is allowed to reach its natural potential, the whole region will benefit.

"With the necessary infusion of capital, a result similar to that achieved by the Marshall Plan in Europe could be realised. I ask you to pass this message on to political leaders."

On Mr Mandela, Mr Botha said there was a misconception about the ANC leader's position.

"The truth is the ANC does not want Mr Mandela out of prison because it suits them to project him as a martyr. The ANC also fears that the release of Mr Mandela might lead to pressure on them for peaceful negotiations," he said.

"If I had my choice, I would not put old people in jail. I would prefer them to be on the outside, but I also have to get some co-operation."

Night-life

As President Botha spoke to an audience composed almost entirely of businessmen, his wife, Mrs Elize Botha, accompanied by Mrs Helena Botha, wife of Foreign Minister Mr Pik Botha, and a party of South African diplomats, took off on their own to sample Swiss night-life.

The two women and their entourage headed off to one of Zurich's most famous night-spots, the Kindli restaurant.

They joined in heartily with the singing, swaying and clapping in time to the music and waving table napkins. The restaurant featured a large band which played jazz and traditional Swiss music.

At one stage in the evening the band played Sarie Marais, to roars of approval from the South Africans.

Mrs Elize Botha signalled her appreciation by pinning miniature South African flags on the band leader, the lead singer and a young child.

● The Mandela family attorney, Mr Ismail Ayob, said there was "nothing significant" in the rumours of the possible release of the ANC leader.

The Argus Foreign Service

TUESDAY OCTOBER 11 1988

Disinvestment 'will remove foreign influence'

ARGUS 11/10/88 280

Sapa reports from London

SANCTIONS against South Africa would diminish the positive influence of the outside world, says the British Industry Committee on South Africa.

In a 12-page booklet entitled *Towards Change in South Africa*, the BICSA says: "Most of the changes to apartheid which took place during the decade of South Africa's 'perestroika' up to mid-1986 were the result of the dual logic of black empowerment and business pressure.

"The legalisation of black trade unions was the belated recognition by government of a *de facto* situation in which employers were actually signing wage agreements with unions that, in official eyes, did not exist.

"As John Kane-Berman of the SA Institute of Race Relations has said, 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 BICSA says the same process is at work on the Group Areas Act.

"Black people are voting against it with their feet in their thousands. Business pressure, directly on government and indirectly by housing black executives in white areas and promoting new non-racial areas like District Six, is aiding and abetting them.

"Pretoria has announced plans to increase the penalties for infringing the Group Areas Act, but it is unlikely to hold up the tide for long.

"Even Pretoria appears to recognise this fact, since the increased penalties proposal is accompanied by a plan to legalise certain *de facto* 'grey' areas, and to permit some new ones."

The BICSA says none of this would be helped by companies disinvesting or economic sanctions

"Disinvestment merely removes the influence that a foreign company can bring. The acquiring company rarely feels the same need to confront government.

"Nor does it need to observe employment and corporate responsibility standards imposed by international codes of conduct. No longer is it accountable to a London or New York board faced with shareholder action groups."

The BICSA says it is no accident that since 1986 the number of signatories to the Sullivan code has dropped by half.

"The Sullivan code, like the EEC code, eroded apartheid at the workplace, helped to empower black workers and made a substantial contribution to the welfare of South Africa's black communities. Today, as American companies leave South Africa, its influence has waned."

Sanctions will cost US R5-billion and 11 000 jobs, says new study

AR645 11/10/88 280

The Argus Foreign Service reports from Washington

IF the latest congressional anti-South Africa sanctions package becomes law, nearly 11 000 Americans will lose their jobs in the oil and gas industry and the United States government will lose R5-billion in lost oil exploration leasing fees and bonuses, a new report has warned.

The report, which has been presented to Congress, is the newest of a series of authoritative studies that have calculated the enormous costs Americans will have to pay in the short and long terms if the Anti-Apartheid Amendment Act of 1988 is approved and President Reagan is forced to sign it into law.

The studies have examined specific areas of the American economy that will be hard hit — such as agriculture, the coal industry and the uranium enrichment industry — and all have concluded that the new sanctions Bill would cost Americans billions of dollars and many thousands of jobs throughout the country.

The House of Representatives has approved the measure but indications are that it will probably be stalled in the Senate. However, liberal Democrats in the Senate — led by Senator Edward Kennedy of Massachusetts and Senator Alan Cranston of California — are trying to find a way around the legislative roadblock erected by the Bill's Republican opponents.

The newest report was compiled by the Shell Oil Company, which has protested that it will be unfairly penalised by a provision in the Bill that bans oil companies with South African trade ties from bidding on new American oil and gas exploration leases. BP and Total would also be affected.

The Shell company in America has protested that it is an autonomous corporation with no connections with Shell in South Africa — a status that has not protected the company from the boycott activities of the United States anti-apartheid movement.

"We have carefully examined the potential impact of this Bill on Shell and the US economy. The resulting negative impacts include losses of American jobs, foregone or delayed energy development and lost revenue to the US government," the report states.

The immediate impact on Shell would be the elimination of 700 jobs with a long-term potential of 1 700 lost jobs, the report states. A further 2 100 jobs would disappear in the oil and gas service sector.

About 6 600 workers who provide goods and services to the American oil and gas industries would lose their employment as well, the economists calculated.

"Altogether, nearly 1 100 jobs would be lost in the US economy over an 11-year time period,' the report claims.

'All PW got was a kick in the teeth'

Smith tells Tories SA sanctions are 'suicide'

Star 12/10/88

280

BRIGHTON — Former Rhodesian Prime Minister Mr Ian Smith called on the sports world yesterday to defy the boycott of South Africa and said advocates of sanctions sought white South Africa's suicide.

To a standing ovation from a packed fringe meeting at the governing Conservative Party's annual convention, the former Prime Minister declared: "All the bad guys are united . . . so let us now unite good guys."

In an interview later, Mr Smith (69) shrugged off calls made by some members of Zimbabwe's government to ban him from returning home.

"I have done no wrong," Mr Smith said. "I have said nothing that is subversive as far as my country is concerned."

Mr Smith complained that South Africa's State President, Mr P W Botha, had received nothing but a "kick in the teeth" for his reforms of apartheid.

"We are destroying sport in the world because of those liberals, many of them Marxist-Leninists, who twist the truth."

He said there was more freedom of creed in South Africa than in India.

He urged the England cricket team to tour South Africa.

To advocates of sanctions, Mr Smith said: "You are asking the present South African people who are part of Western civilized culture to accept a system they know is going to be suicide."

Accusing advocates of sanctions of double standards, he said South Africa would rank less than halfway down any list of nations that are the world's worst violators of human rights.

He said sanctions would hurt both South African blacks and Zimbabwe, and were an interference in South Africa's internal affairs by starry-eyed liberals who would not have to live with the results.

● The Star Bureau reports from London that diplomats from the South African Embassy were among many foreign observers listening to the debates at the Conservative Party conference.

"One of our jobs is to watch the political scene in the UK so obviously we have people down there all the time," said an embassy spokesman.

The Ambassador, Mr Rae Killen, will attend today and host a function in the evening, as South African ambassadors have done at Tory conferences for years.

Unlike other party conferences this year, the South African diplomats have been accepted without problems at Brighton.

France gets SA coal despite embargo

Cape Times 12/10/88

Own Correspondent

PARIS. — SA coal is reaching France in defiance of a government embargo.

A Belgian newspaper, De Morgen, has claimed that huge volumes of SA coal are being re-exported from Belgium to France as Australian coal.

SA coal exports to France have been banned since 1985.

Both the Belgian and French governments have now opened formal investigations into the matter. Sources here report that a number of Belgian civil servants alleged to have falsified export licences are to be brought to court.

At the same time, the scandal has rekindled calls for a ban on SA coal exports to Belgium, in line with the demands of the Flemish Socialist Party.

The Belgian government is said to be planning to ask its partners in the EEC to consider a general boycott of SA coal.

Investigators were alerted by the rapid rise of coal exports from Belgium to France. From 6 000 tons in 1984 exports rose to 81 000 tons in 1985 and 337 000 in 1986 and reached 540 000 tons in 1987.

According to reports, the volume of Australian coal documented as being re-exported to France now exceeds the total volume of Australian coal imported into Belgium. Most of the coal is bought by big merchants in France for resale to the steel and electricity industries and cement works.

The extent of the coal merchants' involvement in the scandal has yet to be established. The investigations should show whether or not the merchants paid an unusually low price for the coal which, since SA coal is considerably cheaper than the Australian product, would suggest they knew its real origin; or whether, on the contrary, they themselves were tricked into paying "Australian" prices for the cheaper SA coal.

Imports of coal into France are run by a monopoly, the Association Technique Pour L'Importation Charbonnier (Atic). In general, Atic checks the origin of coal imported into France and analyses its quality. But in the case of trade of coal within the EEC, Atic does not intervene directly between suppliers and buyers. Atic admits to being "embarrassed" by the whole affair.

The Documents of Origin supplied by the Belgian traders were in conformity with the imports, Atic said in a statement. "If the French importers did not know the real origin of their purchases, they have been tricked."

Unions caught 'off guard'

280

ALAN FINE

NEW issues brought to the fore by the onset of disinvestment had caught black unions off guard, and debates over the appropriate response were still continuing, a recent report by the Investor Responsibility Research Centre said.

The report said the so-called workerists within Cosatu, faced with evidence that disinvestment often hurt the interests of members while strengthening white business, were uneasy. The "populists", however, argued it was a necessary step in the fight against apartheid.

The IRRC analysts, Jennifer Kibbe and David Hauck, noted the debate over disinvestment was settled somewhat by the adoption of a resolution at Cosatu's 1987 congress that did not expressly call for disinvestment but demanded that companies intending to disinvest give adequate notice so that meaningful negotiations over the disposition of assets could take place.

They quote one trade unionist, representing the more pragmatic and dominant workerist view, as saying "the key is job security for the workers". If sold-off companies needed links with their former parents to keep operating and employing their workers, then these unionists thought such ties ought to be maintained.

B/day 12/10/88.

● See Page 4

Sanctions have crippled GDP growth rate

By Derek Tommey

How much are sanctions costing? The Chamber of Mines reported this week the US stood to lose $1,85 billion (R4,63 billion) a year if American firms were prevented from buying certain minerals from South Africa and had to find alternative sources.

Were this to happen, South Africa's losses would be several times greater than those of the US.

This report was followed by one from the US General Accounting Office that sales of SA iron, steel and uranium to the US this year were down $417 million (R1 billion) on last year.

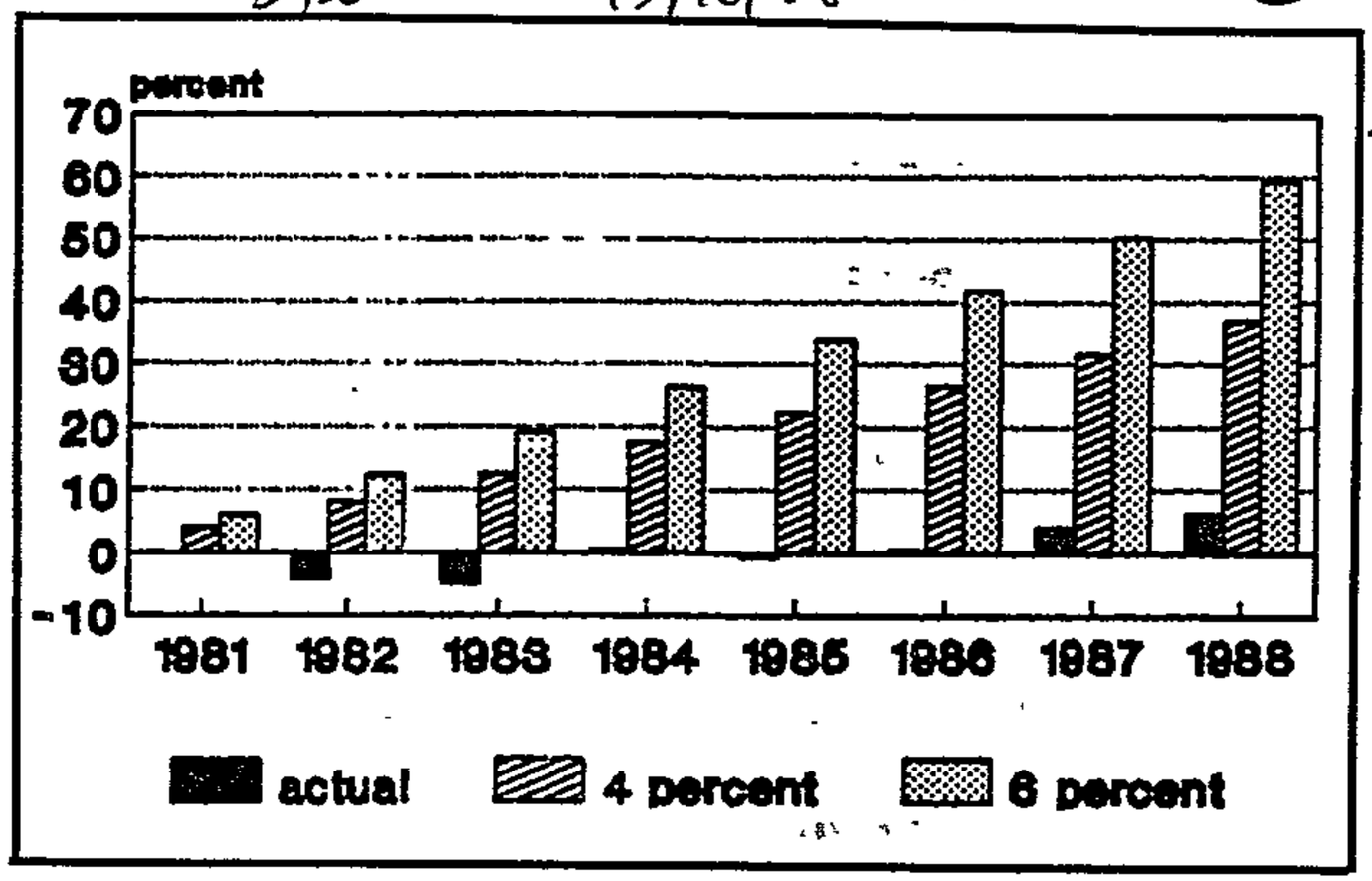
These are big numbers and there can be no doubt that the SA economy is suffering and will continue to suffer from sanctions, trade boycotts and restrictions on lending.

But to put a figure on what these have cost South Africa so far is difficult. No one can say how much higher exports would have been, had the world remained an open market for SA goods.

Similarly, one cannot really estimate how much SA would have received in foreign loans and new investments if political factors had not stood in the way.

However, there is one measure that can give some indication of the harm done by sanctions.

This is the figure for the gross domestic product (GDP).



Growth rate, actual and potential (1980 — 100).

In the 15 years to 1980, GDP grew by an average of four percent a year. But in the six following years it grew by a grand total of 0,4 percent, according to Reserve Bank figures, or by an average of 0,8 percent a year, according to more generous World Bank calculations.

It is clear that since 1980 the economy has been seriously constrained. And as political and economic campaigns really got of the ground in the late 1970s, it seems fair to assume that these have played a major role in South Africa's subsequent poor economic performance.

It also seems fair to assume that because of a sound economy and great growth potential, SA could have at least maintained its average four percent growth rate since 1980, had there been no foreign intervention in its economy.

Other countries achieved this rate or were close to it. Australia, which has a lot in common economically with South Africa, but does not have its rapidly expanding population, achieved an average growth rate of 3,1 percent between 1980 and 1986.

Mauritius did better with 4,4 percent. Malaysia achieved 4,8 percent, Singapore 5,3 percent and South Korea 8,2 percent.

If South Africa had achieved its four percent, the consequences would have been beneficial.

The economy would have grown by 32 percent between 1980 and 1987, instead of the little it actually achieved.

GDP this year at current values would have been just under R230 billion, which is R50 billion, or 28 percent, more than the expected R179 billion.

The wealth increase would have been equivalent to an extra R1 666 for every man, woman and child.

As the Government could have expected to receive at least a quarter of this extra R50 billion, it would have had no difficulty financing the public servants' pay rise, or the increased cost of health, education and housing.

It is, therefore, not surprising that the State President, Mr PW Botha, appealed to Swiss bankers earlier this week to use their influence with political leaders to stop sanctions and support a Marshall Plan-type infusion of capital into SA.

Both developments are badly needed.

B/day 13/10/88.

British company sells off SA stake

ROBERT GENTLE

GLAXO, the British pharmaceutical multinational, has disposed of its interests in leading SA veterinary company Milborrow by means of a management buyout financed by Standard Bank.

Although neither party will disclose the exact sum involved, it is believed to be sizeable as Standard Bank now becomes a minority shareholder in Milborrow. Supporting that view is the fact that Milborrow is said to be the largest player in a veterinary market estimated to be worth R140m a year.

While admitting it made good business sense given the current sanctions climate abroad, Milborrow marketing director Dan Erasmus said yesterday that what had really prompted the move was Glaxo's strategic decision to sell off its entire worldwide veterinary operations and concentrate on its core business of pharmaceuticals.

He cited a similar management buyout in Zimbabwe as evidence that the move had not been motivated by the sanctions issue, but was rather a change of ownership.

"We plan to involve our employees in the future growth of the company and, when the time is ripe, consider a listing on the JSE," said MD Eddie Scholtz, leader of the local management group.

Ironically, the latest move brings Milborrow full circle as it was orginally a wholly owned SA company before being taken into the Glaxo stable in 1968.

Sanctions 'SA's growth

CAPE TOWN, THURSDAY, OCTOBER 13 1988

The Argus Correspondent

JOHANNESBURG. — The South African economy would have grown by 32 percent between 1980 and 1987, instead of the 0,4 percent it achieved as a result of sanctions, trade boycotts and restrictions on lending.

The gross domestic product (GDP) this year at current values would have been just under R230-billion, which is R50-billion, or 28 percent, more than the expected R179-billion.

The wealth increase would have been equivalent to an extra R1 666 for every man, woman and child.

As the government could have expected to receive at least a quarter of this extra R50-billion, it would have had no difficulty financing the public servants' pay rise or the increased cost of health, education and housing.

Plea by P W

It is therefore not surprising that President Botha appealed to Swiss bankers this week to use their influence with political leaders to stop sanctions and support a Marshall Plan-type infusion of capital into South Africa.

Both developments are badly needed.

The Chamber of Mines reported this week the United States stood to lose $1,85-billion (R4,63-billion) a year if American firms were prevented from buying certain minerals from South Africa and had to find alternative sources.

Were this to happen South Africa's losses would be several times greater.

This report was followed by one from the US general accounting office that sales of South African iron, steel and uranium to the US this year were down $417-million (R1-billion) on last year.

These are big numbers and there can be no doubt that the economy is affected and will continue to be from sanctions, trade boycotts and restrictions on lending.

But to put a figure on what these have cost South Africa so far is difficult. No one can say how much higher exports would have been had the world remained an open market for South African goods.

Similarly, one cannot really estimate how much would have been received in foreign loans and new investments if political factors had not stood in the way.

Reserve Bank

However, figures for GDP give some indication of the harm done by sanctions.

In the 15 years to 1980 thge GDP grew by an average of four percent a year. But in the six following years it grew by only 0,4 percent, according to Reserve Bank figures, or by an average of 0,8 percent a year, according to more generous World Bank calculations.

It is clear that since 1980 the economy has been seriously constrained. And as political and economic campaigns really got off the ground in the late 1970s, these have played a major role in South Africa's subsequent poor economic performance

Because of a sound economy and great growth potential, the country could have at least maintained its average four percent growth rate since 1980 had there been no foreign intervention in its economy.

Other countries achieved this rate or were close to it. Australia, which has a lot in common economically with South Africa but does not have its rapidly expanding population, achieved an average growth rate of 3,1 percent between 1980 and 1986.

Inflation knocks real profits . . .

Fruit exports reach record

By AUDREY D'ANGELO
Financial Editor

EXPORTS of fresh fruit from the Cape have achieved record earnings again this year, in spite of sanctions which have closed some markets.



Louis Kriel

The new growers' co-operative — Universal Frutrade Co-operative (Unifruco) — which took over export marketing from the Deciduous Fruit Board a year ago, announced yesterday that more than 30m cartons of fruit were sold in the last season, earning R773m gross. This is R100m more than in 1987.

Unifruco chairman Leo Fine said that the pay-out to producers in the industry, one of SA's largest earners of foreign currency, would be a record R404m, compared with R347m last year.

This would be possible not only because of the volume of fruit handled but because administrative costs had been cut by 15% for each carton sold.

But, Fine said, inflation meant that the 10% rise in the amount of cash reaching producers' pockets was a fall in profits in real terms.

"Inflation, particularly in the rand value of overseas costs and on production costs has reached such alarming proportions that increases in gross earnings easily end up as a decrease in net earnings.

"The past season is not an exception. It is calculated that real farm income will actually have decreased."

Fine said the industry, which provides jobs for 250 000 people, had achieved significant increases in export earnings every year since 1983 in spite of the fact that a few markets had been lost due to political pressure.

"In the past five years all our trading partners achieved significant growth in dealing with our quality range of fresh Cape produce and we are particularly delighted that producer payments could increase from R123m to R404m over the same period."

Unifruco CE Louis Kriel said Unifruco had set itself the goal of continuing this positive trend over the next five years, with new markets being developed.

It already had more than 40% of the southern hemisphere's share of European markets and was confident it could extend this. Non-deciduous varieties were being added to the range of fruit marketed.

"We have no illusions regarding the challenges facing us. The export environment is still not totally normal for SA and some of our southern hemisphere competitors are doing their utmost to extend and exploit the situation.

"Others continue to dump large quantities on our traditional markets.

"But we have succeeded in achieving greater price premiums above competitive products than ever before by offering quality, reliability, product range and logistical discipline. Also, our industry's track record in social and labour relations has been recognized as one of the best in the whole agricultural world."

Kriel said that every possible measure was being taken to pursue excellence and counter rising costs "because in five years' time only two major southern hemisphere suppliers will survive in the highly competitive Western world market. We shall be one of them."

Gold closes

Rand firms

JOHANNESBURG The

Sanctions 'threat to SA'

COMPUTERS
Become an IBN BASIC
COMPUTER PROGRAMMER
IN JUST OVER 4 WEEKS
High level IBN Certified Diploma Crash Courses
starts THURSDAYS on Flexitime
Highlands North (On Bus/Taxi Routes) S 21579
IBN CALL ROB KAPLAN NOW
887-3144 (7 lines) 24 Hrs

SANCTIONS and the hardening of attitudes have made reconciliation and the attainment of a higher standard of living for all South Africans much harder to achieve, a director of the Anglo American Corporation told a three-day conference in Sun City yesterday.

By LEN MASEKO

Addressing the annual convention of the institute of personnel management, Mr Clem Sunter, said the greatest threat facing South Africa now was the Dellums Sanctions Bill currently before the United States Congress.

"Our exhortation that a significance cross-section of South Africans, black, coloured, Asians and whites should travel overseas and say 'stop wrecking' South Africa' should be acted on as soon as possible," the Anglo director told more than a thousand delegates attending the conference.

The next round of sanctions, Mr Sunter said, would lead to widespread starvation "not only in South Africa but in places like Lesotho as well". South Africa's two basic options remained unchanged, namely: Either the "high road" of a shared future; high economic growth; and an improved standard of living for all — or "low road" where each side wanted the future all to itself leading to conflict "the military fortress" and ultimately the wasteland "in all senses of the word — political, economic, social and environmental."

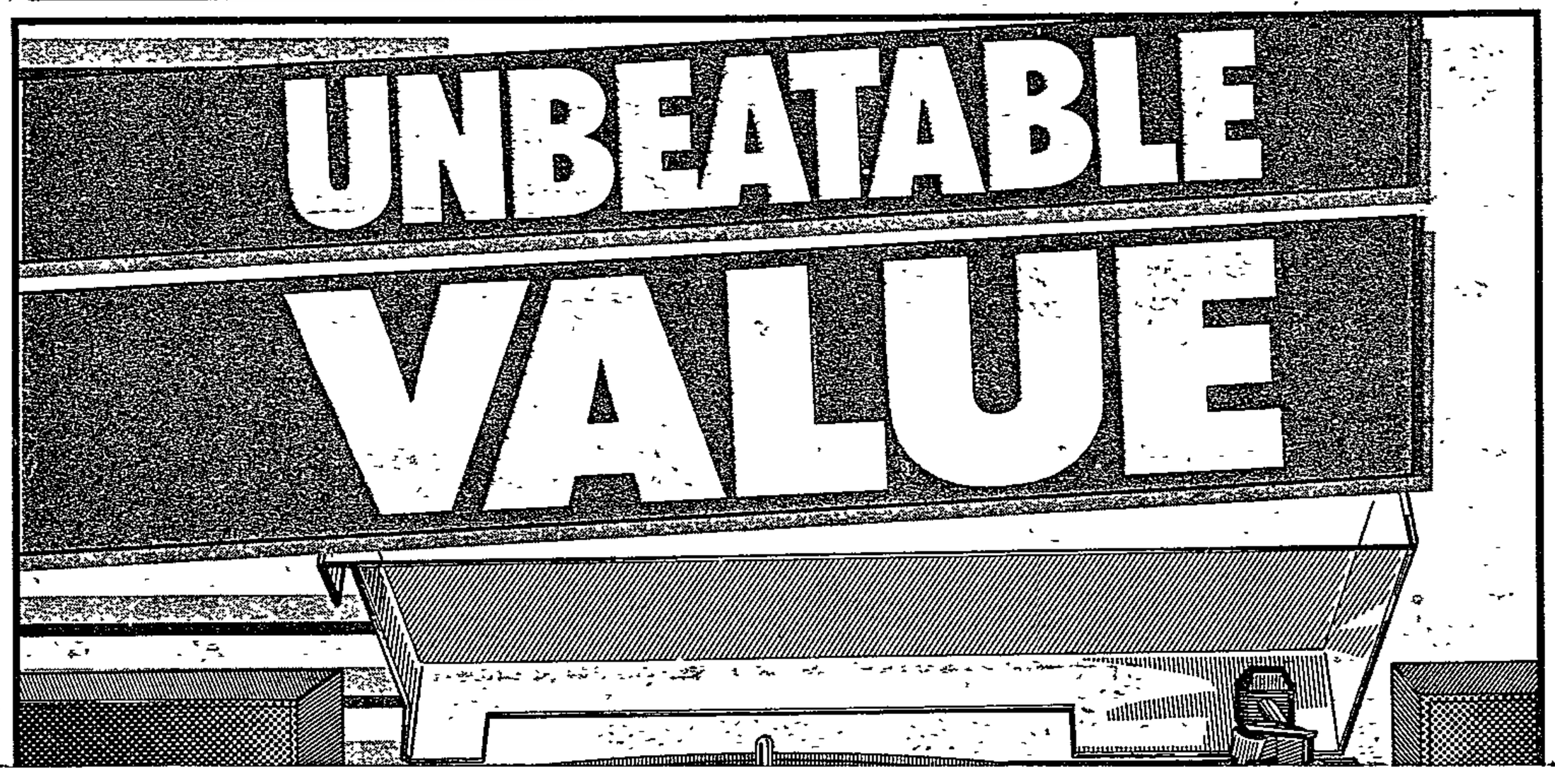
He added: "The imbalance of military power we gave as the first rule of the game has been confirmed by the state of emergency. Young blacks no longer talk of the revolution in six months' time — indeed, no time horison is given anymore.

The equilibrium of violence has dropped in a short term, but it remains true that it can only be minimised on a permanent basis if people are generally satisfied with the political system under which they are living.

Professor Rodger Fisher, from Harvard University in the United States, told the conference: "Most negotiations are with people we have met before and we will meet again. Effective problem-solving requires us to disentangle relationship issues like trust from substantive ones like terms and conditions."

The conference, whose theme is "Human Resources — the Competitive Edge", ends tomorrow.

Among speakers to address the meeting is Black Management Forum president, Mr Don Mkhwanazi, who will today deliver the paper on "the constraints in the development of black managers — strategies for overcoming the problems."



'Secret summit' on SA rugby

Cape Times 15/10/88 280

From MICHAEL HARTNACK

HARARE. — South Africa's two rival rugby bodies are reported to be meeting here this weekend, with the ANC acting as referee.

An executive member of the ANC, Mr Thabo Mbeki, was due here late last night to chair talks between the SA Rugby Board and the SA Rugby Union.

The talks are aimed at getting South Africa back into international rugby competition.

Sources here said another member of the ANC delegation was likely to be Mr Steve Tshwete, former commissar of the organisation's military wing, Umkhonto we Sizwe, who is now with its internal affairs department. Before being sentenced to 15 years on Robben Island in the 1970s, Mr Tshwete was an outstanding rugby player.

Will Craven attend?

The president of the Transvaal Rugby Union, Mr Louis Luyt, and the president of the South African Rugby Union, Mr Ibrahim Patel, were also thought to be among those on their way to the secret summit.

The meeting has been kept secret because of fears that the South African government might try to stop South African delegates attending. The venue is still secret.

Mr Nico Nel, head of the South African trade mission here, said his diplomats had not been officially informed of any meeting between the two rugby associations.

The latest attempt to end South Africa's rugby isolation follows a visit to Frankfurt by Mr Luyt, where he held talks with supporters of the sports boycott.

Following Mr Luyt's return, the president of the SA Rugby Board, Dr Danie Craven, won the backing of the entire board executive for moves to total integration of the sport, from school-level upwards.

It is not known whether 77-year-old Dr Craven, who recently had an angina attack, is fit to travel to the meeting.

Dr Craven appeared to give an indication of this weekend's encounter when he spoke to the press on October 5, saying that a meeting with "black African sportsmen" was imminent.

Cash-flush institutions seek disinvestment havens

INSTITUTIONS with huge cash reserves are keeping a close eye on what has almost become the *disinvestment* market.

The shortage of quality scrip on the JSE is, however, not seen as a long-term problem by at least two of the major institutions which believe an intensification of disinvestment will provide the necessary outlet for their funds.

With institutional cash flows at about R25bn annually, the build up in liquidity of institutions is massive.

A spokesman for one of the largest institutions said these bodies were not entering the market so much through mechanisms, such as rights issues, but through disinvestments by predominantly US companies.

"At present there are a few things on the table, especially in the food and electronics industries, the problem is that people are not willing to give their companies away. I would say most of the institutions are in this attractive disinvestment area."

LINDA ENSOR

He said institutions could become involved in disinvestments by participating in the rights issues undertaken to fund them, thereby acquiring stakes in emergent companies.

Greatest

Corbank GM Melvyn Antonie said institutions in the past had participated in disinvestment deals either as financiers, as backers of management buyouts or by taking up shares.

Old Mutual investment assistant GM Rob Lee said the greatest source of paper for institutions now was the big disinvestments, particularly by US companies in pharmaceuticals and oil.

"I will be surprised if one oil company did not pull out by the end of next year. There could possibly be more."

Quoted UK companies were also targets in the disinvestment market.

Lee said usually the operating companies took over when there was a disinvestment, with institutions coming into the picture as financiers.

Because of this, and further down the line because of privatisation, the shortage of scrip was not regarded as a problem.

Old Mutual has a bearish outlook on the market in the next 12 months, taking a cautious view on its recent strengthening. Interest rates are set to rise and, if vulnerable world markets fell, the SA market would also go down. In such a situation, high levels of liquidity are normally maintained.

A recent example of institutional involvement in disinvestment was the R130m takeover by Sanlam of Unisys.

Antonie confirmed the trend: "A number of institutions with whom we have dealings have followed that route."

He said it could be lucrative.

Asked whether institutions were keenly seeking disinvestment business, Antonie said Corbank, for instance, was constantly in contact with a number of companies with which it had had dealings over a long period.

Republicans foil amendment ploy

US liberals plan last bid for SA sanctions

Star 17/11/1988

280

By Neil Lurssen,

WASHINGTON — Liberal Democrats are to make a last-ditch effort in the US Senate this week to force a vote on South Africa sanctions before the congressmen head for home to prepare for the November 8 elections.

If the Liberals fail to get action on the sanctions Bill before the session ends, the legislation will die and the sanctions will have to go through all the legislative stages again next year — including lengthy committee hearings.

At this stage, it looks as though the sanctions — a comprehensive package of measures that would force all US companies out of South Africa and make it an offence for Americans to hold SA investments — are doomed to die in 1988.

Struggling

No place has been made on this week's Senate calendar for a vote and, with the senators and their staffs struggling to wind up affairs to get away early, Capitol Hill sources say it will be extremely difficult to force the the Bill through.

Nevertheless, Senator Alan Cranston of California, one of the leading liberals, intends to try. He said that if he failed this week, he would reintroduce the Bill in 1989.

The pro-sanctions group may try to attach the sanctions — or part of them — to other legislation that has to be approved before the session ends this week.

The liberals tried this ploy last week when sanctions were slipped into an authorisation Bill designed to help small US businesses achieve funding and federal assistance. Their amendment would deny help to those small businesses that trade with South Africa.

But conservative Republicans spotted the move and acted against it.

The Small Business Act must still be voted on, but it is believed that the anti-SA amendment will be dropped.

Apart from the time factor, many senators are simply reluctant to vote on the issue and some who favoured the existing sanctions legislation in 1986 are opposed to them this year.

Among them is the influential Senator Richard Lugar of Indiana who believes that the proposed Bill would end all US influence in South Africa.

"I oppose that idea," Senator Lugar said. "I would be much more in favour of an interventionalist situation in the most humane way. By that, I mean that we really work with blacks and with others in South Africa to make certain that they know we care."

Senator Lugar said he believed the US was deeply interested in the evolution of a strong South Africa where there was no apartheid.

The new president, he said, should search for opportunities to be effective and should seek strategic and tactical methods of pursuing such a policy.

In an address to black leaders last week Democratic presidential candidate, Governor Michael Dukakis, said that apartheid was an affront to humanity, and when he takes office on January 20, the US would lead the way in breaking the back of South Africa's racial system

'Take care with sanctions'

Star 17/10/88

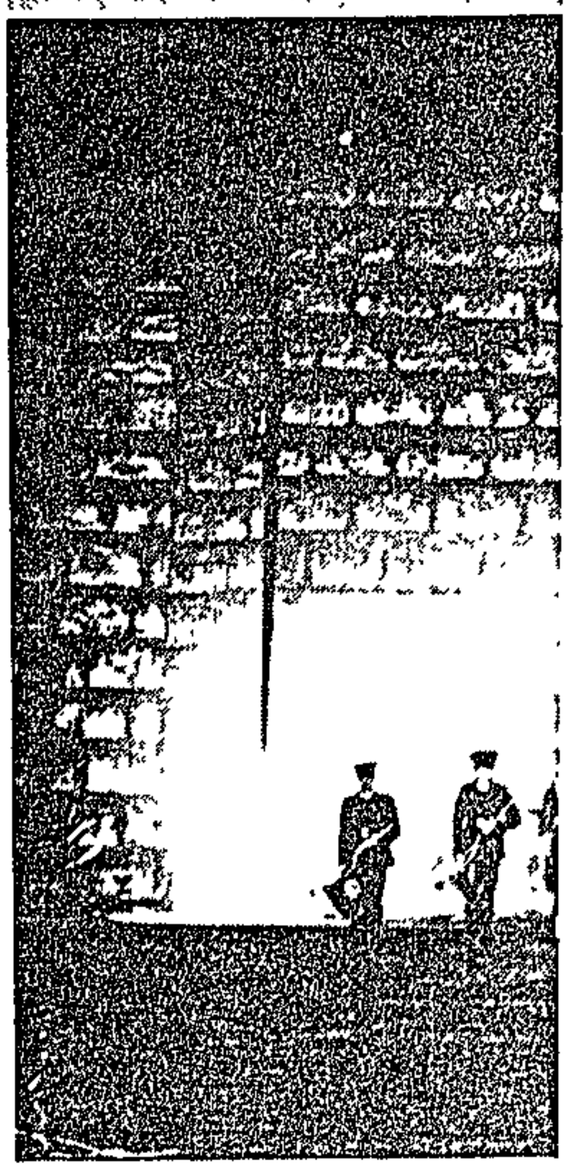
MELBOURNE — A leading white political activist yesterday criticised some sanctions against South Africa imposed by the Australian government because they affected blacks more than anyone else.

Mrs Sheena Duncan, the vice-president of the South African Council of Churches, made her comment at a media conference in Melbourne.

Mrs Duncan said sanctions should be "strategically placed and well targeted", otherwise they would do more harm than good to black South Africans.

A good example of effective sanctions would be to introduce bans on airport landing rights, she said — The Star Foreign News Service

Grand fin



More than 3 000 policemen an on Friday and Saturday. The s memorial flame, representing t was lit during the proceedings.

Police to prob of right-wing

Star 17/10/88

By Craig Kotze, Crime Reporter

Police are conducting an intensive probe — linked to the bombings of the headquarters of left-wing organisations — into right-wing extremist groups, to build up intelligence profiles on their members and activities, a senior spokesman said yesterday.

The probe is being headed by General G Joubert, deputy designate of the CID, and is a direct result of bombings at Khotso House and Cosatu House in Johannesburg, and last week's arson attack on Khanya House in Pretoria.

"We don't want to speculate on who is responsible for the at-

Bill designed to help small US

South Africa's racial system.

'Take care with sanctions'

MELBOURNE — A leading white political activist yesterday criticised some sanctions against South Africa imposed by the Australian government because they affected blacks more than anyone else.

Mrs Sheena Duncan, the vice-president of the South African Council of Churches, made her comment at a media conference in Melbourne.

Mrs Duncan said sanctions should be "strategically placed and well targeted", otherwise they would do more harm than good to black South Africans.

A good example of effective sanctions would be to introduce bans on airport landing rights, she said. — The Star Foreign News Service.

Unity talks

(Cont from page 1)

The Argus Correspondent in Johannesburg reports that the air has been cleared between Dr Craven and his deputy, the Northern Transvaal Rugby Union president, Professor Fritz Eloff.

Professor Eloff was quoted at the weekend as saying he was unaware of a visit to Harare by South African rugby officials

Today he said that Dr Craven apologised to him last night for not having told him of the Harare meeting.

"He said he did not have the opportunity to get in touch with me and I accept that," Professor Eloff said.

Dr Craven had fully informed him of the latest developments and he was satisfied with the progress that had been made.

Prof Eloff leaves for South America next week before going to London where he and the Western Province Rugby Union president, Mr Jan Pickard, will represent the Sarb at the annual meeting of the International Rugby Board where the Harare talks will be discussed.

Dr Denis Worrall, leader of the Independent Party, said that South African sports administrators, and rugby administrators in particular, had always shown themselves to be big thinkers who could see the wider picture.

"This initiative took vision and courage on the part not only of Doc Craven and Louis Luyt, but also on the part of Ibrahim Patel of Saru.

"The government is expected to respond and we urge it, in the interests of what could be a far-reaching step toward national reconciliation, to adopt a statemanlike position."

From Auckland it is reported that New Zealand's elder statesman of rugby, Cec Blazey, while congratulating especially Dr Craven for his role in pushing for non-racial rugby, puts a damper on the encouragement felt elsewhere.

He told reporters: "However high-minded the motive behind the Harare talks may have been, one fact sticks out and cannot possibly be sidestepped: unless the Botha government is prepared to support Dr Craven he is wasting his time.

"Unless Mr Botha changes his mind, the rugby administrators of South Africa — and I gather that they are not unanimously in support of Dr Craven or Dr Luyt — cannot possibly realise their hope of fully re-entering the world scene."

The Australian Rugby Football Union was said to be "quietly cautious" in its reaction.

Unity on Rugby at last

By DEON VILJOEN
Sports Staff

THE next round of unification talks between the South African Rugby Board and the SA Rugby Union is to take place in about a month's time — and one non-racial controlling body, as demanded by the African National Congress, could be operating as early as next year.

This was confirmed by Sarb president Dr Danie Craven today after his return from a triangular get-together between the Sarb, Saru and the ANC in the Zimbabwe capital of Harare at the weekend.

"Both rugby bodies will hold separate meetings on November 11 when a new date and an agenda will be decided on," said an optimistic Dr Craven.

"It's a pity we had to meet outside the borders of the country but the next venue will be on home soil.

Abhorred violence

"We have declared the Sarb's centenary celebrations in 1989 as the 'year of total normalisation', and what better way to kick off than with a unified body."

Referring to the Harare talks he said: "Dr Louis Luyt (Transvaal rugby chief) and I made it quite clear that we abhorred violence in any form. Dr Luyt was also outspoken about the Ellis Park car-bomb.

"The ANC delegation was receptive throughout and promised to put our viewpoint to their executive.

"These talks again proved to me how valuable dialogue is. We should keep talking to people who differ from us."

Dr Craven will release a statement later today on the weekend meeting before he flies to South America tomorrow to initiate the formation of the Gondwanaland Rugby Union between South America, South Africa and other African countries.

Propaganda

"As far as the Gondwanaland initiative is concerned I leave for South America in the knowledge that I have the co-operation of the rest of Africa," he said.

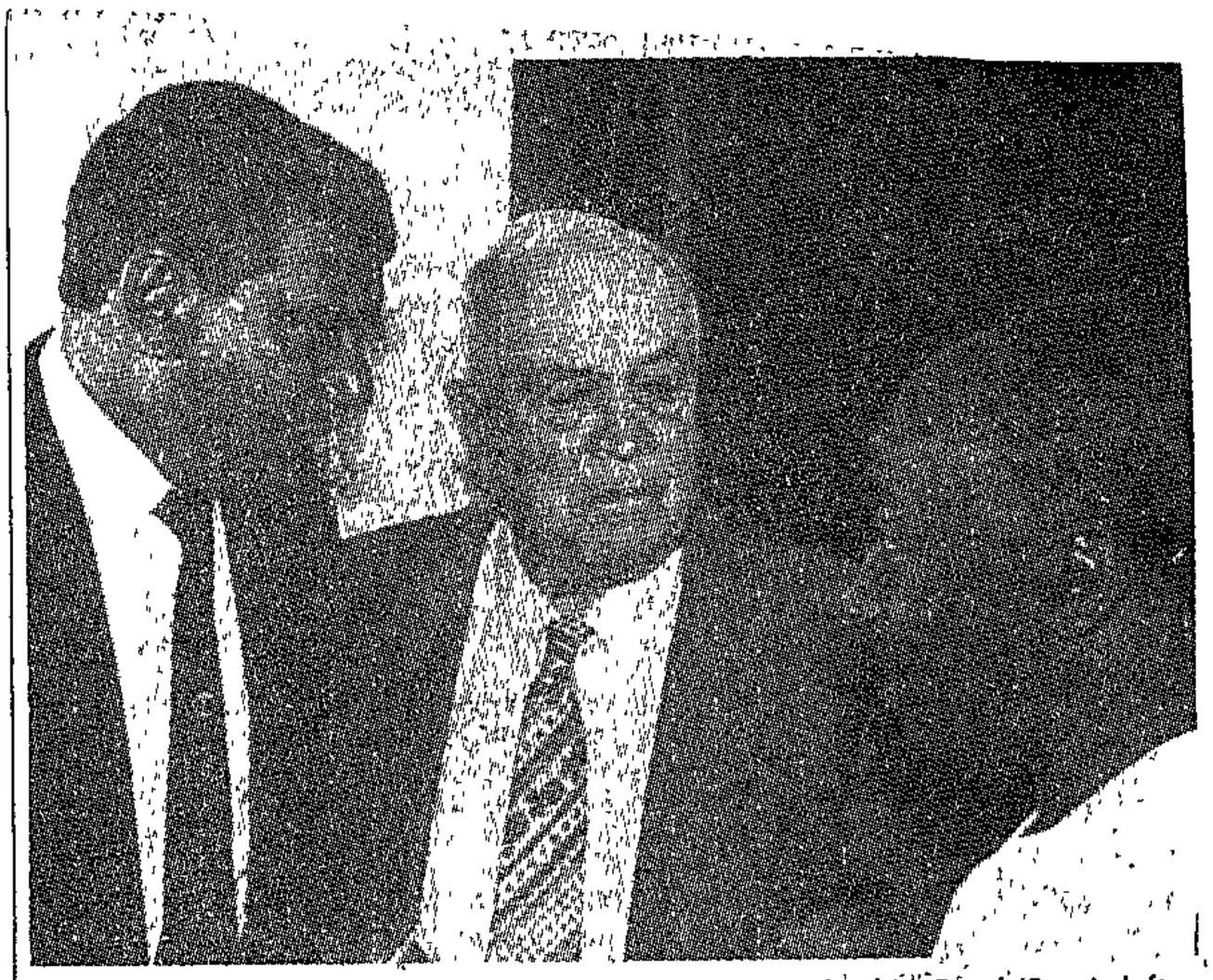
The Argus Political Staff reports that the Government, which has repeatedly condemned talks with the ANC, was silent earlier today but a spokesman for Minister of National Education, Mr F W de Klerk, said Mr de Klerk would deal with the issue at a public meeting in Lichtenberg tonight.

Meanwhile, Mr Con Botha, National Party director of information, conceded that the ANC had pulled off a propaganda advantage but said the organisation was presenting a dual image.

"In recent months they have tried to give an image of sweet reasonableness while they continue with cowardly actions such as bombing innocent women and children."

Mr Mike Ellis, the Progressive Federal Party's spokesman on sport, welcomed the talks but warned that they could be the prelude to a major split in South African rugby.

(Turn to page 3, col 8)



MAKING HISTORY: South African rugby chiefs Mr Ebrahim Patel (Saru), left, and Dr Danie Craven (Sarb), win a promise from ANC secretary-general Mr Alfred Nzo to help to overcome its international isolation providing the sport is run on a non-racial basis. ARGUS 17/10/85

Coloured tour crew 'requested'

From BARRY GLASSPOOL

SANTIAGO. — The presence of two coloured television staff members on the SA Pioneers rugby tour of South America is the result of a personal request to top SABC management by the South African Rugby Board president, Dr Danie Craven.

Dr Craven favoured them covering the tour because they are well known to the coloured players in the squad and are familiar with Western Province League rugby.

All the coloured players are from Western Province and Boland and Lionel Jack, the SABC's reporter on tour, and his cameraman, Alvin Andrews, are based in Cape Town.

DOCUMENTARY

They are putting together a 30-minute documentary on the tour.

Jack said he could not comment on the fact that Dr Craven had stepped in after two Johannesburg-based staffers had been nominated to tour.

Any statement must come from the SABC, said Jack, but he added that he felt it was a pity that some people were now making a fuss about them being on the tour.

● See page 13.

Untag shoppers to ignore sanctions

Star 17/10/85 280

The Star Bureau

NEW YORK — Repeated calls at the UN for trade sanctions against South Africa are not expected to deter the world body from shopping in the Republic for many items needed if and when the transition group that will assist in the Namibia independence begins operations, according to officials here.

They said that lower costs and the speed with which many important necessities for UN troops and civilian personnel could be shipped from South Africa to the territory might dictate that many orders would have to be placed there.

Although final agreement still has not been reached on the proposed independence package, UN management staff are working day and night on supply problems presented by an estimated 7 500 UN troops and up to 2 000 civilian staff who together will form the UN Transition Assistance Group (Untag).

Portable dwellings like tents and nissen huts, and vehicles, are a priority for the 50 or so often remote polling locations that will be set up for UN-supervised elections.

Estimates about the total cost of the UN operation range from R1,5 billion to more than R3,5 billion, making it the biggest such UN activity since the Congo in the early 1960s.

Despite the huge expected cost, officials remain confident that the money will be found. Officials said if the costs were R3,5 billion it would represent an expense of about R3 750 for every man, woman and child in Namibia — far more cash than most of them have seen.

The military arm of the operation is being assembled smoothly, according to officials, with promises of infantry already available from seven countries, with helicopters, fixed-wing aircraft and logistic support from France, Italy, Spain, Sweden, Denmark and Canada.

'CURBS OFF TARGET"

280

THE president of the Black Sash, Mrs Sheena Duncan, yesterday said sanctions against South Africa should be "strategically planned, well targeted and monitored," if they were to be effective.

Mrs Duncan, who is also vice-president of the South African Council of

By JOSHUA RABOROKO reporting from Sydney, Australia

Churches, told a Press conference in Melbourne, Australia, that if sanctions were not "carefully targeted" they could do more harm than good for blacks in South Africa.

At the conference, also attended by Miss Joyce Mokhesi, sister of Mr Francis Mokhesi, one of the Sharpeville Six, Mrs Duncan outlined the effects of sanctions against South Africa imposed by the Australian Government, adding, they could affect blacks more than anyone.

Miss Mokhesi, who earlier in the week explained the position of the Sharpeville Six to Australian Government officials, told the conference that their lawyers were studying the implications of the case.

Sunetrun 18/10/88

□ □ □ □ 380 B day 19/10/88

Dear Sir,

JAPANESE trade sanctions are beginning to bite, according to your report on October 14. Indeed they are.

One area where the restrictions have had a serious effect is that of the black taxi. The vast majority of the vehicles used in the industry are supplied by Japanese manufacturers.

The steadily increasing restrictions on the import of parts, and limits on production, have resulted in a severe and worsening shortage of vehicles.

This is imposing a restraint on the growth of this excellent example of black economic enterprise (Another consequence is that vehicles on the road are not being replaced when they should be, with obvious implications for safety and acceptability).

If this situation continues, the Japanese will have joined the Americans in halting the progress of black entrepreneurs towards economic empowerment — the only effective way of reforming the social and political scene.

Frustrated by the failure of the free market system, black people may well conclude that revolutionary socialism offers a better option. No doubt the Japanese will then able to sit back and feel a warm glow at what they have achieved.

CHARLES FERROR
Pretoria

(280) B/day 19/10/88

Sanctions, inflation harsh realities — Jooste

GERALD REILLY

THE influence of sanctions, inflation and actions against SA by a hostile world were harsh realities that had to be grasped, SA Agricultural Union president Kobus Jooste said last night.

In a speech to the SAAU's annual conference in Kimberley he said: "We must not believe we can escape the consequences of sanctions. We must accept this and plan accordingly."

Sanctions were being most stringently applied and the effects were being felt more acutely.

"Financial sanctions have succeeded, sports sanctions have almost completely succeeded and cultural sanctions have succeeded."

The country's enemies had other plans that would become clear in the year ahead and they would also apparently succeed.

On inflation, Jooste said government had shown it was powerless to bring it under control.

Care had to be taken that SA did not deteriorate into a Third World country.

The threat of a drastic fall in living standards, unemployment and the spread of poverty were realities.

Jooste said interest costs were one of the most serious agricultural problems.

In the year to June they made up 14% of total inputs. "We are already on the road to 20%-25% rates for many farmers." The result would be fewer farmers with big farmers becoming bigger and smaller farmers smaller.

Peter Hain says Craven was 'heroic'



Peter Hain

From IAN HOBBS

LONDON. — Anti-apartheid leader Peter Hain and Lord Chalfont, head of the right-wing Freedom in Sport movement, said yesterday that Dr Danie Craven could still make a historic breakthrough for South African sport and society in general.

Mr Hain, who led the giant demonstrations against the 1969-70 Springbok rugby team in Britain, said Dr Craven's Harare initiative with the ANC was "genuinely heroic".

Mr Hain said the astonishing spectacle of the South African Rugby Board president leading the way for sporting and social integration proved that isolation had worked.

Mr Hain said he advocated the changes Dr Craven is now calling for at a secret meeting in London 11 years ago.

But Mr Hain, now a senior figure on the left-wing of the British Labour Party, said: "There is still a long way to go before the general sports boycott can be lifted."

Former Labour government Defence Minister Lord Chalfont said Dr Craven had shown "immense courage" and had to get worldwide support.

Lord Chalfont, who noted South African government opposition to Dr Craven with concern, said it would be tragic and destructive for South Africa if the Harare initiative was halted.

Fifa welcomes soccer talks

LONDON. — Fifa, the controlling body of world soccer, has greeted the meeting between the South African National Soccer League and the ANC as a "great day for soccer in Africa".

Fifa executive spokesman Mr Guido Tognoni said that, while a long and difficult path of negotiation lay ahead, that meeting was without doubt a watershed for sport in Africa.

"Just the fact that this meeting is taking place is wonderful. It can only do good for the sport that unites Africa from the north to the south.

"As we did the rugby people, we wish all participants in these talks courage and good luck. We support this initiative very strongly."

The ANC's new approach — tackling sport as a separate issue and sports bodies one at a time — risks wrong-footing other anti-apartheid groups, who have long pressed for an across-the-board boycott under the slogan that there could be "no normal sport in an abnormal society".

The ANC says that the talks with South African sports bodies are an extension of its campaign to win support among all social, political and racial groups in the country.

The four-man National Soccer League delegation was led by league chairman Mr Rodgers Sishi. They met senior ANC officials including information and publicity secretary Mr Thabo Mbeki and a high-ranking member of the military wing, Mr Steve Tshwete. — Sapa-Reuter and Own Correspondent

p restrictions apply to a wide range of reporting, comment and pictures in the Cape Times

SOUTH AFRICAN rugby meets the goverment today with its top men split on the issue of talks with the ANC.

The executive of the SA Rugby Board will meet the Minister of National Education, Mr F W de Klerk But the board's president, Dr Danie Craven, will not be there as he is on his way to Chile

The president of the Transvaal Rugby Union, Mr Louis Luyt, who was with Dr Craven during the Harare talks with ANC and SA Rugby Union representatives, last night accused the government of double standards in its criticism of the meeting

ANC 'sincere'

"If Mr P W Botha goes ahead with his talks with Cuban's Fidel Castro, what's the difference between talking to the ANC and Castro? Like the ANC, the Cubans have shot and killed enough South Africans, so what's the difference?" he said

And, he said "I have spoken to many people whom I believed to be sincere, and was disappointed But I found the ANC to be sincere and genuine" Dr Craven fired another salvo over the government's bows yesterday, accusing Mr De Klerk of having waited until he was leaving for South America to bring forward from November to today the meeting between the minister and the SARB executive.

The SARB now had no option but to fight the government openly because it had repeated a "disastrous" error made 23 years ago when former Prime Minister Dr H F Verwoerd said no Maori would tour SA as part of an All Blacks side, he said

Last night the line-up in the SARB appeared to be as follows Dr Craven and Mr Luyt backed by Mr Nic Labauschagne, president of the Natal union, on one side opposed by Professor Fritz Eloff of the Northern Trasvaal Rugby Union and Mr Steve Strydom of the Free State union, with possible support from Western Transvaal's Professor Johan Claasen

Western Province's Mr Jan Pickard would not comment yesterday beyond saying that it was "a delicate matter"

Dr Craven said criticism from conservative quarters — including Prof Eloff — of his Harare talks was misinformed

He said Prof Eloff's comments, in which he distanced himself from the joint statement by the SARB and the ANC and questioned what the ANC had to do with rugby, displayed a lack of "faith and confidence in my acts"

A clearly unrepentant

To page 3

From page 1

Rugby crisis

Mr Luyt said "I can assure you a great deal will be discussed at the meeting tomorrow — and what Mr De Klerk said (in Lichtenburg) will also be analysed

"As Dr Craven will be in South America with the touring Pioneers, he asked me to attend the meeting.

"Though I do not want to pre-empt anything, I am sorry Mr De Klerk added his comments last night, before meeting with us," Mr Luyt said

He was more guarded on comments made by Prof Eloff, Dr Craven's deputy on the SARB

Yesterday Prof Eloff was unwilling to discuss the possibility of a split in the SARB but said Dr Craven had been informed of his standpoint "I am not looking for a confrontation with Dr Craven. He knows my feelings, respects them and I would prefer not to comment further"

But while Mr Luyt also preferred to play down the possibility of a split within the SARB, several players and administrators predicted a split

"It would be a sad day if it (a split) happened I would hate to experience this in my tenure I am a newcomer to this dog-eat-dog scenario, but I stand by my beliefs for I believe this is vital," said Mr Luyt

A spokesman for Mr De Klerk, Mr Tiens Kotze, confirmed that a meeting would be held today with a delegation from the South African Rugby Board

Other SA rugby personalities have entered the debate over the Harare talks

Last night SARB member and president of the Western Transvaal union, Prof Claasen, said he could not agree with the joint statement made after the Harare meeting

Eastern Free State president Mr Willie Crowther said he felt Dr Craven may have been misled as to whom he would be meeting at Harare.

In another development, a crisis between SARB and SARU was narrowly averted yesterday

Though SARU president Mr Ebrahim Patel remained stonily silent, it was reliably learnt that he was furious over Dr Craven's comments on SATV that SARU had "hidden behind the ANC" in Harare

Dr Craven yesterday said he had been in touch with Mr Patel and "we've decided to forget the past, bury the hatchet and carry on"

He said of the SA Council on Sport's comments that they would not support a non-racial controlling body in rugby unless it followed a Sacos line "They're touchy because they are losing" — Staff Reporters, Own Correspodent and Sapa

Rugby split

Cape Times 19/10/89 280

French importing SA coal

By James Tomlins, The Star's Foreign News Service

PARIS — France is importing South African coal, 20 percent cheaper than any other, despite its 1985 ban.

It is used by France's new steel plants, making them more competitive.

The government purchasing body ATIC has already signed contracts for 800 000 tons for this year, worth over R60 million. Star 20/10/88 280

In April 1985, Socialist Prime Minister Laurent Fabius called a special press conference to announce anti-apartheid sanctions, including SA coal imports.

SA coal is still either directly shipped straight to France, or routed through Belgian and Dutch ports.

False waybills and country-of-origin handling documents are provided with each shipment. In some cases the coal has been entering France with an Australian label.

From page 1

Rugby may lose grant

the outcome of the De Klerk-SARB talks in Pretoria.

In his statement released from his office shortly after the meeting, Mr De Klerk said it was not only the government who had an interest in the matter, "but also the hundreds of thousands of rugby players and fans throughout the country".

Meanwhile, South Africa's former rugby greats are coming out strongly in favour of Dr Craven's "African initiative".

Two former Springbok captains, Morne du Plessis and Wynand Claassen, said the initiative was for the good of SA rugby.

Positive reaction abroad

Du Plessis said he had received several telephone calls "from players of my era" from France, Wales and England, who "reacted very positively to Dr Craven's talks".

Former Bok centre Dr Wilf Rosenberg said: "South Africans are the most complacent and apathetic nation in the world. Here we get a courageous guy like Dr Craven who is willing to get off his backside and do something to get us back into international sport."

Another Bok captain of the glory days of international competition, Dr Dawie de Villiers, once again demonstrated the sidestep which won him acclaim in the green and gold.

"I'm not on the playing field any more. If you want reaction, speak to F W de Klerk," he said.

A past president of the South African Council on Sport (Sacos), Mr Hassan Howa, said: "I don't think the ANC is the be-all and end-all of a normalisation of South African sport. It will be the people of this country who will determine the end result, and up till now, the government has not done much to make progress on non-racial sport."

In Harare, an ANC spokesman emphasised yesterday that the weekend meeting had not resolved to call for the lifting of the ban on apartheid sport.

He said in a statement that the meeting had resolved that the SARB and the non-racial SA Rugby Union should work to establish a single non-racial body.

The formation of such a body would face stiff resistance from "South African racists", a statement said.

● A high-powered soccer delegation, representing the National Soccer League and the SA Soccer Association, returned home yesterday from a two-day summit with the ANC in Lusaka and pledged that they would speak to anybody and everybody in an attempt to help soccer's return to the world body.

Rugby may lose its R1/2m govt grant

SA RUGBY stands to lose its R500 000 government subsidy.

The Minister of National Education, Mr F W de Klerk, yesterday called on the SARB to take an official stand on its liaison with the ANC, but said that if the government "did not like" what the SARB had to say, it would consider withdrawing financial support.

He said the delegation had agreed to his request, pending Dr Danie Craven's return from South America.

After a meeting with the board executive in Pretoria yesterday, which was called after last weekend's controversial talks with the ANC in Harare, Mr De Klerk said: "We would have to re-evaluate our financial support to the Board and all other respects.

"No threat was posed and I am not posing any threat now. I just want to know where they stand."

Dr Louis Luyt, who accompanied Dr Craven to Harare, said afterwards that he may decide to leave rugby administration.

"Rugby should be allowed to follow its own path. What should have been reached, has been reached."

"I may have to go. If I embarrass the South African Rugby Board, I will do it.

"No one will have to ask me to go, I'll go of my own accord. I just want to make one thing clear, I have no masters, not in rugby, nobody."

Meanwhile, Dr Craven, the crusty doyen of SA rugby, received a warm welcome from the full Nampak Pioneers touring party at Santiago Airport yesterday.

He cut short an impromptu press conference, saying he was anxious to get to a telephone to hear

To page 3

Wed 1770 Thu Fri Mon Tue Wed 2.42 Thu Fri Mon Tue Wed Thu Fri Mon Tue Wed Thu Fri Mo

Sanctions blow for uranium producer

(280) Star 20/10/88

By Derek Tommey

Foreign sanctions are starting to hit South Africa's gold and uranium industry. Chemwes, a uranium producer in the Gencor group, reports that a major overseas customer has said it no longer wants uranium from them.

Mr JC Janse van Rensburg, managing director of the group's Western Transvaal, East Rand and Barberton mines, was asked at a Press briefing ahead of the publication of the group's gold mining quarterlies why the buyer had asked Chemwes to stop uranium deliveries. He replied: "Sanctions".

Because of restrictions imposed by the Atomic Energy Act, Mr van Rensburg was unable to give fuller details.

But he said that negotiations were taking place between Chemwes and the customer. Because Chemwes maintained that the contract was still operative it was continuing to produce uranium. But the halt in deliveries had reduced Chemwes's profit from R3,4 million in the June quarter to R827 000 in the September quarter.

Repercussions

The ending of uranium sales by Chemwes will be felt by the Stilfontein gold mine which owns 80 percent of Chemwes.

Chemwes's dividends have made a major contribution to Stilfontein's profits.

The remainder of Gencor's quarterlies, other than Bracken's report that it has insufficent ore reserves to maintain production, should please shareholders.

Stilfontein continued to make a strong recovery from the accident in the Margaret Shaft on April 1. Gold produced almost doubled from 601kg to 1169kg and the R12 million working loss in the June quarter (which was made good by insurance) was transformed to a working income of R8,6 million.

Income after tax and state's share of profits was R5,0 million (R10,7 million).

Buffelsfontein's taxed income rose to R21,9 million (R20,8 million) helped by an increase in grade and a higher gold price.

Beatrix benefited from a higher gold price and its taxed income rose 33,3 percent from R14,7 million to R19,6 million.

At Oryx, the developing mine in the Free State, progress was on schedule. The old Belsa workings have been dewatered, mining has started on the upper levels with ore being transported by road to St Helena and capital works are on target and also on budget.

New shaft

Unisel is to sink a sub-incline shaft with a capacity of 30 000 tons a month from 10-12 levels at a cost of R26,2 million.

Mr Gary Maude, managing director of Gencor's gold and uranium operations at Evander and the Free State, said the shaft would open up higher grade ore and should restore Unisel's gold production to former levels for at least 10 years.

Sampling results from a prospect winze together with borehole results indicated 2,1 million tons of Basal Reef at a mean in situ grade of 10,6 g/t, 3,4 million tons of Leader Reef at 3,3 g/t, and 1,1 million tons of Middle Reef at 6,1 g/t.

Unisel had a taxed income in the September quarter of R10,2 million (R7,2 million).

At St Helena taxed income improved to R12,1 million (R10,6 million) as a result of a rise in the yield and the gold price. The higher yield is the result of the higher grades in No 2 Shaft area which should sweeten the yield for the next two years.

No 10 Shaft was commissioned during the quarter and development has started from it. So far "not good grades" have been encountered but little is known about the area. Ore from No 10 shaft will not have much effect on St Helena's production for at least 12 to 18 months, said Mr Maude.

West Rand Cons and Marievale, aided by a higher gold price and a slight increase in milling grade, both increased their profits.

West Rand Cons reported taxed income of R1,1 million (loss R344 000) and Marievale R722 000 (R558 000).

Kinross is to sink two declines, one in the eastern part of the mining lease area near No 1 shaft, and one northern part near No 2 Shaft, at a cost of R25,3 million.

These will provide access to an estimated 2,5 million tons of ore which will enable the mine to maintain its current rate of production of 170 000 tons a month and extend its life. A drop in Kinross's tax payment enabled it to increased its taxed income from R14,6 million to R21,5 million.

Severe faulting

Winkelhaak earned R33,5 million (R31,4 million) after tax. No 6 shaft intersected Kimberley Reef on 4, 5 and 6 levels. The reef values are as expected, but the faulting is more severe than forecast which will slow down development. Stoping is not expected to begin until December or January.

Leslie earned R3 468 000 (R3 090 000) in the September quarter.

Bracken reports that at the present gold price the ore reserves will not sustain current production levels and a planned reduction of operations is expected next year. Mr Maude said an increase in the gold price equal to the rate of inflation would be needed to keep the mine in full production.

Bracken had a taxed income of R1 772 000 (R1 575 000).

No further US sanctions in 1988

CAPE TIMES 20/10/88 1380

Own Correspondent

WASHINGTON. — The chief sponsor of sanctions in the US Senate formally announced yesterday that the Anti-apartheid Act amendments of 1988 would not be voted on this year.

"The leadership has concluded it would be pointless to bring it up," Senator Alan Cranston said.

His statement marked the first real defeat for the SA sanctions lobby in four years and a victory for moderate forces led principally by Republican senators Richard Lugar and Nancy Kassebaum.

It also demonstrated strong behind-the-scenes distaste for the bill on the part of many Democrats, including majority leader Senator Robert Byrd.

There were reports that even aides to Democratic presidential candidate Mr Michael Dukakis had been pushing for the bill to be withdrawn, fearing it might identify them with the Rev Jesse Jackson.

Mr Cranston explained that only two Republicans had agreed to join the Senate's 54 democrats in supporting the bill. Sixty votes would have been need to cut short an inevitable Republican filibuster.

"We'll be right back in 1989," Mr Cranston vowed, adding that it was "unacceptable that the Republicans want to do nothing about apartheid", especially when Pretoria was "preparing a legal case against Archbishop Tutu".

The bill, which called for complete disinvestment by US companies and a "total" trade embargo but exempted the bulk of mineral and agricultural trade, cannot be carried over until next year.

This means that unless Mr Dukakis is elected president and keeps his pledge to impose sanctions of his own accord, the sanctions lobby will have to start the entire legislative process from scratch.

CAPE TIMES 20/10/88 780

SA coal: New row in France

Own Correspondent

PARIS. — A new storm is likely to break here over clandestine imports of South African coal directly into France.

A week after claims in Belgian and French newspapers that South African coal was being transshipped through Belgium to France in defiance of the 1985 embargo, the satirical weekly Le Canard Enchaine, has disclosed that South African coal is being imported into French ports in secret.

Le Canard reported on Tuesday that the cargo vessel Crusader Venture had unloaded 60 000 tons of South African anthracite in the French port of Dunkirk last Saturday. The coal, imported by the Association Technique pour L'Importation Charbonnier (Atic) and destined for the French steel industry, came from Richards Bay.

Other major cargoes

Two other major coal cargoes are expected to enter European ports from South Africa this year, making a total of some 600 000 tons worth $25 million (R60m) in 1988.

Coal imports from South Africa were banned in 1985 by the Socialist government in France. The ban has not been lifted.

In documents published by Le Canard, the imports were described as the continuation of contracts signed before 1985. One such continuation was signed on January 20, 1988 between Atic Renwick Coal, registered in Guernsey in the Channel Islands and represented in France by Merkuria-Sucden, a subsidiary of the French Sucres-Denrees group, with offices on the Champs Elysee.

The document clearly shows that the coal came from South Africa. But following the scare over illegal coal imports through Belgium, Atic decided to conceal the origin of the shipment.

All cargoes imported by Atic have a code number according to their country of origin: 04 for South Africa, 12 for Great Britian and 23 for Australia.

Origin to be concealed

In a circular dated October 11 and published by Le Canard, Atic staff were told to note that the code for the shipment carried by the Crusader Venture was to be changed from 04 to 80 which would identify it as coal coming from various different countries. Its origin was to be concealed in this way.

Neither Atic nor the Ministry of Industry would comment on the pubication's disclosures.

A spokesman for the Ministry of Industry merely confirmed that his department was investigating the coal traffic through Belgium to France but would not comment on allegations that coal was being importated directly — and clandestinely — from South Africa by Atic.

Escapees deny

Respite from Congress calls for sanctions will be brief

(280) Star 20/10/88

WASHINGTON — The collapse of the anti-SA sanctions drive in the US Congress this year was caused by a host of reasons, one of them being the looming presidential election.

Thoughtful senators and congressmen were reluctant to impose a major foreign policy decision on a new president, preferring instead to give the next leader an opportunity to shape and implement his own policies towards such an important country.

South Africa is extremely important to the United States not only because it provides most of the critical and strategic minerals consumed in large quantities by American industry, but also because it dominates a region where the Urhas long-term strategic political goals

Washington's foreign preoccupation is the Soviet Union and southern Africa is a region where superpower rivalry is being played out.

In spite of Moscow's apparent eagerness to scale down its foreign adventures to concentrate on domestic problems, many US analysts believe the competition between communism and capitalism remains as intense as ever and that President Mikhail Gorbachev's pragmatic approach to the world's regional disputes is probably just a quiet period in an ongoing global contest.

Southern Africa is an important region where troubled nations, locked in economic and social dilemmas caused partly by a colonial past, look to the major powers for help and advantages.

The US believes the Marxist system has failed spectacularly in southern Africa and that free enterprise, managed with compassion, is the best hope for the region's millions of people.

There is no country better placed to encourage the way to free enterprise than the United States.

In that context, a powerful South Africa with its much-needed raw materials, wracked by constant internal turmoil and posing a constant threat to its neighbours, requires careful diplomacy.

"Congress can express the American values involved, but should not tie the hands of the new president, who ought to be given a chance to devise his approach

BY NEIL LURSSEN,
The Star Bureau

With the American presidential election only a short way off, southern Africa poses a major problem for policy makers in Washington.

Diminished

Had the sanctions Bill before the Congress become law this year, it would have had a profound effect on US-SA relations, virtually cutting Americans out of the SA economy and reducing to nearly nothing the already diminished American influence

Passage of the sanctions Bill would probably have had a fatal effect on the US-mediated Angola-Namibia peace talks, by persuading the SA Government to seek its own solution and to cut the US out of the action.

US diplomats understand the reality of power. South Africa, with all its faults, is the regional powerhouse and the Americans fully appreciate their need to have access and influence in it.

This was one of the reasons why US lawmakers backed away from the sanctions Bill. But there were other reasons

One of them was growing uncertainty about the wisdom of sanctions against a country that is being encouraged to make sweeping and expensive reforms.

From their own history, Americans know that people who feel threatened and confused about the future are not going to embark on a course that could throw their troubled society into further chaos.

They know that risky changes are best made from a stable base and that the most fruitful negotiations occur when the participants have a sense of security.

Thus some influential senators and congressmen who have taken the trouble to study South Africa's problems and to seek a solution in terms of their own country's needs are coming round to a viewpoint that is not far from the Reagan policy of constructive engagement.

Growing opposition

Powerful persuaders about the damaging effects of sanctions were the numerous studies made by independent and authoritative analysts, who not only plotted political and economic conseqences for white South Africans but also spelled out the growing opposition of many blacks.

To a large extent, the US lawmakers have been persuaded by South Africa's diplomats and lobbyists, who laboured long and hard to make it clear that the country is far more complex and delicately poised for the future than some congressmen seem to have understood.

Those in the Senate and the House of Representatives who have been told that real reform will come in South Africa now need the SA Government to show some results

Anything less than that could cause disillusionment that would again create a climate for sanctions.

The liberals will certainly be back. And there is every reason to believe that the force behind this year's sanctions drive — black American determination to have a say in the nation's affairs — will rise again in 1989

South Africa will again be a black-led target with white American legislators responding sympathetically, in part to reduce the racial tensions that are ever-present in their own country.

Thus it seems that the sanctions respite in the US will be a short one and that South Africa's leaders should make as much of the opportunity it offers them as they can.

Cranston throws in towel on sanctions

Star 20/10/87 (280)

By The Star Bureau

WASHINGTON — Liberal Democrats have thrown in the towel on the South African issue this year after failing to generate enough support in the US Senate for almost total sanctions against the country.

Expressing disappointment at the refusal of Republican lawmakers to impose trade restrictions, including a prompt withdrawal of American companies from the Republic, Senator Alan Cranston, of California, chief sponsor of the defeated bill, said they would fight back in 1989.

South Africa's ambassador to Washington, Dr Piet Koornhof, said: "This obviously opens a window of opportunity in the next couple of months, which I hope South Africa will really take."

Another official noted that it was the first time in four years the US had not enacted economic sanctions against South Africa.

Dr Koornhof said the debate this year had changed from that heard in 1986 when Congress passed a comprehensive set of sanctions against South Africa. Then the standard argument was that lawmakers wanted to end apartheid.

Now the debate was between those who wanted to cut off the US from South Africa, and those that wanted the US to remain a factor for peaceful progress in South Africa.

"This, therefore, represents a victory for the moderates in Congress who want to play a constructive role in South Africa," he said.

● See Page 11.

FM 21/10/88

uncertain.

Says Osborn: "An additional R1bn is required for improved salaries and social pensions and apparent savings on votes to date could easily be reversed. On the income side, higher revenues may be expected from the new Customs surcharges." Revenue from this amounted to R821m in September, already up from R651m, R677m and R647m in August, July and June. Higher salaries and personal expenditures in the first quarter of 1989 should swell flows from GST and PAYE, while minimum tax on companies could exceed original projections.

A negative, however, is that somewhat lower gold mining revenues are likely.

The net impact is difficult to assess. There could still be a financing problem, which may be funded by an increase in GST to 15% or at the expense of drastic cuts in departmental expenditures. ■

SANCTIONS 280

Strange spin-offs

Lower inflation in the wake of sanctions? And a weakening of the Right and Left, rather than more polarisation?

These are two unexpected spin-offs international pressure could have, says Reserve Bank economic consultant Roger Gidlow — depending on how government reacts.

Gidlow says Pretoria may seek a way to boost a slack economy suffering under world pressure. Rapid privatisation could be it.

This would throw socialists calling for sanctions into disarray. If privatisation reinvigorates the economy, who will support those who want *more* nationalisation? The last thing proponents of sanctions want, Gidlow told a SA Association of Consulting Engineers lunch last week, is privatisation.

On the other hand, government could slow the Right's growth by using privatisation revenue to keep taxes down.

"It's politically impossible to keep raising income taxes," Gidlow says. "This is already one of the reasons the Conservative Party is gaining strength: it's a tax revolt."

And lower inflation? Gidlow says this could follow more conservative monetary policy. Government, to run a current account surplus, may not again try to stimulate the economy with rapid money supply growth after this year's troubles: surging imports, re-ignited inflation, and a collapsing rand.

Furthermore, with overseas sources of finance drying up, government may try to stimulate local savings with positive real interest rates. Together, these would keep money supply in check. "Any steady deceleration of money supply in the next few years would be conducive to a further decline in the rate of inflation."

It's far from certain Pretoria will respond to sanctions with privatisation and responsible monetary policy. Warns Gidlow: "The danger is they'll resort to more controls."

Anglo American economist Jim Buys added a final warning at the lunch: SA should not be smug about a short-term burst of growth as businessmen respond with gusto to sanctions. "The long-run consequences of a siege economy will be strongly detrimental to South Africans of all political persuasions if the worldwide examples of economic isolation mean anything at all.

"The benefits some attribute to siege conditions may be likened to those experienced by an athlete taking anabolic steroids — a short-term boost at the expense of long-term health. Perhaps a good coach can administer steroids in a judicious fashion and extend the useful life of an athlete, but the result must



Gidlow . . . how will government respond?

LOOKING TO THE *FM* INVESTMENT CONFERENCE

There are major uncertainties both in the world economy and in SA with which investors and businessmen will have to grapple next year.

For instance, the outcome of the US presidential election will have an impact on decisions being made here.

Some Johannesburg share prices remain at post-October crash levels, while elsewhere in the world new equity peaks have been reached. Does this mean that Johannesburg prices are on the brink of recovery — or are they vulnerable should there be another world equity panic?

The *FM* has assembled an exceptional team of speakers at its annual investment conference this year who will provide incisive analysis of issues such as these.

Among them is a top Wall Street investment strategist from the famous investment bank, Morgan Stanley. He is Byron Wien, an MD of the bank who has won the respect of leading financial journals for his penetrating points of view.

Only days after the US election, Wien will be in Johannesburg at the *FM*'s conference specifically to analyse the election and reflect on the impact it will have on world financial markets. He brings many years of experience as a partner in New York investment companies and the prestige of a directorship of the New York Society of Security Analysts.

Wien is a Harvard man who was past president and chairman of the Harvard Business School Club of Greater New York.

The outlook for gold will be the subject of Jeffrey Nichols' address. He, too, is from New York. While he is no stranger to this country, this will be his first appearance at the conference. He is founder and president of American Precious Metals Advisors.

The Big Bang in London has turned out to be a mixed blessing. Michael Baker will reflect on this from the perspective of a top executive position at the International Stock Exchange.

Reserve Bank Governor Gerhard de Kock, back in office after his recent illness, will as usual reflect on monetary policy and will this year look also at the challenge of the balance of payments.

The Johannesburg equity market will be the focus of an address by Liberty Life's Roy McAlpine. He is at the top of his profession in this country and has been one of those who has guided the investments of the fastest growing insurance giant in the country — one that is a phenomenon even in world markets.

Famous author and historian Paul Johnson will address one of the lunchtime sessions on the "Morality of Capitalism" and Pick 'n Pay chairman Raymond Ackerman will address the other on "What government expects of business."

The chairmen at these luncheons will once again be alternatively Mr Justice Cecil Margo and Dr Joel Mervis. Both are noted for their intelligence, urbanity and wit.

Former judge and corporate rescuer Mervyn King will talk on the future of the distribution industry and Sanlam's Ronnie Masson on the property market.

They are among an array of speakers at this year's conference who have won substantial recognition for their skills and achievements.

Many will be on the *FM*'s platform for the first time.

Conference manager Brigitte Petty, telephone (011) 710-2135, or Box 9959, Johannesburg 2000, will be happy to assist those who wish to make reservations.

280

SA government comes to the aid of its enemies in rugby uproar

From ALAN ROBINSON in London

WITH impeccable timing, the South African government has come to the aid of its enemies dotted around the globe.

Just when the minions of the anti-apartheid industry in London, Paris, Dublin, Cardiff, Wellington and Canberra were beginning to wonder where their next pay cheque was to come from, Pretoria intervened like a rich benefactor.

Indeed, just when the frightening prospect of redundancy was suddenly looming for the Sam Ramsamys and John Mintos and Mike Terrys of this world, up stepped fairy godfather F W de Klerk to give the assurance that their jobs were safe — probably for another lifetime.

Conversely, at a time when South African sport's many friends abroad had been given a sizeable injection of hope by Dr Danie Craven's summit agreement with the African National Congress in Harare, the Education Minister's expression of shock and horror has shattered newly kindled dreams.

"For one marvellous night I dreamed of seeing the Springboks again at Twickenham," one South African exile told me. "I should have known that, like so many dreams, it would be ruined when I woke up to reality in the morning."

For 24 hours South Africa had more favourable exposure in the British media than all the De Beers diamonds in the world could buy. Dr Craven's venture into Africa was front-page news in Europe. It was hailed in national newspapers, on television and radio, in trains and pubs as "just what rugby needs".

Bill Beaumont, captain of the last British Lions rugby side to tour South Africa in 1980, told BBC radio listeners: "It is a very brave and far-sighted move. All of us in rugby wish Dr Craven well."

Even Peter Hain, the man who led the campaign against the last Springboks to visit Britain (in 1969-70) and who is generally credited with being the most successful sports isolationist of them all, acknowledged the potential of the Harare accord. Writing in the Guardian, Mr Hain said: "If Dr Craven is allowed to implement his agreement with the ANC, that could be an historic breakthrough."

No wonder there was consternation in the ranks of anti-apartheid organisations.

There was division, too, with some taking the hard line of vowing to fight to the very end, while others like Sanroc, possibly the most influential and certainly the most effective, were more cautious and even faintly conciliatory. None wanted to cross swords with the ANC, itself apparently battling to resolve differences in approach between its moderate leadership and extremist support.

But now, it seems, awkward decisions may not have to be taken and ambiguity can be expunged from Press statements.

For a few brief hours the end of an industry was nigh ... until Mr de Klerk, with municipal elections in mind, appeared on his white charger. — The Argus Foreign Service.

Craven urges Luyt not to quit over row

DR DANIE CRAVEN will tell Dr Louis Luyt not to quit over the row in rugby circles after last week's talks with the ANC.

Dr Craven, the president of the South African Rugby Board (SARB), told Sapa he would make the appeal to Dr Luyt, the president of the Transvaal Rugby Union.

Dr Luyt accompanied Dr Craven to Harare for talks with the African National Congress (ANC) and the South African Rugby Union (SARU).

Dr Luyt said last week, that he would quit if opinion in the SARB was against the talks.

Dr Craven, who is in Santiago, where he chaired the first meeting of a proposed joint South African-South American rugby body to be known as the Gondwana union, also said it was already evident that the government was going to react sharply to anything the SARB did on behalf of South African sport, even though it was powerless to do anything itself.

He said the ANC would contact satellites of the Organisation of African Unity such as the Supreme Council for Sports in Africa "and international bodies" to argue the case for sports like rugby and soccer to be readmitted to international competition, provided these sports became truly integrated.

President P W Botha and the Minister of Education, Mr F W de Klerk, have both attacked the rugby board for talking to the ANC.

Mr De Klerk met with the board's executive last week after the talks.

Yesterday the SARU met the executive committee of the South African Council on Sport (Sacos).

Sacos said afterwards that reports of the SARU splitting from Sacos were "malicious and totally unfounded". — Sapa

No happy goodbyes from unions as the multinationals pull out

WE WANT you to go. But be warned. Before you do, you will have to comply with a set of extremely onerous conditions, ones that will make your departure a lot more trouble than it is worth.

That is the rather confusing, overall picture of the approach of organised labour to the question of disinvestment during the past few years.

But it is also quite compatible with Cosatu policy on the issue, first determined in November 1985 and refined at its second conference in July 1987.

The latter resolution expressed support for effective economic pressure seen as essential as a means of peaceful change.

But, it noted, the forms of disinvestment thus far (largely through local management buyouts or the sale of assets to local corporations) were either meaningless or counter-productive in terms of the stated goal. Further, it required that the "social wealth of SA remains the property of the people of SA", and demanded adequate notice from companies of their intention to disinvest.

Sacrifices

The policy, it was noted here at the time, was a tailor-made compromise with which two divergent approaches within Cosatu could live. And so it has transpired.

Those who have faith in disinvestment as a motor of change, and who firmly believe economic sacrifices need to be made now for the longer-term goal of ending apartheid, have — emergency regulations permitting — continued to stress the statement of principles enshrined in the resolution.

Others, less sanguine about the disinvestment strategy and more aware of its possible negative consequences for job security and working conditions, have developed the conditions attached to the resolution into a fine art.

ALAN FINE

Most foreign investment is in the chemical, motor and metal sectors. So, not suprisingly, the most prominent in the latter group are the National Union of Metalworkers of SA (Numsa) and the Chemical Workers' Industrial Union (CWIU).

It all began with the General Motors (GM) pullout in late 1986. Having capitulated to anti-apartheid US opinion, the last thing GM expected was a long, bitter strike by workers angry at the company's failure to consult them.

The workers did not get the large amounts of compensation from their departing employer they demanded, nor a seat on the new board of directors. More than 500 were dismissed during the strike.

This event focused the minds of union leadership on the problems of disinvestment and an entire set of demands, which covered questions of compensation and job security, was drafted.

Only weeks after the GM fiasco, Ford — which had a large stake in Samcor — informed Numsa its stay in SA was about to end. But this time the move was handled differently.

Months of negotiations ended in a detailed agreement between the two and majority shareholder Anglo American which would give an employees' trust control of 24% of Samcor equity, worker representation on the board of directors and the establishment of two community trust funds. In addition, Ford paid more than $60m to liquidate company debt.

An intra-union squabble over the details of the agreement marred the process. But it was the clearest signal yet that disinvesting companies would have to satisfy their SA workforces as well as the US public.

Union officials cited the agreement as in line with Cosatu demands and dismissed US congressional objections to the $60m payment as a matter of internal US politicking.

Around the same time, the CWIU drafted disinvestment demands and submitted them to about 40 multinationals with which it dealt. The demands, to which companies were required to agree in advance of any possible withdrawal, were even more far-reaching than Numsa's. They met with a chilly response from management and are, today, the subject of a dispute between the CWIU and the sector's multinational employers.

This year there have been two bitter disputes over disinvestment, at Mono Pumps and Sterling Drug, where departing multinationals resisted union demands.

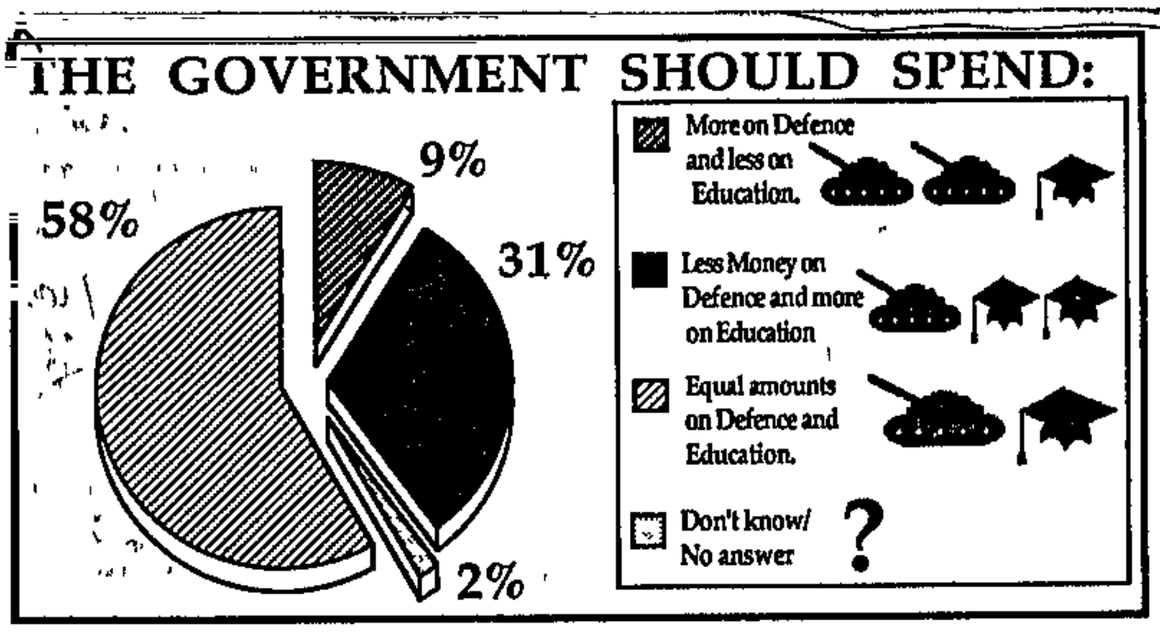
Complained

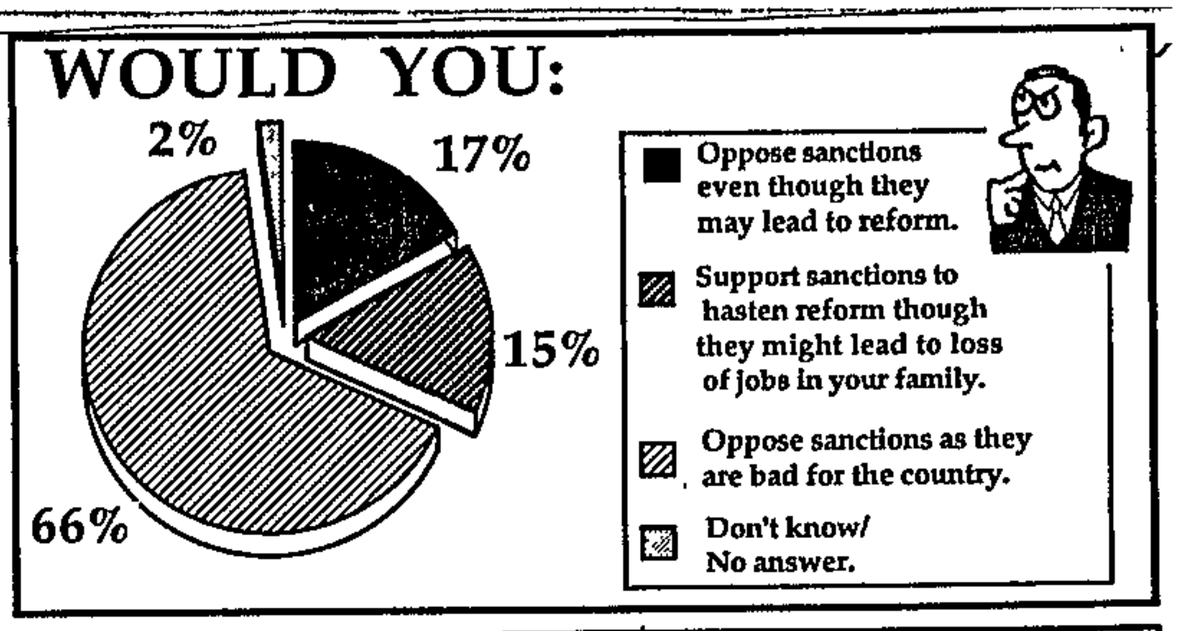
What conclusions can one draw from all this? While these unions do not actively campaign for disinvestment, they also have not overtly opposed their federation's overall policy. Even if they wished to, the political pressures against straying from the line are extremely powerful.

Unions have complained that local management, cut free from the constraints of foreign pressure, have often become tougher adversaries.

At the same time, they have skilfully used the ever-present pressures on the subsidiaries of multinationals to win premium wages, working conditions and collective bargaining rights for members.

It was the view of the old Federation of SA Trade Unions (Fosatu) that the threat (of disinvestment and sanctions) was useful, but its consequences frightening. That, to this day, puts the union dilemma in a nutshell.





Sample shows 80pc opposed to sanctions

PATRICK LAURENCE

A decisive majority of more than 80 percent of South Africans living in the key Pretoria/Witwatersrand region are opposed to sanctions

Even among those who speak an African language at home, only a minority — less than a third — support sanctions as a vehicle for achieving reform if it means risking their jobs

These key findings are reflected in a Marketing and Media Research survey commissioned by The Star in a bid to find out what should be done to salvage South Africa from disaster

— Similar attitudes emerge on the related and equally controversial question of whether foreign companies should disinvest or not

As the complex issue of sanctions is emotive, and answers depend on how the question is framed, The Star asked several questions — biased in either direction, as well as neutral questions

The results showed that three-quarters of the more than 1 050 respondents of all races want foreign corporations to maintain both their presence and their investments in South Africa

Their views are partially supported by another cluster of people slightly more than a tenth of the scientifically selected sample want foreign companies to withdraw but to maintain and increase their investments in South Africa

That gives an overall majority of nearly 90 percent who favour investment, against about a 10th who advocate withdrawal

Poorest support sanctions

Looking more closely at attitudes on sanctions, it is clear that support for sanctions as a means of achieving reform — at the risk of personal retrenchment — is strongest among households which earn less than R699 a month

Conversely, it is weakest among those with a monthly income of more than R4 000.

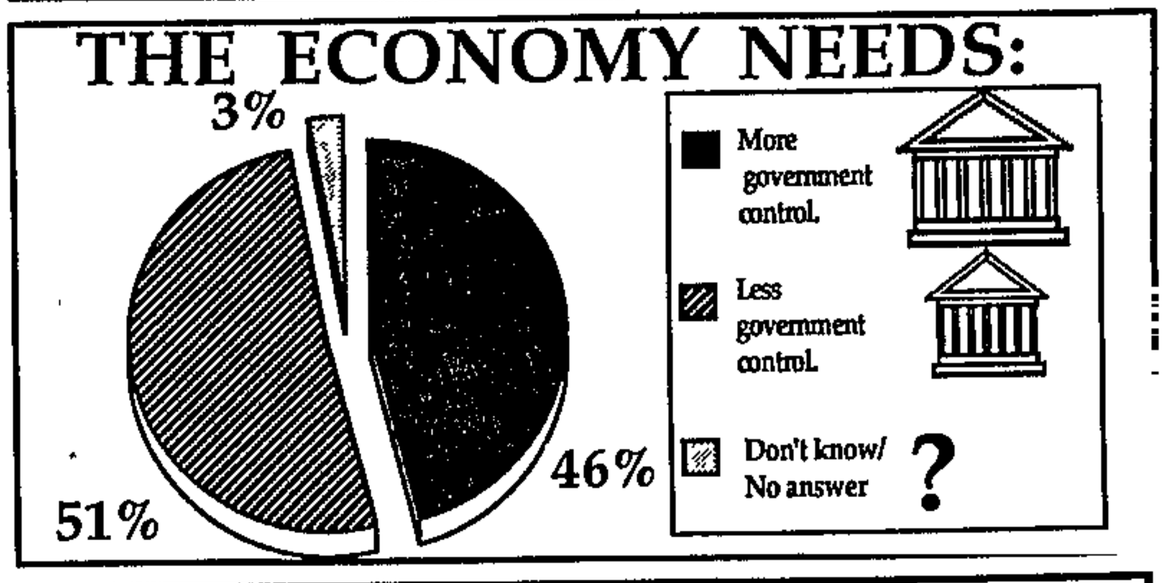
With obvious exceptions, given South Africa's sociological realities, that probably means that support for sanctions is highest among households where the breadwinner is a black worker

But even among households in the lowest income category support for sanctions is still heavily outweighed by opposition to it roughly a quarter against nearly three-quarters

Analysis of responses in terms of home language shows opposition to sanctions is highest among Afrikaans-speaking households (95 percent) and lowest among household where an African language is spoken (roughly 70 percent) English-speaking households occupy an intermediate position on sanctions, as they appear to do on a wide range of issues

There is, however, a slight variation on the question of investment English-speaking households are marginally more in favour of the continued presence of, and investments from, foreign corporations than Afrikaans-speaking households

But the difference is minute only one percentage point, 83 against 82 percent



Having their cake and eating it, too

Star 24/10/88

280

Australian companies are ignoring pressure for trade sanctions against South Africa, according to figures issued last week.

They show Australia seems willing to avoid buying SA goods but happy to sell to the country.

Imports from SA have fallen R112 million and exports to the Republic have dropped only R3 million. — The Star's Foreign News Service.

80% say no to sanctions — survey

Cape Times 25/10/88 280

JOHANNESBURG. — A decisive majority of more than 80 percent of South Africans living in the key Pretoria/Witwatersrand region are opposed to sanctions.

Even among those who speak an African language at home, only a minority — less than a third — support sanctions as a vehicle for achieving reform if it means risking their jobs.

These key findings are reflected in a Marketing and Media Research survey commissioned by the Star in a bid to find out what should be done to salvage South Africa from disaster.

The results showed that three-quarters of the more than 1 050 respondents of all races want foreign corporations to maintain both their presence and their investments in South Africa.

Their views are partially supported by another cluster of people: slightly more than a 10th of the scientifically selected sample want foreign companies to withdraw but to maintain and increase their investments in South Africa.

That gives an overall majority of nearly 90 percent who favour investment, against about a 10th who advocate withdrawal.

Middle ground

Looking more closely at attitudes on sanctions, it is clear that support for sanctions as a means of achieving reform — at the risk of personal retrenchment — is strongest among households which earn less than R699 a month.

Conversely, it is weakest among those with a monthly income of more than R4 000.

With obvious exceptions, given South Africa's sociological realities, that probably means that support for sanctions is highest among households where the breadwinner is a black worker.

But even among households in the lowest income category support for sanctions is still heavily outweighed by opposition to it: roughly a quarter against nearly three-quarters.

Analysis of responses in terms of home language shows opposition to sanctions is highest among Afrikaans-speaking households (95 percent) and lowest among households where an African language is spoken (roughly 70 percent). English-speaking households occupy the middle ground on sanctions, as they appear to do on a wide range of issues.

There is, however, a slight variation on the question of investment: English-speaking households are marginally more in favour of the continued presence of, and investments from, foreign corporations than Afrikaans-speaking households. — Sapa

280

SA coal profits 'pocketed'

Own Correspondent

PARIS. — A serious row is brewing over claims that extra profits from the clandestine importation of sanctions-busting South African coal may have been gong to France's state-owned coal importing company ATIC.

Newspapers revealed last week that cargoes of SA coal were imported and then marketed as Australian coal.

Reports in a French daily said ATIC has been selling SA coal to French users — mainly the steel industry — and pocketing the difference.

The profits on these clandestine operations could have been as much as 33 million French francs (about R82 m) in 1986/87.

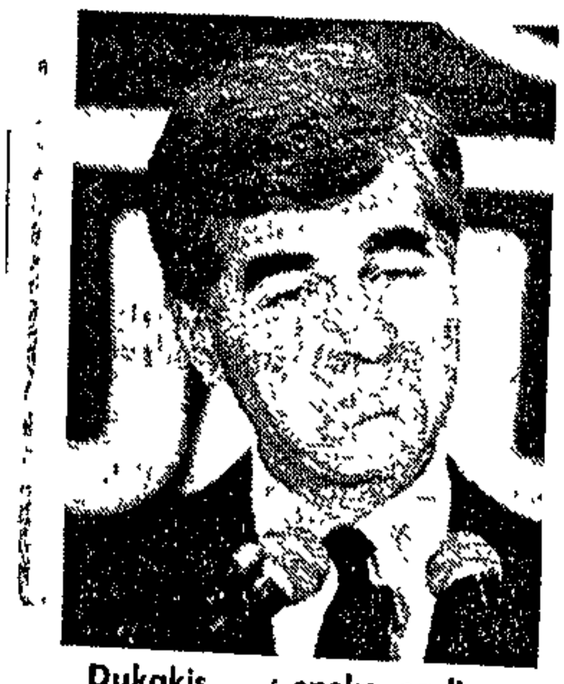
The Belgian and French governments have instigated investigations into clandestine imports from South Africa.

Neither the French Department of Industry nor ATIC would comment yesterday.

'Time is not right to send US arms to the ANC'

Dukakis firm on tougher sanctions

Star 26/10/88



Dukakis . . . spoke earlier of arming ANC.

By Neil Lurssen,
The Star Bureau

WASHINGTON — The Democratic presidential candidate, Governor Michael Dukakis, said here early today that this was not the right time to send American weapons to the African National Congress.

Questioned by TV personality Ted Koppel on a special 90-minute edition of the "Nightline" programme, Mr Dukakis said that, if elected on November 8, he would start by imposing tough economic sanctions against South Africa and that breaking relations could possibly follow.

Mr Koppel reminded the governor that in an interview earlier this year he had said that he would consider arming the ANC in its struggle against the SA Government.

Mr Dukakis replied that when he was asked about such a possibility he had said he would hold open the option of sending weapons to the ANC — but he did not think that such a step was called for "at this time".

The governor — who is trailing the Republican candidate, Mr George Bush, at the polls — said a Dukakis administration would set about breaking the back of apartheid and would make it very clear to the SA Government that it could not engage in economic relations and commerce with the US.

Sanctions would be in effect until all South Africans enjoyed full civil and political rights.

Mr Dukakis said the congress ought to pass the Dellums Bill — a package of tough economic sanctions that died in the US senate earlier this month because it failed to win enough support to survive a filibuster and a probable presidential veto. Several key members of Mr Dukakis's own party voiced their unwillingness to support the severe measures contained in the Bill.

Reminded that South Africa provided essential and critical minerals that could not be obtained elsewhere except from the Soviet Union, Mr Dukakis said he accepted that there would have to be certain exceptions to a total trade boycott of South Africa but that the US would seek alternatives to SA supplies.

"The immorality of apartheid is so serious, we have to take very tough actions against South Africa," he said.

"We must do everything we can to finally end this terrible system."

He added that he did not want to see the US using its veto to stop sanctions imposed by the United Nations.

Mr Dukakis repeated his intention, as president, of ending US military aid to Unita. He has been severely criticised here by moderates for taking this stand and possibly undercutting the delicately poised Angola/Namibia peace talks.

(280) 8/day 27/10/88

Only growth and reform can stave off the right

Economist NICK BARNARDT tracks the link between sanctions and the growth of right-wing politics

WHEN ALL the votes cast in yesterday's muncipal elections have been counted, the dominant overall feature will most probably be a strong confirmation of the trend which surfaced in May 1987: South Africa's white electorate is moving rightward.

Identifying the major underlying reason is relatively simple. It is to be found in the sharp socio-economic decline the nation has suffered since 1984, in which international sanctions played a central role.

The economic damage inflicted on South Africa by sanctions and disinvestment must be measured chiefly in terms of the overall constraints arising from the loss of some R35bn in potential foreign exchange over the past four years.

This comprises (i) a total net capital outflow of R23bn, (ii) a total capital inflow of about R10bn which could otherwise have been obtained, (iii) an accumulated loss of about R8bn due to formal informal sanctions against South African exports; less (iv) the saving of about R6bn in interest and dividends on the foreign loans and investments foregone since 1984.

Allowing a generous import/expenditure ratio of 40%, this implies that financial and trade sanctions have denied the country an accumulated total expenditure of some R90bn in the past four years, and total production of over R60bn.

Desprte the economic boom of the past 12 months, South Africa's total real expenditure since 1988 is 15% lower than could have been the case without international sanctions. Domestic production is 10% lower, and unemployment half-a-million higher, than would otherwise have been the case.

Financial and trade sanctions are clearly the principle reason for the indication in the accompanying graph, that the real disposable income of the average South African is currently 10% lower than in 1984.

The graph also provides a key to the trends of the past 20 years in South Africa's white politics. The decade from the mid-70s to the mid-80s was clearly an historic peak phase in terms of personal incomes.

It is no coincidence that all the major reforms in the country's modern poltiical history occurred in this period.

Apartheid in sport and most other forms of "petty" apartheid were phased out, as was job reservation. Trade union rights were granted to black workers. The multiracial President's Council was instituted. Section 16 of the Immorality Act was scrapped, and so was the Mixed Marriages Act and the Political Interference Act.

Many CBDs were desegregated, and the tricameral Parliament was introduced in 1984 after a large majority approval in the 1983 referendum. A year later, government accepted the abolition of black influx control and tabled the relevant legislation in Parliament early in 1986.

From 1985, however, living standards plunged. By early 1987 average real incomes were at their lowest level in virtually 20 years. Once again, it is no coincidence that a rightwing party became the Official Opposition in the May 1987 general election, and that the emphasis in white politics as a whole shifted away from reforms.

Yesterday's election results will indicate that the very slight gain in real incomes of the past 18 months is not nearly sufficient to reverse the rightward shift set in motion by sanctions and disinvestment from 1985.

A few brief inferences would seem to be in order. Firstly, to American politicians: the prospect of further impoverishment of the white electorate in coming years can only be conducive to a further shift to the right, a process which would be greatly hastened by the imposition of any further economic sanctions.

This is the same socio-political process which occurred in Germany as a result of the American economic penalties applied after the First World War, and led to the rise of Nazism.

If you apply further economic penalties to us in 1989, you will forgive us for concluding that you have learned absolutely nothing in the past 70 years. On the other hand, you would do very well indeed to observe the massive success of the modern Germany, which arose from the positive approach you applied after the Second World War.

Secondly, to the SA government: the above analysis suggests that the impoverishment arising from international isolation is the breeding-ground of rightwing politics. Hence any conservative stances you take, risking sanctions in the hope of limiting the Conservative Party's growth, are likely to backfire.

Sanctions enabled the CP to become the Official Opposition. Inviting further sanctions can be tantamount to inviting a CP government. There is no trade-off between the two.

Furthermore, the evidence suggests that cyclical phases of rising unemployment and impoverishment made the black population more susceptible to violence and political radicalism.

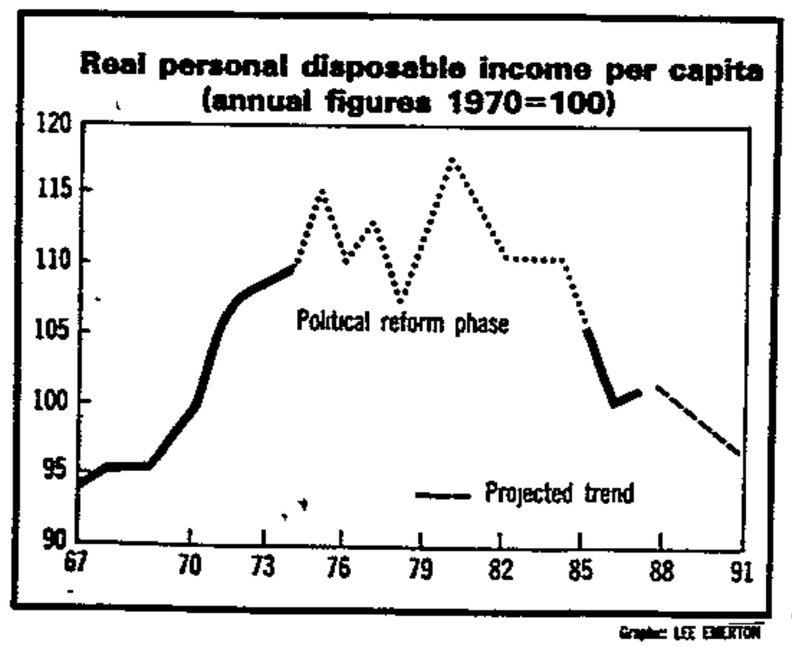
As the second graph indicates, the two major unrest phases in SA over the past 20 years both coincided with troughs in the country's employment cycle.

Through the unemployment and the poverty which it produces, international economic isolation has already increased the political polarisation between whites and blacks. The ANC and the AWB, the UDF and the CP, have been strengthened — at the cost of political moderation and conciliation.

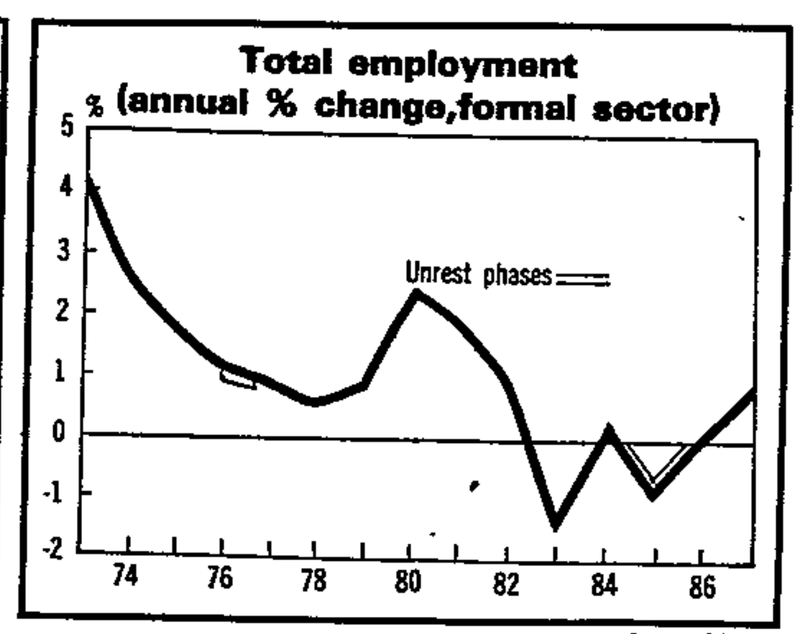
The continued application of sanctions, with the further unemployment and greater poverty they are likely to cause over the next few years, can only aggravate the polarisation of South African society. This could completely destroy the scope for (even partially) maintaining and expanding political democracy.

There is only one way to contain radicalism on both sides and strengthen the moderate centre which is so essential to a national political solution. There is only one choice: rapid economic growth with rapid political reform.

South African, southern African and Western political leaders must strike a deal on this as soon as possible. Otherwise what remains of the socio-economic support base and the socio-political cohesion of South African society can degenerate further, to the extent that even a repeat of yesterday's type of election exercise becomes an impossible dream.



Graphic: LEE EMERTON



Graphic: LEE EMERTON

FOREIGN EXCHANGE/David de Kock

Sanctions will cost one million jobs and erode living standards

FINANCE STAFF

THE EFFECT of sanctions and disinvestment means the period 1989-90 holds out little prospect for satisfactory real growth and employment creation, says Trust Bank in its October *Economic Report*

In a gloomy prediction, it says. "By 1990, the average South African will be more than 10 percent poorer — and black unemployment between 500 000 and one million higher — than would have been the case without sanctions and disinvestment."

The bank says that over the period from 1985 to 1990 about R12 billion will be lost in capital inflows, while punitive measures against exports and the higher price that will have to be paid for imports could cost the country a further R10 billion

Estimated capital outflow over the period will be about R26 billion, mostly comprising large-scale debt repayments.

On the positive side, South Africa saved R8 billion on interest payments that would have had to be made to foreign creditors and investors, if we had enjoyed a capital inflow or R12 billion, instead of the R26 billion outflow.

"All in all, the country would have had a cumulative amount of about R40 billion, had sanctions and disinvestment not occured at all.

"This amount could have been used to finance an additional R40 billion of imports and, consequently, an additional total domestic expenditure of R100 billion"

Gross domestic product (GDP) would have been R70 billion higher for the period as a whole, which by the end of 1990 would have seen growth rates of about four percent, against the projected trend of just over one percent (see graph).

"Sanctions and disinvestment have considerably lowered the balance of payments ceiling on growth. In 1988 the economy has already run up against this ceiling. It is now becoming evident that the real pain of international economic isolation will be felt from 1989."

But the harmful effects of isolation are not limited to the economic front, says Trust Bank.

The unemployment and impoverishment it inflicts generate serious political polarisation.

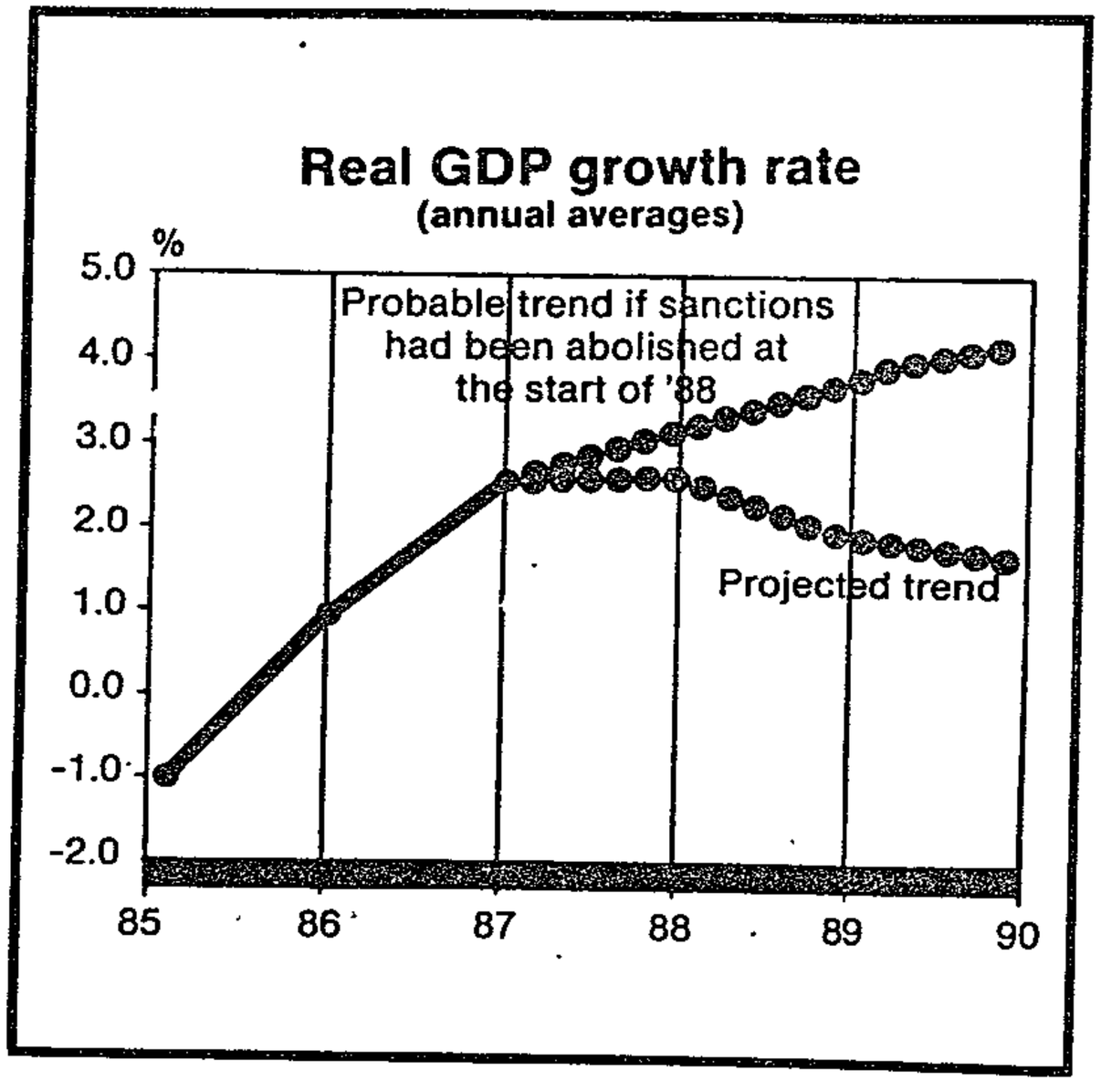
"Increased security spending is demanded of the state, but important long-term investments are prejudiced.

"One of the most important casualties is the quality of education the country can afford."

Trust Bank says international pressure has already aggravated economic, social and political problems, which are likely to deteriorate even further over the next few years.

The bank says it is clear that short-term measures cannot effectively address these problems and that no single interest group is in a position to solve the key problem.

"Government, domestic black leaders, leaders in the rest of Southern Africa and Western leaders will all have to come to the realisation that, politically, socially and economically, the ultimate consequences of this country's increasing international isolation and domestic conflict are simply too ghastly to contemplate."



Saturday Star October 29 1988

Threat of medical isolation 'now lifted'

280
Star 29/10/88

DEBORAH SMITH

PRETORIA — Unanimous acceptance by the World Medical Association (WMA) of a statement rejecting academic sanctions has removed the threat of academic isolation for South Africa's medical profession, says chairman of the Medical Association of South Africa (Masa) Dr Bernard Mandell.

The South African-initiated statement said the WMA was opposed to restrictions and called on all national medical associations to resist the imposition of academic sanctions and boycotts and to adhere to the WMA's Declaration on Human Rights and Individual Freedom of Medical Practitioners.

The statement said restrictions which denied physicians opportunities to exchange information were a protest against the social and political policies of governments.

Such restrictions conflicted with the WMA's objective of achieving the highest international standards of medicine.

Sanctions also discriminated between physicians and patients on grounds of the political decisions taken by Government.

Dr Mandell said academic sanctions and boycotts were a serious threat to medicine as interaction with international experts was important to the maintenance of South Africa's high medical standards.

He said Masa was prepared to participate in a medical education congress in Johannesburg later this year on condition the National Medical and Dental Association (Namda) repudiated calls for the academic isolation of South African doctors.

"We feel we have an advantage over Namda as long as they propagate academic sanctions, especially in light of the internationally accepted statement," said Dr Mandell.

Namda's proposal of two-tiered medical education so as to provide more doctors was unacceptable to Masa because it would lower medical standards, he said.

Calls for academic sanctions were to some extent "immoral and unethical", said Dr Mandell. It was important for people to know about the threat and the WMA position.

d job.

The faces of South Africans who

Pioneers tour the reward for hard graft that had to be tackled

Sunday Times 29/10/88

by BARRY GLASSPOOL
Weekend Argus Correspondent

SANTIAGO — The climax to seven years of honest endeavour towards the rugby goal of normalisation reached the end of Chapter 1 at the end of the successful SA Nampak Pioneers tour.

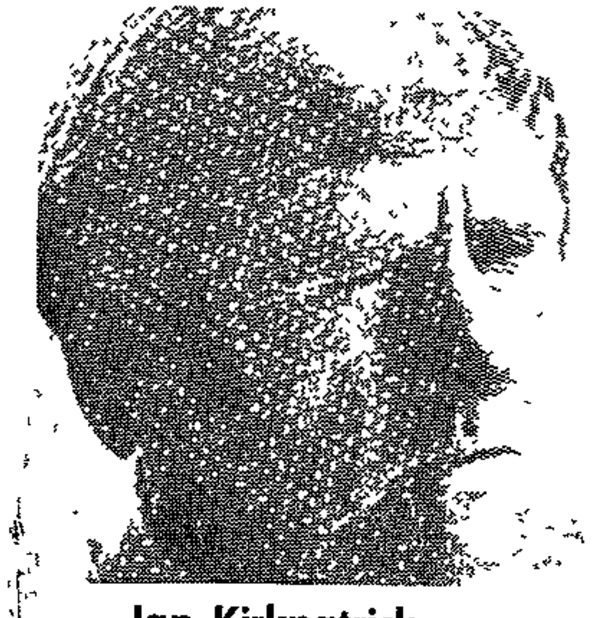
And Dr Danie Craven, the man whose burning determination to see full integration realised in the South African Board's centenary next year, will be contemplating the fruits that the Pioneers tour may bring for the future good of all.

Two of his stalwart lynchpins, Ian Kirkpatrick and Dougie Dyers, were equally ecstatic.

They have been at the heart of Dr Craven's drive to boot discrimination into touch once and for all.

From acorns big oak trees grow.

It was on this broad principle that the SARB began to implement their vast plan giving rugby players of all colours equal opportunities.



Ian Kirkpatrick

It meant starting at grassroots and working up through all levels of the game. It was a giant organisational task tackled with gusto — and most of all sincerity.

Transitional

Craven, Kirkpatrick and company had to draw up a blueprint that would fit the transitional needs of the moment and cater also for the long-term demands

The initial breakdowns into towns, then zones — and when these grew in size and numbers, into sub-unions — was a workmanlike structure which progressed logically to the provincial feeder teams (8-7 white, non-white ratio).

These teams have already been included in itineraries against overseas opponents such as last year's South Pacific Barbarians.

"The establishment of clinics was vital. These were set up not to provide expert coaching but to familiarise anyone who wanted to play rugby," says Kirkpatrick.

"We travelled vast distances to cover towns in an area. In this way we can reach players of all ages and colours who are attracted to our clinics.

"These have become so popular now that we have up to 1 000 youngsters at a clinic.

"We need to explain the laws of the game and their interpretion We needed a top-class referee. That's where Wynand Mans came into the picture and he has been doing a wonderful job as part of the SARB's most valuable and exciting project in the past six years."

Kirkpatrick's task as coaching organiser and co-ordinator of the clinics was initally time-consuming and hard work. But with the co-operation from former players and financial support from private enterprise the project's wider aims embracing grounds and facilities and competitions was pushed ahead without loss of impetus.

Kirkaptrick, coaching organiser at the SARB, is all restless energy and enthusiasm for the project. Behind him — in the wings, so to speak — stands the amazing Doc Craven.



Danie Craven

At 78, he has the drive and sharpness of men half his age. Self-effacing Dougie Dyers, who knew the bitterness of lack of opportunity as a top coloured player himself in the early 1970s when he played against England, is thus doubly determined to make rugby integration totally unquestionable during the SARB centenary next season.

Dyers realises that there is a cross-section of coloured and black opinion that remains suspicious about the SARB's bona fides — as much because of past happenings as any mistrust of Dr Craven.

"That doubt has been steadily broken down. Youngsters, parents, teachers and club officials are seeing that what we are doing is genuine what we promise we provide. Scores are coming across to us, mainly from SARU," Dyers says.

"They boast about being a non-racial organisation. But how many white players do they have? We have white, coloured and black members. Our numbers are growing as they see the progress we are making.

"They are losing the battle if they have not lost it already. But they still command all the headlines because of their claims to being the only non-racial body in SA.

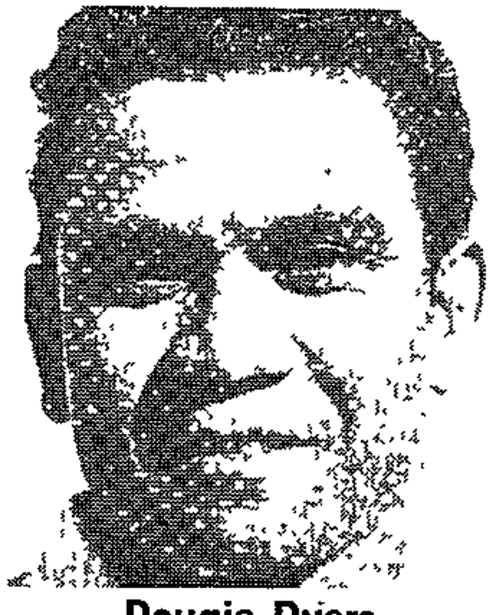
"It does not stand up but news media give it prominence because of some moralistic consideration. But I ask in real terms what SARU is doing for the upliftment of Black players? Anyone can make big noises — but what are they doing"

Back to Kirkpatrick. "It's obvious we have won the battle for the hearts and minds of people. SARU and SACOS have been left with empty promises."

So where to now? First Kirkpatrick. "You have seen the benefits of what we are doing. There is more black talent like the players on this tour."

Dyers: "Our results cannot go unnoticed, except by those with nothing but political axes to grind"

Final word from Craven: "We are doing what we are doing because it is right and if you do what is right you have nothing to fear."



Dougie Dyers

Bank gloom on impact of sanctions

IN A gloomy prediction of the country's economic future, Trust Bank's October Economic Report says by 1990 the average South African will be more than 10% poorer — and black unemployment between 500 000 and one-million higher — than would have been the case without sanctions and disinvestment.

"The harmful effects of economic isolation on the broader socio-economic and socio-political domain are considerable. The unemployment, and impoverishment which it inflicts, generate serious political polarisation," the report says.

"Increased security spending is demanded of the state, but important long-term investments are prejudiced. One of the most important casualties is the quality of education the country can afford."

Trust Bank says international economic pressure has already aggravated SA's economic, social and political problems and they are likely to deteriorate.

"These problems will evidently worsen considerably over the next few years — unless all parties and leaders involved in the SA situation are prepared to come up with new constructive actions soon enough to permit the country to realise its full economic potential." — Sapa.

FIRST IT WAS AFRIKAANS AND NOW SANCTIONS

By MATHATHA TSEDU

Firm's demand before talks with union

A PIETERSBURG bookshop has refused to open negotiations with the Media Workers Association of South Africa until the union states its position on sanctions and disinvestment.

Panorama Bookshop manager, Mr J Linde, confirmed that the company had insisted on clarification of the union's position on sanctions before any negotiations can begin. He declined to discuss the matter further.

A union spokesman said the company had earlier insisted that the union should write all its letters in Afrikaans

"When we got over that and he agreed that we were not going to write the letters in Afrikaans, he has now introduced an irrelevant issue of sanctions," the spokesman said.

The union at first wrote to the company protesting at the introduction of "political" issues and said that it was unfortunate that sanctions were being made "a prerequisite for future talks or negotiations."

In a response dated October 21, Mr Linde said that sanctions were not political. He said the company was not interested in whether the union represented the majority of workers or not. The company, he said, would open negotiations with the union immediately if the question of sanctions and disinvestment was clarified satisfactorily.

"We request you all the same to state unambiguously, that is to say clearly answer this question and we cannot proceed to negotiations with regard to a recognition agreement before you answer this question very clearly," Mr Linde wrote.

Sanctions costing SA dearly — Durr



DURR

THE ANC had more diplomatic offices abroad than SA, Budget and Works Minister Kent Durr said yesterday.

Speaking at the SA Foreign Trade Organisation (Safto) AGM in Johannesburg, Durr said this was the type of ground lost as a result of sanctions.

He advised sanction-mongers to strengthen the hand of SA's disadvantaged black people, rather than weaken it through sanctions and disinvestment.

The withdrawal of foreign companies had led to urban unrest, unemployment, hunger, increased crime and an escalation in violence.

External pressure had caused an internal polarisation of political forces and perhaps, worst of all, a psychological lack of confidence both locally and abroad.

TANIA LEVY

But sanctions had had unintended positive effects like the closing of ranks between public and private sectors, black and white, party political groupings and different language groups.

Durr said the result was higher productivity and greater self-sufficiency.

Economic restructuring and reform were the immediate urgencies for the future survival of SA.

☐ Safto chairman Warren Clewlow called for an aggressive long-term export policy, rather than restrictive import measures, to stimulate SA's economic growth. He also called for early decisions on export assistance and industrial restructuring programmes, for the use of countertrade as import leverage and the establishment of export processing zones.

Sanctions could lead to a revolution, says Meiring

Star 3/11/88

280

LONDON — The international sanctions campaign against South Africa was "madness" that would promote revolution rather than evolutionary change, Deputy Foreign Minister, Mr Kobus Meiring, said here yesterday.

He was addressing a special one-day conference at the South African Embassy — attended by more than 100 British politicians, businessmen and media representatives.

Speaking on the theme, "South Africa — the road ahead", Mr Meiring said South Africa was without doubt the regional power of southern Africa and was in a pre-eminent position to contribute to the development of Africa

CO-OPERATION

"The states of southern Africa are increasing economic co-operation and should continue to do so in the common interest.

"We have to convince the world that the madness of sanctions and disinvestment can only be counter-productive and will lead South Africa to revolution instead of towards the evolutionary change which we all hope can be achieved.

"What we need in southern Africa is investment — neither disinvestment, nor sanctions. What we need is prosperity and progress so that every southern African can have his own job, his own house, his own future."

Mr Meiring said he had no doubt that sanctions and disinvestment were not aimed in the first instance at changing the South African system, but were proposed in terms of self-interest, for example as an issue in the forthcoming presidential elections in the United States.

Mr Meiring said the interpretations of various surveys on sanctions which had been made in South Africa recently underlined "the strong opposition to such measures from the people who would be most deeply affected".

The Republic's recent diplomatic initiatives in Africa had proved that if political rhetoric could be replaced by positive, practical co-operation, the sky was the limit for the future of southern Africa.

"What Africa needs today is not hand-outs, but technology, expertise and experience of the African situation.

"In many countries in Africa today you will find South African experts, technicians and doctors who are giving their time, energy and talents to help those countries to help themselves.

"In this South Africa is in a pre-eminent position to contribute to the development of Africa."

Mr Meiring said the political struggle in South Africa was not a stark confrontation between black and white, but between moderate blacks and whites on the one hand and radical, sometimes revolutionary, blacks and whites on the other. — Sapa.

280 B/day 3/11/88

Meiring slams world anti-SA stance

'Revolution the only outcome of sanctions tactics'

LONDON — The international sanctions campaign against SA was "madness" that would promote revolution rather than evolutionary change, Deputy Foreign Minister Kobus Meiring, said here yesterday.

He was addressing a special one-day conference at the SA Embassy in London which was attended by more than 100 UK politicians, businessmen and media representatives.

Meiring said the Republic was without doubt the regional power of southern Africa and was in a pre-eminent position to contribute to the development of Africa.

He said it was imperative that the economies of southern Africa should grow.

"The states of southern Africa are increasing economic co-operation and should continue to do so in the common interest.

"We have to convince the world that the madness of sanctions and disinvestment can only be counter-productive.

"What we need in southern Africa is investment — neither disinvestment, nor sanctions. What we need is prosperity and progress so that every southern African can have his own job, his own house, his own future."

"I am pleased to say that it is my impression that most of the people of southern Africa, including our more distant neighbours, today understand the absurdity of Dellums and other related measures."

He said the interpretations of various surveys on sanctions underlined the strong opposition to such measures from the people who would be most deeply affected.

The Republic's recent diplomatic initiatives in Africa had proved that if political rhetoric could be replaced by positive co-operation, the sky was the limit for the future of southern Africa.

"We can never compete with the superpowers of the world, but we are without doubt the regional power of southern Africa.

Positive signs

"This is fact and the way regional policies develop will be influenced by this fact.

"The degree of inter-dependence cannot be wished away. There are positive signs that this reality is getting through."

Practical co-operation between SA, LesothoSwaziland, Mozambique, Malawi and other African states had proved that if the economic boundaries could be crossed, it led to the easing of political and security boundaries, he said.

"I hope that the State President will, before the end of the year, be able to meet more African leaders to build new bridges which can be of immense importance to the future of the sub-continent." — Sapa.

Everything stops for tea at Tutu's



Tea and sympathy . . . squatter women, some with babies on their backs, queue for refreshments on the lawn of Archbishop Tutu's official residence. The Nobel Peace Prize winner is in Kenya and so was unable to hear their pleas of "we want Tutu to give us jobs."

Star 3/11/85 (280) (807)

Own Correspondent

CAPE TOWN — More than 300 squatters turned up at Bishopscourt yesterday to ask Archbishop Desmond Tutu for work and urge him to drop calls for sanctions.

A large group was served with tea and biscuits while their representatives talked to Anglican Church officials.

Archbishop Tutu is in Kenya at a meeting of the All-African Conference of Churches, but the squatters were met by the Vicar-General of Cape Town, Dean Colin Jones, Bishops Suffragan Charles Albertyn, Ted McKenzie and Geoff Quinlan and Mr Monde Balfour of the Anglican Board of Social Responsibility.

The Crossroads squatters arrived in two groups. The first, about 200, travelled to Archbishop Tutu's official residence by taxi.

The second party arrived later in two buses but were not allowed to enter the grounds. At least four police vehicles circled the estate but no action was taken.

A member of the squatter delegation said: "People in Crossroads are starving. We want jobs. We want Tutu to give us jobs. We don't like his calls for sanctions."

In a joint statement after meeting for an hour, the two parties said the squatter delegation had raised the problems of poverty, unemployment and hunger, which they had wanted to discuss with Archbishop Tutu.

"The church representatives agreed to convey their concern to the archbishop in the spirit of peace in which the delegation brought it," the statement said.

The delegation agreed that apartheid was the fundamental cause of black suffering.

"The squatters also asked that it be noted that black suffering in South Africa began long before anyone asked for sanctions and that people in their ranks with qualifications for jobs had often been turned down by employers who employed whites instead," the statement said.

The delegation agreed that black people suffered together and should work in unity to end apartheid.

UK association ignores ban

S Africa on shortlist for travel body's convention

JERUSALEM — The Association of British Travel Agents (ABTA), which has caused a diplomatic furore by holding its convention this week in Jerusalem, has provoked fresh controversy by announcing that a future convention is likely to be held in South Africa.

The news that South Africa had been added to the shortlist of destinations came as ABTA executives were justifying their choice of Jerusalem which the association's chairman, Mr Jack Smith, said "was not about politics".

Mr John Dunscombe, chairman of ABTA's travel agents' committee, said the possible selection of South Africa as a venue had been discussed.

"We decided we do not want South Africa excluded from a future list of destinations," he explained.

Other ABTA executives said travel should be kept out of politics.

The decision will be welcomed by the South Africans, who would regard just being shortlisted as a public relations victory. The Gleneagles agreement was meant to stop British travel companies from promoting South Africa as a holiday destination, but it has been more honoured in the breach.

Since the final choice of convention venue is often determined by the cost to individual members, South Africa stands a good chance of being chosen.

There will be a furious response from black countries — but this will not concern ABTA, which has already withstood intense opposition from the Arab League and the Palestine Liberation Organisation over the Jerusalem convention. — The Independent News Service.

US mayor off course with AAM campaigners



Bad move . . . Mr Marion Barry, Washington DC mayor has fallen foul of the AAM.

By Alan Dunn, The Star Bureau

280

Star 4/11/85

WASHINGTON — The controversial mayor of Washington DC, Mr Marion Barry, has infuriated the anti-apartheid movement by accepting an island junket linked to a multinational company it has targeted for ties to South Africa.

A furore has erupted over Mr Barry's participation this week in the annual Shell Paradise Island Celebrity Pro-Am Golf Tournament in the Bahamas. Mr Barry does not play golf.

BOYCOTT

Mr Barry has, however, been a leader in the anti-apartheid movement's international drive to boycott Shell Oil in an effort to force its parent company, Royal Dutch Shell, to leave South Africa.

In March, he proclaimed a "Boycott Shell Day" in Washington, outside Shell's offices during a public protest. More than two years ago, he attended demonstrations launching the campaign against Shell in America, cutting an oversized Shell Oil credit card outside City Hall with a pair of giant scissors for the the press.

In the latest of a series of egg-on-his-face incidents involving Mr Barry, who runs a municipality constantly under ethics scrutiny by local news reporters, he was found at the tournament

One anti-apartheid co-ordinator called it "obscene". "I just can't believe it, not our mayor who has been one of the foremost leaders on this issue. For him to do this negates everything we've done"

The mayor and his spokesmen said none of his bills was being paid by Shell Bahamas, one of many tournament sponsors: He was a guest of the Bahamian Ministry of Tourism and a hotel/casino chain, they said.

But the Barry explanations fell on deaf ears: "There is no excuse for the mayor to be lending credibility and respectability to an institution like Shell when he knows what Shell has been doing in South Africa," said an anti-Shell campaign official.

CONGLOMERATE

The anti-apartheid movement targeted Shell to make a specific example of one multinational to all the others linked to South Africa. Campaign leaders assert that Shell provides the oil on which apartheid is run.

"It does not make any difference whether it is Shell USA or Shell Bahamas," said the anti-Shell campaigner. "It is all part of one giant conglomerate, and that conglomerate is exploiting blacks in South Africa." Shell has defended its anti-apartheid record in the Republic.

"When prominent leaders, especially prominent black leaders get tied in with Shell in any shape or form, it diminishes the struggle in South Africa," the boycott leader said.

But Mr Barry said he had cut up his Shell credit card, and his wife, Mrs Effie Barry, had been arrested in the 1985/86 demonstrations outsides the South African Embassy in Washington.

He also noted his support for TransAfrica, a Washington anti-apartheid group which selected Shell as the target

"Everybody knows where I stand," Mr Barry said.

To anti-apartheid activists, it looks like knee-deep.

280 B/day 4/11/88.

American Airlines benefits from sanctions

AT least one US airline is benefitting from the 1986 withdrawal of SAA's landing rights in the US.

American Airlines — which operates trans-Atlantic flights from Europe — carries about 30 000 South African passengers every year, American Airlines southern Africa representative Michael Tyler said.

"Yes, we are benefitting from sanctions. We are actually looking to increase our business from here.

"Our trans-Atlantic business has increased since 1986 as a result of the SAA feeder service into London, Paris, Zurich and Frankfurt," he said.

MANDY JEAN WOODS

He said the number of South Africans who had emigrated had helped boost business.

There were about 40 000 South Africans living in Totonto, for example, and they were always flying back and forth to SA on business or visiting family and friends and vice versa.

"We are looking for more business from here," he said.

Tyler said American Airlines had "worked up to dove-tailing" its flights to the US to suit SAA arrivals in Europe.

"It did not take much doing Traditionally SAA flights arrived in Europe in the morning and American Airlines left during the course of the morning."

The American Airlines office in Johannesburg recently increased its staff and "we plan to increase it again", Tyler said.

American Airlines yesterday announced an increase in its number of trans-Atlantic flights, bringing to 1 139 its weekly flights from Europe to 13 US destinations.

SANCTIONS 280 FINMAIL 4/11/88

Biters bitten

An embargo on the sale of sawmilling machinery to SA by overseas manufacturers has spurred the development of a local industry which not only makes most of SA's requirements, but now also exports machines — and entire sawmills.

Jock Hellriegel, joint-MD of market leaders Nukor, which started manufacturing locally 18 years ago, says imports have dropped from nearly 90% some years ago to 15%-20%. Only highly sophisticated machinery, such as profile chippers, which would be exorbitantly expensive to make in SA, are still imported "through channels." The rest, including electronic equipment needed in modern sawmills, is made here. "Nukor can make a basic sawmill, without imported components, that can produce 60 000 m³ of sawn lumber a year," Hellriegel says.

He values the SA market at R60m/year-R80m/year, "depending on whether it's mainly a replacement market or whether there are new projects in the pipeline. I believe some new projects are being planned for this year."

Nukor has developed a lively export business. Hellriegel refuses to disclose its value, but admits it has exported machines to several countries in Africa and South America, as well as to Australia which, like SA, grows pines and eucalypts.

Nukor started manufacturing simple spares 18 years ago. "We became a boycott-buster when several of our principals boycotted us. We felt that left us free to copy their designs, but we didn't stop there. We are now developing our own technology and have patented several of our designs worldwide.

"One of our main limitations is a shortage of men with the skills to develop our own hi-tech. Another is the small size of the local market," Hellriegel adds.

Sanctions also led to Nukor's main competitor, Quidings, increasing local production and now making 60% of the machinery it sells. MD Keith Quiding estimates his group has 20% of the local market and Nukor 45%. He says some of Quidings' products are made under licence, but most are copied.

He makes no excuses for copying designs. "They cannot expect us to sit still and do nothing if they force our backs to the wall," he notes.

Quidings has not seriously started exporting yet, except some sales to a few African countries. "We want to become a bit more sophisticated before we start exporting to overseas countries," says Quiding.

World XV tour plan: It's secret

Cape Times 5/11/88 280

LONDON. — The International Rugby Board (IRB) slammed an iron curtain of secrecy yesterday around plans for a super-powered World XV tour of South Africa next year.

Chairman Mr John Kendall-Carpenter, of England, refused even to confirm reliable information that unanimous "approval in principle" had been given by the eight-nation board.

He said an invitation to tour had been received from South Africa but a decision had not been taken. He declined to disclose the terms of an event that was still "far ahead".

The two South African delegates, Professor Fritz Eloff of Northern Transvaal and Mr Jan Pickard of Western Province, were even more guarded.

But later a relaxed and smiling Mr Pickard said "it all helps" when he was asked if Dr Danie Craven's meeting with the ANC in Harare last month had been beneficial.

The only publicly confirmed news at the press conference was bad. An IRB statement said the SARB had recognised they could not take part in the 1991 World Cup in Ireland, Britain and France.

It also announced that the proposed Springbok tour of of Britain in 1990 would not go ahead.

At Stellenbosach last night, Dr Craven expressed his disappointment at the cancellation of the Springbok tour but added that he was undeterred in his efforts to get South Africa back into world rugby.

It is understood that the week-long interim meeting reluctantly decided that a public statement on South Africa at this stage would give hostile governments and anti-apartheid movements six full months to make war on the 1989 tour plan.

Japanese ban SA uranium

Four Japanese power companies with nuclear energy plants have decided to ban uraium imports from South Africa and Namibia, which were channeled through overseas suppliers.

The ban will effect sales from UK mining group Rio Tinto Zinc (RTZ) and South Africa's Nafcoal.

The companies said that the ban would come into effect as soon as the current contracts with RTZ and Nafcoal expires, which varied from 1988 to 1995.

The action followed on allegation on British TV that six Japanese electric power companies, with the help from RTZ, were openly flouting a United Nations decree against trade in uranium from Namibia. RTZ owns Rossing, one of the biggest uranium mines in the world.

Figures published by the Japanese government show that South Africa provided about 11 percent of Japan's 203 419 tons of uranium imported last year. Britain was the source of 24 percent of Japan's uranium. Britain has no uranium deposits and most uranium described as British originates in Namibia.

The deputy head of the nuclear fuel department of Tokyo Electric, Koji Kaneko said "RTZ told us there is no Namibian uranium in what they ship to us and we believed what they said."

A Japanese Foreign Ministry official said he believed Japanese companies had been respecting the UN ban.

Last year Japan became South Africa's largest trading partner for the second year in a row, but at the Ministry of Trade and Industry officials are less concerned with Japan's image abroad as with the ability of Japanese industry to obtain raw materials cheaply. — *The Independent and AP*

280 B/day 7/11/88

Won't some liberal please offer Tutu a better policy?

KEN OWEN

ARCHBISHOP Desmond Tutu keeps challenging opponents of sanctions to give him a better way to change this country than to smash it by sanctions. The answers he gets from liberals are about as clear and as convincing as Chris Heunis's constitutional plans.

Let me say at once that I have done my fair share of cowering behind "liberal principles" — the rule of law, the liberty of the individual, tra-lee tra-la — and that I am as uncertain as any other South African liberal about many questions of policy.

In an attempt to come to grips with liberal policy, Business Day recently organised a discussion by a group of the country's truly outstanding liberal thinkers. Charles Simkins, the leading liberal theoretician of our day; Ann Bernstein, the most practical deviser of liberalising policies; Zach de Beer, business-trained leader of the PFP; and Duncan Innes of Wits to act as a devil's advocate The discussion was led by John Kane-Berman who has done a quite brilliant job of focusing the work of the Institute of Race Relations on questions of reform, rather than on the old do-gooding charity stuff.

I have just been re-reading the recorded transcript of their discussion, and it leaves me deeply disturbed. There is so much work to be done before liberals can claim to be offering an alternative to the inchoate, but liberalising, reform policies of Chris Heunis.

Any fool can criticise Heunis, and many do. To spell out alternatives — to give the Archbishop a credible alternative to sanctions — is not so simple. I list below a series of questions to which I personally would like to have answers. Others will no doubt add to the list.

Every liberal knows (and most South Africans suspect) that the country will not come to rest until every adult has an equal vote. But how, then, will we avert the tyranny of the majority? A civilised state is judged by its treatment of the weak, of the minorities, but Africa offers no examples. Even Botswana, everybody's favourite African democracy, is fallible on the question of the treatment of the San.

The usual liberal answer is to trot out a bill of rights, but the Business Day discussion group recognised that it is as easy to tear up a bill of rights as to tear up a constitution. They wondered what to do

Simkins suggested rule by grand coalition — a share in executive power for every group with significant support — but even that does not answer the question. Lebanon used to rule by grand coalition De Beer tentatively put forward a federal constitution (not a race federation). Even if every federal state was predominantly black, the federal structure might act as a brake on the power of the central government, he thought.

That, I suppose, is true enough, but it hardly goes far enough to persuade nervous white voters to relinquish their desperate hold on power. In fact, the real instruments of power hardly came up for discussion: who would control the armed forces? Or the police? Or the tax collectors?

Should South Africa, like the old Dutch States-General, base a separate army in each state, to be committed to battle only if that state agreed? Should we have a police force in each state, assisted by a weak but expert federal investigative division like Scotland Yard or the FBI? Should the tax base be divided in order to weaken the central government?

How, indeed, would the borders of the federal states be drawn? Do we smash the Bantustans (and at what cost?) or institutionalise them as components of a federal system?

It is all very well to pretend that the solution would be thrashed out at a national convention, but that is a cop-out. It is, after all, the function of political parties to define choices, and to present them to the electorate.

Let's change the subject entirely, to questions of wealth distribution. Not even communists, these days, argue that it is just to give equal rewards for unequal effort. (The communist slogan used to say: "From each according to his ability, to each according to his reed." Mikhail Gorbachev, in his book on *perestroika*, modifies the slogan to say: "From each according to his ability, to each according to his work.")

But socialists still peddle the big lie that capitalism operates by "trickle-down", in fact, it operates by what might be called "lift-up" because it depends on economic growth to create opportunities and to change the relationships between classes of people.

In all Western societies, there is a real question how much of the national resources must be devoted to welfare and how much to growth. In South Africa, the question is hardly mentioned, not even by liberals.

Innes takes refuge behind that meaningless phrase, the "mixed economy" (all economies are "mixed"), and Simkins resorts to the sophisticated idea formulated by John Rawls that the society must be organised to maximise the benefit to the least well-off people. He does not say how.

As political thinking, this sort of thing is just appalling. What growth rate should South Africa aim to achieve? Two percent, five, or ten? If, like Taiwan and Japan and several other countries, we achieved a growth of ten percent a year, our wealth would double in seven years, and the poor would be twice as wealthy (without any redistribution) as they are today. No welfare system known to man can match that performance.

Why, then, don't liberals ask what must be done to achieve that growth rate? What savings rate is needed? What level of consumption? What infrastructural development? How would a liberal government overcome a shortage of black teachers? What kind of education? How much tax is appropriate? Etc.

The Business Day discussion group even showed a marked ambivalence on land issues, insisting at one point (quite correctly) that racial prohibitions on land ownership were intolerable, but searching at another point for ways to protect black landowners against being "bought out" by white agri-business.

The liberals cry for the repeal of the Group Areas Act, and that is also correct, but except for Tony Leon's young Progs in Johannesburg, they have given minimal attention to the problems of transition. What, if anything, should be done to stabilise land prices in suburbs which attract large-scale settlement? Liberals don't say, and they don't seem to care

Indeed, it sometimes seems to me that the liberal discourse is as callous towards the fears and needs of poorer whites as the Nationalists are towards blacks That may be morally justifiable, though I doubt it, but so long as whites have a meaningful vote and blacks do not, it is disastrous at election time to give an impression of disregard for legitimate white interests

Anyway, it is very hard to see why Archbishop Tutu should abandon his destructive course of action if no liberal — among all the liberals who condemn sanctions — can persuade him that liberal policies can secure for all South Africans the liberty, the security, and the prosperity which they all seek.

280 B/days 7/11/88.

GROUP THREATENS ANGLICANS OVER DISINVESTMENT

Own Correspondent

LONDON — The Church of England has been threatened with legal action unless it disinvests from SA-linked companies.

A pressure organisation, the newly formed Christian Ethical Investment Group, this week told church commissioners — who handle the church's R9,8bn assets — that legal opinion contradicted their argument that the church could not lawfully pull out of SA.

Leading UK charity law expert Timothy Lloyd, QC, advised the group that the commissioners had a higher duty than their traditional purpose of ensuring the greatest return on investments to support Anglican clergy.

The group's patron Bishop Richard Harries stressed at the weekend that although the proportion of shares held in SA-linked companies was small, the companies involved employed 17 000 people in SA.

A church spokesman said returns on SA-linked investments made up less than 0,5% of its total annual income of R503,1m.

Church investments included shares in ICI, GEC, Beecham, British Oxygen, Shell and BP.

Sanctions turn SA into capital exporter 'when we can least afford it'

CAPE TOWN — The most visible and quantifiable impact of international economic pressures exerted against SA had been the debt standstill and the restrictions on credit, Finance director-general Chris Stals said yesterday.



● STALS

He told a conference reviewing SA's prospects over the next five years that it had forced the country into being a net exporter of capital at a time when it could least afford it, with capital outflows amounting to more than R20bn during the last three years.

That amount had to be drawn from scarce domestic savings when it could have been better used for SA's own domestic economic development.

More difficult, if not impossible, was to quantify the effect of these sanctions and disinvestment measures imposed against SA.

Stals said a major negative effect of

CHRIS CAIRNCROSS

the disinvestment campaign was that it had led to large amounts of investment capital being absorbed in the buy-outs of existing undertakings within the country, instead of being applied to new investment.

He said: "In the process, the domestic economic growth rate was affected, in spite of the fact no direct outflow of capital was imposed on the balance of payments."

There had been a general underestimation of the resilience of the economy to those pressures and, particularly, of the extent of the upswing of the recent recovery phase of the economic cycle.

Although GDP had increased at an annualised rate of only 2,5% to 3% during the past 18 months, total domestic expenditure in nominal terms during the first half of 1988 shot up by more than 10% above the levels recorded a year previously. Real gross national income increased by more than 5% a year over the same period.

Stals said the total absorption of goods and services per capita and total wealth as measured by GNP should be remarkable increases, in spite of the economic pressures from abroad.

The "new" situation in SA's international economic relations had been clearly illustrated by the fact that the traditional inflow of capital that usually occurred during an expansionary phase in the business cycle failed to materialise.

● See Page 3

Pro-sanctions states 'trading with S Africa'

8/11/88

BONN — Only one African country which preached sanctions against South Africa last year did not trade with the Republic, the Deputy Minister of Foreign Affairs, Mr Kobus Meiring, said in Bonn yesterday.

Speaking during a South African Embassy-sponsored seminar on "South Africa after apartheid — the options", Mr Meiring said recent contacts between the Government and certain African countries made a mockery of charges that the Republic was destabilising the region.

Earlier, Mr John Mavuso of the Transvaal Provincial Executive criticised West German religious and government agencies for the "negative and wasteful" subsidisation of lawyers who made a living out of keeping reform opponents out of jail.

"Instead, they should invest in positive projects like black housing, which is a worthwhile contribution to providing a stable South Africa." 280

The Deputy Governor of the Reserve Bank, Dr Jan Lombard, said recent financial measures taken by the Government were aimed at making South Africa's reserves more "productive". — Sapa.

280 B/Story 9/11/88

FINANCE

Anti-SA investment index planned

LONDON — Global equity investors who are anxious to avoid companies directly connected with SA will be served by a novel set of market indices to be launched at the start of next year.

The "South Africa-free" indices, which exclude companies that invest directly in the Republic, cover industries, countries and industrial regions and are based on the FT-Actuaries World Indices. They are being jointly compiled by County NatWest WoodMac, the UK securities firm, and Goldman Sachs, the US investment bank.

The information on companies' SA links is being supplied by the Investor Responsibility Research Centre (IRRC) in Washington, an independent body funded by annual subscriptions from more than 350 mainly US institutional investors.

Own Correspondent

The purpose is to offer a solution to global portfolio managers who have come under growing pressure in recent years to ensure their funds avoid investing in companies with SA links.

"We've had a very high level of response to our plans," says Symon Bradford, quantitative analyst with County NatWest WoodMac in Edinburgh.

Funds

More than half the 98 local authority pension funds in the UK which have large investments in SA have policies restricting links with the Republic, according to the Pensions and Investment Resources in London.

The issue is also of increasing importance in the US, where pension funds are forecast to triple their assets invested abroad from $50bn at the end of last year to $150bn by 1992, according to consultants InterSex research.

Although there is no national US legislation, 22 of the 50 states and 55 cities have adopted some sort of restriction on public employee pension fund investments in SA-linked companies, says David Hauck, senior analyst at the IRRC. Endowment funds at 150 colleges and universities also operate under restrictions.

"The estimates of the value of funds under some kind of SA restriction are $30bn to $40bn, or one to two percent of the value of the US equity market," he says.

By excluding companies with direct investments in SA, the planned indices show a dramatic shift in certain markets' share of world capitalisation.

Japan

Most striking is the increase in Japan's weighting to 50% of the global market (as at the end of August), and to 76% of the Euro-Pacific index. This is because Japanese companies are banned by law from direct capital investment in SA, although many do have trading connections with the Republic.

However, direct investment appears to be the accepted criterion for the new index among fund managers, Bradford says. — Financial Times.

No sanctions, repeats Chalker

Star 7/11/84

BULAWAYO — British Minister Mrs Lynda Chalker, fresh from talks with Zimbabwe President Robert Mugabe, an unwavering advocate of sanctions against South Africa, yesterday reaffirmed Britain's staunch opposition to sanctions.

She told a meeting of businessmen in Bulawayo: "We strongly believe that the right way forward is through dialogue," Ziana news agency reports.

Mrs Chalker, Minister of State in the Foreign and Commonwealth Office, had an hour-long meeting in Harare with Mr Mugabe on Monday, details of which were not disclosed.

In her address, she said apartheid overshadowed each and every consideration in southern Africa.

"I know that Britain and Zimbabwe have disagreed on how to bring about change in that troubled country. But we are in full agreement about the urgent need for change," said Mrs Chalker, who leaves today for Botswana.

"We do not think sanctions will remove apartheid," said Mrs Chalker.

She said that, whatever the immediate prospect in South Africa, there were positive developments in the southern Africa region. "I am speaking in particular about the Angola/Namibia negotiations.

"Under positive United States mediation, progress has far exceeded expectations since the first meeting between Angola, Cuba and South Africa." — Sapa.

Japanese car supplies face sanction snags

By Michael Chester

The squeeze by Japan on supplies of motor components to South Africa has been confirmed by the National Association of Automobile Manufacturers in its latest quarterly report to the Director-General of the Department of Trade and Industry.

Under growing political from sanction lobbies, the Japanese government has asked suppliers to restrict deliveries to 1987 levels.

An even faster escalation in the cost of imports from Japan results from the slide in the rand exchange rate with the yen.

Price increases on components flowing in from Japanese suppliers bounded higher by 9,8 percent in the September quarter alone compared with price rises of 3,9 percent on components from West Germany.

Domestic inflation compounded pressures on retail prices. Naamsa reports that during the September quarter alone prices of locally manufactured components climbed between 3 and 5,8 percent.

So far this year, says Naamsa, vehicle sales and business conditions have been better than expected, with sales volumes still showing significant increases in the September quarter compared with a year ago.

The dominant influence has been the stimulant from replacement demand by corporate fleets and the car rental sector. But Naamsa believes that exchange rate and production cost pressures have also encouraged a "buy in advance" psychology among motorists as a whole.

That combination, it believes, may keep vehicle sales reasonably buoyant over the next few months.

However, it goes on, the more difficult phase into which the economy appears to be heading is bound to have a negative impact on sales.

'Disinvestment' talks with CWIU

ALAN FINE

MOST of the 39 multinationals against which the Chemical Workers' Industrial Union (CWIU) declared a dispute over refusal to negotiate a "disinvestment procedure" have now agreed to do so, a CWIU spokesman said yesterday.

However, 10 companies, controlled by BP, Mobil, Maybaker and Shell, had continued their refusal to hold talks, he said. Twelve companies had agreed to meet the CWIU in a multi-party forum, another 12 would negotiate at plant level, and five had not yet responded.

Spokesmen for Mobil and Shell said disinvestment was not an issue for them, therefore talks over their withdrawal were pointless.

The dispute originated in July 1987 when the CWIU forwarded to the companies wide-ranging proposals which would become operational if they disinvested from SA.

Unidev steps in as giant US computer firm leaves

CHERILYN IRETON

THE SA operation of disinvesting US corporation Control Data (CDC) has been scooped up by Unidev, the Cape-based investment banking group.

CDC's decision to withdraw its investment in SA was announced in Johannesburg and in Minneapolis yesterday.

The price tag on CDC — which specialises in large mainframe computers — remains a mystery, but the deal is expected to boost the turnover of Unidev's unlisted computer and electronics division to R150m a year, Unidev chairman Geoff Grylls said.

In terms of the transaction Control Data, which has been in SA for 24 years, changes its name to Corporate Data Control with immediate effect.

The American parent will retain a legal entity in SA to continue its social responsibility programmes.

About 15% of the equity remains with local management and staff, headed by newly-appointed MD Ian Wilkinson.

Payment has been structured in tranches to ensure continued supply of technology and equipment. In the event of sanctions being imposed by the US company within an effective 10-year period, Unidev will not have to meet any further payments.

Grylls says Unidev went to the US seeking likely disinvestment candidates.

"Control Data was a clear cut mainframe company that not only suited our broad plans and corporate culture but provided the ideal base from which to catapult our plans for our existing computer investments."

Unidev was in the throes of reorganising this division ahead of its eventual listing on the JSE at the time the deal was initiated.

The sale to Unidev is expected to wipe out any doubts over the continuation of supply of Control Data products.

Unidev shares, which were suspended while the announcement was being made, will be relisted this morning.

R5-m is relief for 'Hunger'

By Dawn Barkhuizen

Donations totalling R4 million from the United States and Germany, and an additional R1 million donated locally, have provided 11th hour relief for Operation Hunger.

And prize money for the Gold Rush V contest will be held in trust until the competition closes on December 24.

For the past two months, Operation Hunger has had to reduce rations by R200 000 a month and delay re-implementation of school feeding in KwaZulu.

Despite the recent donations, however, Mrs Ina Perlman, the executive director, predicts an even more gloomy scenario for 1989, particularly if total sanctions are applied.

"Total sanctions in the first six months of next year could result in more than 80 000 people losing their jobs which will give us almost 2 million people to feed," she warned.

The organisation is feeding 1,3 million people and is faced with 310 295 immediate appeals for food.

Union makes progress on pull-out issue

By Mike Siluma, Labour Reporter

The Chemical Workers' Industrial Union (CWIU) has reported a breakthrough in its 18-month-old campaign for the establishment of a disinvestment procedure for foreign oil companies.

The union has been demanding that foreign companies agree to negotiate a pull-out procedure in case they decide to leave South Africa.

A statement by the union said out of 39 companies with which it has been in dispute, only 10 had refused to start talks on the issue. It named the companies refusing to talk as Shell, BP (SA), Mobil and Maybaker.

"Maybaker aside, these companies are among the largest of the multinationals operating in South Africa. Much of their conscience money is poured into so-called social responsibility programmes. However, on the question of the security of their employees if (the companies) leave the country, they refuse to negotiate," said the CWIU statement.

A spokesman for Shell said yesterday that talks on a disinvestment procedure would be pointless because the company did not intend to leave the country.

According to a Mobil spokesman, the company could not talk to the CWIU on the issue because disinvestment was not an issue for the company.

Maybaker's personnel manager, Mr H W Warneke, said the company had received assurances from its British parent company, Rhone-Poulenc Ltd, of its "commitment to maintaining (its) business presence in South Africa".

BP comment was unavailable at the time of going to press.

'Call for sanctions incomprehensible'

Strikes cost SA 5,8-m man-days

Star 14/11/88

280

By Jon Qwelane

South Africa lost 5,8 million man-days due to industrial unrest last year, according to the Director-General of Man power, Dr P J van der Merwe.

The time was lost in 1 148 strikes and work stoppages, and some 591 000 workers were involved in the industrial unrest.

But the position seemed to have improved in the first six months of the year, in which 141 000 man-days were lost in 321 strikes which were reported to the department.

Dr van der Merwe gave these statistics when he addressed the annual conference of the South African Federated Chamber of Commerce in Maritzburg.

He was alarmed by the intimidation of workers to coerce them to participate in illegal strikes, stayaways and boycott actions, the risks to workers' job security, and the loss of income for their personal and family needs.

Another alarming feature was the "myopic reticence of certain trade union leaders" to engage in discussions and consultations at official level on policy, legis lative and other manpower issues or to serve on official bodies such as the National Manpower Commission, Dr van der Merwe said.

An "incomprehensible development" was the call for sanctions and disinvestment by some South Africans, including "lamentably" trade union leaders. The calls for sanctions were made despite the many positive developments in manpower and other fields, and the opportunities for constructive engagement in policy and other matters.

Programmes

A further disturbing development was the "internationalisation" of labour matters in South Africa, and the intensification and broadening of action programmes against the country by international organisations and individual governments

He said. "The International Labour Organisation's 'Programme of Action against Apartheid' which was updated this year, and the activities of its 'Conference Committee on Action against Apartheid' are of particular concern.

"Also of extreme consequence is the Comprehensive Anti-Apartheid Act (1986) in the United States, and the latest proposed amendments to it embodied in the Dellums/Wolpe Bill of 1988."

The growing polarisation of the workforce was a worrisome trend, Dr van der Merwe said, because it put the trade union movement and employers into separate camps.

The recently promulgated Labour Relations Amendment Act had been widely criticised in some local and overseas quarters despite the fact that "it is largely based on an exhaustive investigation" and reports by the National Manpower Commission.

Dr van der Merwe said he believed it was the labour field, more than any other, which provided opportunities to improve relations.

CP undeterred by sanctions threat

PETER DELMAR

THE CP was concerned about the consequences of sanctions, but would not abandon plans to implement its segregation policies because of the dictates of foreign countries, a party spokesman said yesterday.

CP organisation director Andries Beyers said the CP, like any responsible party, wanted to avoid sanctions and disinvestment from SA.

He said: "But we cannot abandon our policies just because some overseas countries demand certain things of us. They must learn to mind their own business."

More than 400 CP councillors agreed at the weekend to re-introduce petty apartheid in about 90 cities and towns under its control. However, Beyers said the media had painted a negative picture of the party's plans.

He said. "Apartheid signs are not CP policy. Our policy is not about throwing blacks out; it is a question of creating separate facilities. Integration only causes friction and this is a means of ensuring good relations between the races."

Beyers said the NP was trying to terrify voters by threatening them with sanctions.

"We will obviously not invite sanctions. However, we have a mandate from our voters and we are concerned about seeing that mandate is implemented."

Japanese trade restraints hit office machine supply

Finance Staff

Major Japanese office equipment exporters have closed the door on South Africa since the beginning of October, says Mr Terry McLintock, chairman of Canon SA, distributors of Canon office equipment.

He predicts that restrictions, a sliding rand, new import surcharges and higher interest rates will force a price hike of 10 to 15 percent early next year.

Mr McLintock, who has just returned from a visit to the Far East, says Japanese manufacturers intend placing a damper on the export of office equipment to SA in the fourth quarter to make up for the surge in exports in the first nine months of the year.

Japan, in accordance with sanctions requirements, has undertaken that exports to SA in this year will not exceed those of 1987. But soaring demand boosted imports of fax machines by 61 percent in the first five months of the year, compared with the same period last year.

Imports of fax machines in the first quarter totalled 12 505, second-quarter imports rose to 14 500 and an estimated 15 000 units were landed in the third quarter.

Mr McLintock says the surge has caused great embarrassment to Japanese manufacturers, who exported a total of 20 000 units in the whole of 1987.

"There is no question the Japanese want to play down the major trade connections with SA and have laid down objectives to become a minor trading partner."

Mr McLintock, whose company supplies 23 percent of SA's fax requirements and 21 percent of the national copier market, predicts that the tougher Japanese strategy will cut 1989 office equipment exports to about 80 percent of 1987 levels.

He says these developments, coupled with the sliding rand, mean a complete turnaround for the industry, with sourcing posing a serious problem for local suppliers.

"Suppliers will have to seek alternative sources and this means a brokerage fee of 5 to 10 percent. This is a definitive setback for the industry that will hit smaller suppliers and bring about a maturing of the fax market industry in the new year."

He says the industry's major growth in the Far East lies in the bottom end of the market where a proliferation of cheap machines is finding ready sales.

Unions challenged on pro-sanctions views

By Mike Siluma, Labour Reporter

Black South African trade unions were yesterday challenged to demonstrate that they have rethought their pro-sanctions standpoint.

The call was made by Mr Johann Liebenberg, the Chamber of Mines' senior general manager of external relations, when he was addressing the "*Financial Mail*" investment conference in Johannesburg.

Examining the achievements of black trade unions during 1988, Mr Liebenberg said that, by and large, collective bargaining had triumphed, with unions in many sectors, including the mining industry, reaching wage and conditions of service agreements without resorting to industrial action.

He said negotiations in the metal industry, which ended in a strike by 30 000 workers, ran counter to the general trend.

One of the unions' main achievements, said Mr Liebenberg, was the establishment of company and industry-wide shop stewards' councils.

Unions had, however, failed to restore membership to 1987 levels, or to raise it above those levels.

Turning to the union's stand on sanctions, Mr Liebenberg said a growing number of unionists had privately realised that sanctions were "not producing the results the union strategists anticipated".

Unions had to demonstrate to members that they cared about the retention and creation of jobs and the improvement in members' working conditions.

"The time has arrived (for unions) to demonstrate publicly that they have re-thought on sanctions and no longer believe that sanctions are the answer," Mr Liebenberg said.

The art of earning Sullivan brownie points

Some intriguing pursuits can earn a company good behaviour stars from the Sullivan code: a tour of the black township for white staff, for example ...

HILARY JOFFE reports

COMPANIES which subscribe to the Statement of Principles (formerly the Sullivan Code) spent R22-million and over 25 000 employee-days in the last year on efforts to eliminate apartheid.

According to the 12th annual report on the Signatory Companies, released this week, this activity included lobbying, anti-apartheid negotiation and legal assistance.

Their efforts comply with the principles proposed by the Reverend Leon Sullivan in 1984 to ensure that companies should be active in the field of "social justice".

But from the report — which deals with the year ending in June — it seems that their interpretation of the principle is far from coherent. Companies engage in a diverse range of activities to score the "brownie points" required by the SOP evaluation.

"The importance of the Legal Aid Centre to the community cannot be overstressed ... The company assists with the day-to-day financial controls," is one statement.

"White staff were taken on a tour of Tembisa Township (where most of our black employees live) to show them the conditions in which blacks live," is another.

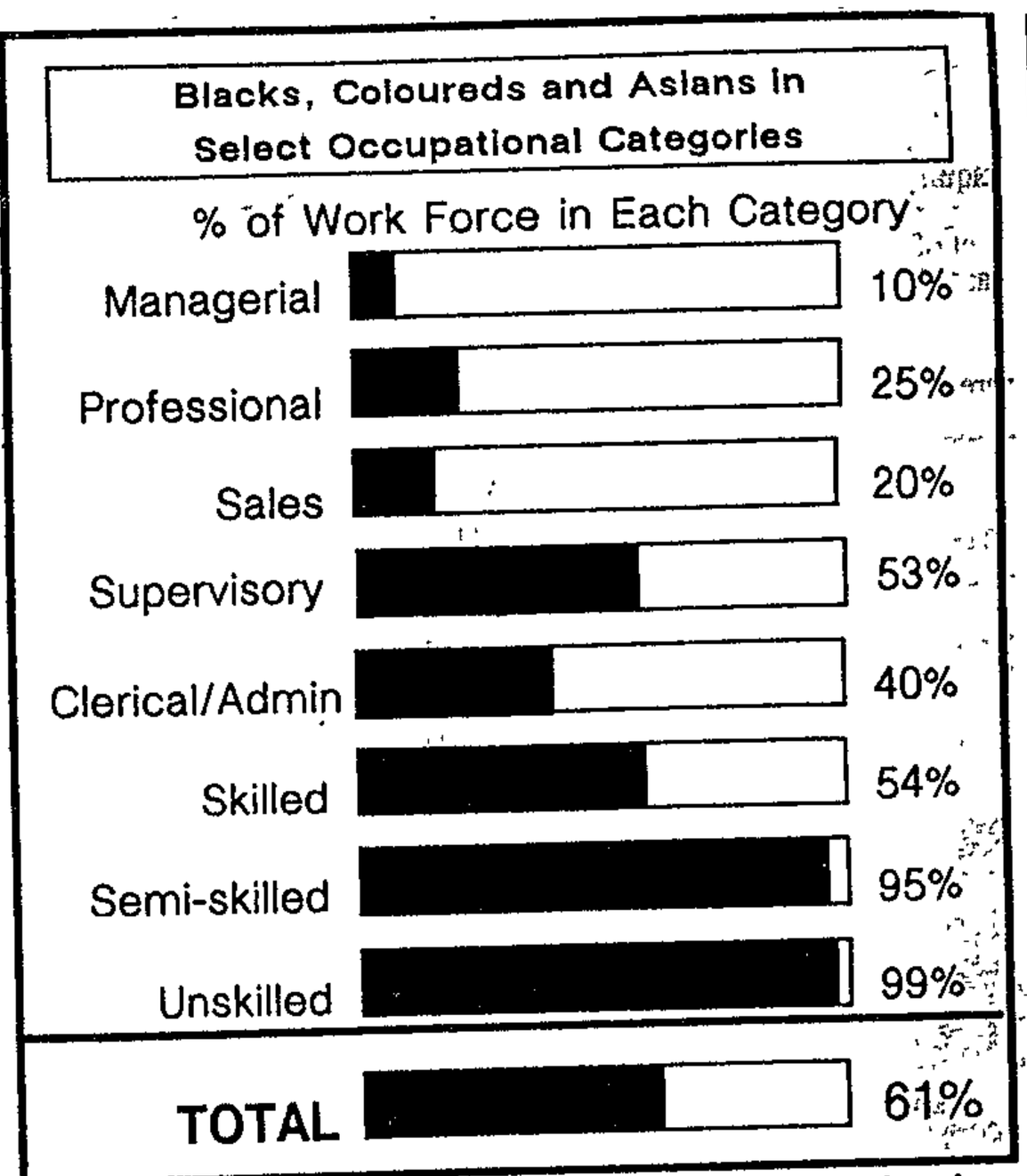
And in another company, "a Black Steering Committee was established to help guide programme development and implementation. Members of the committee were urged to ascertain the needs of the local communities ..."

One company reports its "Affirmative Coordinator" wanted to take a multiracial group of children to the Krugersdorp Game Reserve but discovered it was open only to whites. He lobbied the town council successfully to open the reserve to all races groups.

One company has run workshops in which students "share in each other's religions, cultures and problems", while another last year lobbied East Rand businesses displaying discriminatory signs to remove them.

Action in this category also includes such activities as helping individual employees with problems related to "homeland" citizenship or township rent boycotts.

What one can read between the lines of the report is that the companies are beginning to grapple, sometimes without much political sophistication, with what their role in bringing about change in South Africa should be.



The results of black advancement programmes in signatory companies: 10 percent of managers are black

comments in the report suggest there's been a move to greater consultation, with employees and community leaders, on how this money should be spent.

In terms of the SOP, companies have to meet basic requirements related to non-discriminatory policies in the work place. They are also evaluated in four "action areas": education, training and advancement, community development and social justice. They have to prove they've contributed both time and money to activities in these areas.

The signatories contributed R28-million and over 18 000 employee days "to further the education of Blacks, Coloureds and Asians who were not their employees," the report says.

The report identifies new trends: companies are becoming involved in education programmes for rural black people, in career guidance in schools and in non-racial pre-schools.

Signatories contributed more than R35-million to community development, of which R10-million went to assist black businesses. Other projects in this field include housing, health and welfare, civic activities and recreation. The companies' housing efforts are devoted largely to assisting with home-ownership for their own employees

About 48 percent of black employees of signatory companies now own their own homes, a 20 percent increase on last year, the report says.

But overall social spending by the signatories has decreased as their numbers have fallen as a result of disinvestment. Between July 1987 and July 1988, the number of signatories dropped from 92 to 70. The number of their employees dropped from 43 900 to 33 451.

All the new South African owners of the disinvested companies have refused to continue subscribing to the SOP. "No continuing operation in South Africa of a signatory, which has withdrawn this year, remained as a signatory," the report says.

The 70 remaining companies contributed a total of R86-million.

Money contributed to programmes in the categories of social justice, education for non-employees and community development showed no increase on last year's figures.

Individual areas where spending did increase were Adopt-a-School programmes (which now cover over 284 000 students) and assistance to black businesses. The companies also increased their purchases of goods and services from black-owned enterprises from R27-million to R45-million, although this is not counted for "brownie points".

The Statement of Principles obliges them to spend a certain amount of money — about 12 percent of their payroll — on social responsibility if they are to attain a good rating. And

Raymond Ackerman on anti-sanctions mission in US

Cape Times 16/11/88 280

Staff Reporter

RAYMOND ACKERMAN, chairman of Pick 'n Pay, left SA yesterday on a two-week anti-sanctions mission to the US.

He will deliver a post-election address at the Carnegie Institute's New York forum on Tuesday, meet two small groups of Democratics and Republicans, and address the Michigan State University.

Shortly before his departure yesterday afternoon, Ackerman said that his Carnegie Institute address will deal with the steps taken by SA businessmen to eliminate discrimination and reasons why sanctions should not be imposed.

Ackerman said: "My view is that SA businessmen have already created a slight swing in the pendulum against SA. It is important that this continue with the Bush Administation.

"Economic development is the only way to eliminate discrimination. It can't be done through starvation".

Ackerman said he was very honoured to have been invited by the Carnegie Institute to address the future leaders of America about issues which arose from growing economic interdependency, as well as myths surrounding sanctions.



Raymond Ackerman

"The primary goal of the institute is to contribute to enlightened policy and management decision-making by stimulating the exploration of values and ethics in politics and business and applying these norms of justice to international economics," he said.

Ackerman has repeatedly called on businessmen in recent years to fight harder to get the government to abolish every aspect of apartheid and dismantle the Group Areas Act.



John Pile has been appointed deputy MD of Priceforbes Federale Volkskas Special Risks.

Krugerrands

Cape Gold Coin Exchange

	Buyers	Sellers
1 oz	1185	1190
1/2 oz	600	605
1/4 oz	305	310
1/10 oz	120	125

Pressure to tighten oil trade with SA

AMSTERDAM — Anti-apartheid movements are putting more pressure on European parliaments to tighten the oil embargo against South Africa.

This follows a move on July 7 this year in which the European Parliament asked its 12 member-countries to disengage from the petroleum trade with South Africa. — The Star's Foreign News Service.

SANCTIONS: SACC VIEW

THE South African Council of Churches resolved as far back as 1984 to call for comprehensive sanctions against the Government.

In a statement, the SACC says "it is our considered view that if there is anything that can force the South African Government to abandon its belligerent defence of apartheid, it is a drastic reduction on the amount of resources available to it to pursue war against its own people and neighbouring countries.

"It is in that sense that we strongly believe that honestly applied sanctions can be helpful to those of us who seek change in South Africa with minimal bloodshed". Sowetan 16/11/88

It adds that the internal crisis of the apartheid state has led to increasing pressure on transitional companies operating in South Africa to withdraw their involvement in and support of the "apartheid economy".

The SACC said: "The disengagement of companies from South Africa hitherto has been designed to prove, firstly, that sanctions do not work and secondly that, as the argument goes, sanctions hurt blacks more than whites."

Economy

It said disinvesting companies have tended to strengthen apartheid by measures ranging from increasing the monopolisation of the economy to drastic reductions of the gains that workers had made at great cost.

"It is in the context of the above observations and concerns that we viewed with extreme concern the proposed restructuring of Control Data in South Africa.

"We have reason to believe that in the restructuring imminent within Control Data decisions are being based on racial considerations instead of accepted business practices."

The SACC had drawn to the attention of the company that trade unions and other concerned organisations in South Africa have worked out a procedure in the interest of justice and fairness and said they requested the mother company in the United States to monitor the situation on the SACC'S behalf.

"We pray and hope that this appeal made by us in good faith in order to avoid a situation that could be nasty will meet the company's favourable consideration."

Govt critics under fire

Political Correspondent

PRETORIA. — The government yesterday stopped short of agreeing to the summary withdrawal of passports of all South Africans calling for boycotts against the Republic.

The Minister of Home Affairs, Mr Stoffel Botha, told the delegates at the NP's Transvaal congress here that the mere withdrawal of a passport could not in itself prevent a person's "undermining propaganda" getting abroad.

He was replying to a resolution calling for punishment of people "guilty" of any boycotts or boycott calls by the withdrawal of their passports and curtailment of media reports about such individuals.

Mr Botha said while that resolution had definite merits and was well founded, its implementations would not necessarily have the desired effect.



Mr Stoffel Botha

Indeed, experience had shown that there was sometimes an even greater demand for the views of individuals once their passports had been refused or withdrawn.

Mr Botha also said that attempts to muzzle the media in relation to those who had their passports withdrawn could give rise to more pratical problems than it could resolve.

Mr Botha said a passport was a privilege and not a right.

However, it would be unwise to apply these guidelines in a rigidly prescriptive manner.

More "subtle agents" were the practitioners of a certain type of journalism that demonstrated everthing but patriotism toward the fatherland.

In this regard, Mr Botha singled out the largest daily newspaper in South Africa, The Star.

Citing various reports from the newspaper dealing with conscription, the police, the SADF and the ANC, he said they raised questions about the loyalty of those responsible towards South Africa.

"This newspaper must be careful that it does not walk the path of the Rand Daily Mail," he said.

280 B/day 17/11/88

NEWS FOCUS

Why SA companies seek foreign footholds

LONDON — SA companies are expanding abroad as disinvestment, sanctions and the threat of future turmoil slows the country's economic growth.

But if Minorco's case is any example, SA companies which make publicly-disclosed offers are likely to face growing resistance from anti-apartheid campaigners.

Bidders who have been doing deals quietly or acquiring smaller companies have attracted less attention. But Minorco is making headlines because it represents an attempt by a company with ties to the world's biggest gold mining group, to buy the second biggest in what would be Britain's largest-ever takeover.

Minorco's £2,9bn bid for ConsGold not only raises monopoly questions, but has also sparked a row over the extension of SA control to gold production in the US and the Pacific region.

The offer has been temporarily blocked by the British government and by a US Federal Court judge in New York. It is also being reviewed by the SA government and the European Commission.

Papua New Guinea's PM Rabbie Namaliu has warned he would require Minorco to divest itself of ConsGold's Papua New Guinea interests, saying: "We cannot allow this apartheid regime to benefit from our rich resources."

ConsGold has mounted intense lobbying against the bid, saying, among other things, that Minorco's SA connections would hurt its operating companies.

But ConsGold holds SA interests of its own, and gets heavy flak about it from some of its own shareholders.

Harry Oppenheimer told the Sunday Telegraph: "I find it unbelievable to be attacked on the grounds of SA connections, particularly by a group which has been very active in SA and which certainly hasn't been in the forefront of opposition to apartheid policy."

Sanctions

Brian Bolton, a UK-based writer on SA topics, said SA companies were looking abroad because their economy was growing slowly as a result of apartheid, disinvestment and sanctions.

The US, Japan, France and Denmark had imposed sanctions ranging from trade embargoes to refusing to extend loans, and many foreign corporations had sold off their SA interests.

In addition, Bolton said, South Africans "can see day in and day out that the turmoil of what they describe as the worst kind comes closer and closer. At some stage they have to act to protect their own interests."

Britain would be a particularly attractive haven for SA companies because PM Margaret Thatcher steadfastly opposed sanctions, he said.

Another SA company, Rembrandt, recently spun off its Richemont group of non-SA interests.

Richemont has listed its shares on the Swiss stock exchange and it has no operational ties to SA, but is still effectively controlled by the Ruperts.

The Ruperts say they want to establish a presence in Europe before 1992 when the EC becomes a single, barrier-free trading bloc.

Jan du Plessis, Richemont's finance director in Zug, Switzerland, also cited SA government restrictions which made it difficult to raise funds publicly, as well as the impracticality of having headquarters far away in SA.

Other SA companies setting up footholds abroad include Liberty Life, FSI and Malbak's Abercom group. — AP-DJ.

Star 7/4/85 (280)

Granting of passports poses heavy problems

Political Staff

The Government had to weigh South Africa's security interests against international reaction to the withdrawal of passports, Minister of Home Affairs Mr Stoffel Botha said yesterday.

He was reacting to calls from delegates at the National Party's Transvaal congress for the withdrawal of passports of people who held talks with the ANC, or called for sanctions against South Africa.

Mr Botha said the withdrawal or refusal of a passport had always been a sensitive issue.

"It can lead to the creation of a martyr image, and give the (affected) person undeserved publicity."

But issues such as the attitude of the person towards sanctions and boycotts, discussions with banned organisations in foreign countries, support of revolution, sabotage or violence against the State, the collection of funds to support banned



Mr Stoffel Botha ... difficult decisions.

organisations were taken into account.

Within this broad framework, each case had to be decided on its merits, taking into account internal and foreign circumstances.

It would be wrong to be unbendingly prescriptive.

Mr Botha said he could identify with criticisms of Archbishop Desmond Tutu, who had encouraged sanctions without he or his family suffering any privations.

Mr Botha gave no indication of whether he was intending to withdraw the archbishop's passport.



ves in South Korea as 10 000 march on rday against US agricultural imports.

'Sanctions are crippling us'

BONN — Sanctions were crippling black SA communities even more than apartheid was, Mangosuthu Buthelezi said yesterday.

The KwaZulu Chief Minister and Inkatha president, who was due to meet West German Foreign Affairs Minister Hans-Dieter Genscher last night, was speaking during round-table discussions with officials of the Konrad Adenauer Foundation in Bonn.

He commended the foundation for pursuing "its commitment to improving the lot of poor black people" while major forces in Europe and America swung behind the sanctions campaign

Buthelezi said the highest praise he could give any agency or development organisation in the West was to say that it helped the oppressed people of his country "to do what they wanted to do to combat their own bondage"

He said although it was present "on the ground where the real battle is being fought", the foundation had never become involved in the internecine confrontations in the black community

"Sanctions cripple black communities even further than apartheid has managed to cripple them," Buthelezi said — Sapa.

Americans eye Transkei

ROBERT GENTLE

THE major obstacles to US investment in Transkei were ignorance and misunderstanding among Americans.

"This ignorance breeds fear of what might happen to such investments," said Howard Phillips, head of a delegation of 90 US business executives currently visiting Transkei.

Phillips is a leading member of the Republican Party. The delegation, which includes investors and political activists, are in SA at their own expense.

"Many of them have already made a lot of money and are now looking for a place to invest it," Phillips said, adding that some of them would be coming back in the next few months after studying the investment incentives presented to them by the Transkei Development Corporation.

For too long, he said, there had been an element of hypocrisy on the part of the US government, which had handed out large sums of money to "corrupt, Marxist regimes all around the world".

It was in places like Transkei, with its firm commitment to free enterprise, that both the US government and private investors should be putting their money, Phillips said

He acknowledged the limited ability of his delegation to change US government policy on Transkei, but said efforts at greater awareness could break down some of the barriers

"One of our members, a stockbroker with some 14 000 clients in the US, will be talking about Transkei in his next newsletter," he said

Smith: more freedom in SA

Star 19/11/88

HARARE — Former Rhodesian leader, Mr Ian Smith, back from his anti-sanctions-against-South Africa tour of Britain and the United States, claimed yesterday there was more freedom in South Africa than in Zimbabwe, Ziana, the national news agency, reports.

Referring to a call by a Minister of State to bar him from returning to Zimbabwe in view of his pro-South African comments abroad, he said the South African Government had not suggested similar action against its critics.

"That clearly indicates there is more freedom in South Africa than in Zimbabwe," he said.

He defended detentions in South Africa, saying the country was at war. He also defended South African sponsorship of the MNR in Mozambique.

Acknowledging that his Rhodesian regime played a part in establishing the MNR, he said "They set themselves up. We encouraged them, because we had a common enemy. South Africa had a common enemy. What would you have done under the circumstances?"

Asked why he did not leave Zimbabwe and move to South Africa, he said it was a matter of principle. He was born here and would like to try to change the situation here, he said.

Asked whether he would leave if he was allowed to take his assets with him, he said "I haven't faced up to that one." — Sapa.

Need to improve marketing

SA important market for UK UKSATA

By AUDREY D'ANGELO
Financial Editor

SA is still regarded as one of Britain's most important markets the chairman of the UK SA Trade Association (UKSATA), Sir Keith Stuart, said in Cape Town yesterday.



Keith Stuart

"This is not only because of its size — exports to SA are worth £100 000m a year — but because it is a market in which we have a long-term stake. We have been exporting to SA for decades and it is a market we want to maintain and possibly increase."

Stuart, who is chairman of Associated British Ports Holdings, is leading a high-powered UKSATA delegation to this country. The seven members are all prominent in business in Britain and some have operations in SA.

Interviewed in a city hotel, Stuart and UKSATA executive director Nick Mitchell, said although there were short-term and medium-term difficulties they saw the whole of Southern Africa as "a growth area in the long-term".

Discussing the present weakness of the SA economy, Mitchell commented: "SA is not getting poorer — it is just not getting richer fast enough."

They saw the present weakness of the rand as an opportunity for exporters but they emphasized that SA firms would have to improve their marketing and merchandising.

"There are clearly problems with the balance of payments (BoP) but I don't think British business regards them as long-term," said Stuart.

"The UK itself has learnt to live with and through BoP problems, and we have become very practised at exporting hard to maintain our standard of living.

"We would expect SA exporters to step up their exports now."

They saw lack of expertise, rather than sanctions, as the main problem with this.

"SA exporters could do quite a lot better with better marketing," said Mitchell.

"Britain and Western Europe are sophisticated markets which respond well to a good product well packaged and well merchandized. There is more that could be done by SA exporters."

Pointing out that the British economy was expanding — "there has recently been a touch on the brake but that was a mid-course correction, not a real reversal" — Stuart said that meant there was more opportunity for exports.

There should be better marketing of some of SA's traditional products. Fruit was well marketed but "wine is badly promoted and marketed. The impression one gets is that it is so nice you don't want to sell any."

Said Stuart: "There is quite a lot of skill in contingency planning in case the sanctions situation gets worse. But actually addressing the distribution system in the country they are selling to is something SA exporters have got to get right."

They said that British business understood that sanctions had an adverse effect on the standard of living of the majority in SA. Nevertheless, it was important to see continued real progress with a continuing improvement in conditions.

Emphasizing: "We are not here to tell the SA government how to run the country," Stuart continued: "The attitude of the British public and therefore of the British government, and their continuing opposition to sanctions, does depend on real progress.

"Without that, it would be difficult to justify our opposition to sanctions. Our anti-sanctions policy has to show results."

Sanctions shut uranium mine

REINIE BOOYSEN

THE sanctions noose on SA's uranium industry tightened further today as Chemwes — a Gencor uranium producer held via Stilfontein gold mine — announced it was closing in two weeks because its major customer had unilaterally cancelled its purchase contract.

Gencor says Chemwes is unable to continue operating on a commercially viable basis, and the board has resolved to cease operations by the end of November, 1988.

Although Chemwes has submitted a claim to the customer for compensation, Gencor says it is difficult to determine the effect on Stilfontein's earnings.

In the year to December 1987, Chemwes paid dividends of R16m, 80% or R12,8m of which went to Stilfontein.

Gencor director Brian Gilbertson said yesterday Stilfontein would receive about R5m in dividends from Chemwes this year.

Uranium deliveries to the customer started declining in the September quarter, when Chemwes's profit declined to R827 000 from R3,4m in the June quarter.

In October, Chemwes chairman Johan Janse van Rensburg said the reason for the breakdown of the purchase agreement was sanctions-related. But Gilbertson declined to confirm this yesterday. He said negotiations were taking place with the customer in regard to the terms of the termination.

Gilbertson also declined to disclose the identity of the customer, or the country in which it was based.

Speculation that the customer may be Japanese is backed up by recent reports that four regional Japanese power companies with nuclear energy plants had decided to suspend enriched uranium imports from SA and Namibia by refusing to renew contracts with two uranium suppliers, British-based Rio Tinto-Zinc and SA-based Nafcoal.

Gilbertson said about 350 employees would be affected by the closure. "We are hopeful that we will find jobs for them elsewhere in the group."

Although the world uranium industry appears set for a recovery over the next two decades from the depression following accidents such as Three Mile Island and the Chernobyl disaster, develop-

● To Page 2

Sanctions shutdown for uranium mine

● From Page 1

ments in the SA mining industry signal a gloomy outlook:

☐ Anglo has closed at least one of its uranium conversion plants;

☐ JCI is negotiating with its main customer on future supplies;

☐ Gold Fields has closed its uranium-from-slimes plant and is to spend R10m converting it to a gold-from-slimes project;

☐ Rand Mines' annual report provides a gloomy summary of the industry's outlook: "In addition to sanctions legislation (in the US) banning the importation of SA uranium ore or uranium oxide, there have been several Bills and legal decisions designed to protect and revitalise failing US uranium producers."

This has resulted in a stipulation that domestically produced uranium must in future be consumed by US utilities.

Liberal win in Canada could add to pressure for sanctions against SA

CAPE TIMES 21/11/88

By BARRY STREEK who recently visited Ottawa.

A DRAMATIC swing in voter attitudes in the Canadian elections today could have serious implications for Canadian-South African relations.

Until recently it seemed Prime Minister Mr Brian Mulroney would be returned to power. He was elected in September 1984 with the largest majority in Canadian history, has been strongly critical of South African Government policies and he has introduced limited sanctions measures.

He has also been active in the Commonwealth and other international bodies in campaigning against apartheid.

However, for the time being at least, he favours continued diplomatic links between the two countries but the Liberal Party, the official Opposition which some opinion polls have shown as being in the lead, wants to cut off all links with South Africa, including diplomatic ties.

Interestingly, the more left-wing New Democratic Party, the third major party in Canada, supports continued diplomatic relations but wants the status of the embassies in the two countries reduced.

The Liberal Party, which lost power in 1984 soon after long-serving Prime Minister Mr Pierre Trudeau resigned, was trailing third in the opinion polls and its leader, Mr John Turner, was having trouble rallying the party around him until two three-hour TV debates — one in French, the other in English.

All the opinion polls confirmed that Mr Turner had overwhelmingly "won" the debates in both languages, a sharp reversal from the 1984 debates when Mr Mulroney outshone Mr Turner, who had taken over the Liberal leadership two months previously.

Both Mr Turner and the New Democrat leader, Ed Broadbent, used the TV debates to attack the government's free-trade deal with the United States and for the first time exposed to voters some of the implications of the treaty, which has already been ratified by the US Senate and House of Representatives.

The free-deal would remove many of the restrictions on trade between the two countries and Mr Mulroney argues that this would boost the Canadian economy. His opponents, however, say it will undermine the status of the 120-year-old Canadian confederation as an independent country, jeopardise Canadian social security benefits and negatively affect aspects of the economy.

Mr Turner's strong performance on TV and his crusade against the free-trade deal clearly impressed Canadian voters. Recent opinion polls show the Liberals and the Conservatives level at 39% each.

The New Democrats, running second before the debates, have slipped into third place and the most recent poll puts them at 20% of the electorate.

Some newspapers are now predicting a minority government after today, possibly with the Liberals in control — and if that is the case, it could have significant implications for Canadian-South African relations.

And the Liberal policy on South Africa is unequivocal. Comprehensive sanctions can be expected if the Liberal Party wins absolute control of the Canadian Parliament — or if it forms a minority government.

Uranium producer to close

Finance Staff

The sanctions campaign has claimed a further victim. This time a major uranium producer within the Gencor group will close down in two weeks time.

Chemwes, the uranium oxide producer near Stilfontein, is to cease operations by the end of November 1988.

In a notice to its shareholders, Gencor-subsidiary, Stilfontein, which has an 80 percent interest in Chemwes, says that the major customer of Chemwes has given written notice of termination of its agreement to purchase uranium oxide. In these circumstances, Chemwes is unable to continue operating on a commercially viable basis.

The company would not reveal who the customer is, but local uranium producers send most of their output to Japan.

PRESSURE

Japanese companies have been under pressure from their government to cut links with South Africa.

Recently four Japanese power companies said they would suspend uranium imports from South Africa and Namibia. Uranium imports from South Africa are also banned in the United States.

The announcement also states that Chemwes has submitted a claim to the customer for compensation.

The majority of the company's 348 employees will be offered employment within the Gencor group.

Uranium mines and plants have been hardest hit by the sanctions campaign and both Anglo American and Gold Fields have recently closed uranium conversion plants.

280 B/day 23/11/88

Business must lead the fight against sanctions



☐ ACKERMAN . . . "business leaders must put their own houses in order"

Pick 'n Pay Chairman RAYMOND ACKERMAN addressed future US leaders at the Carnegie Institute in New York yesterday. This is the text of his address

THE IDEA that the best way to end apartheid is through economic growth rather than the devastation of disinvestment and sanctions is at last beginning to take root in Europe and America.

But if this concept is to flourish, every endeavour must now be made by the South African business community to propagate it. Why the businessman? you may ask. Because the business fraternity still has considerably more credibility than the politicians, and therefore its chances of success are considerably greater.

There are four types of action which can and should be taken.

The first, and most important, is for business leaders to put their own houses in order. Unless we are seen to be eliminating discrimination within our own organisations and improving the lot of our black employees, nothing else we do will be taken seriously. We must not hide behind unjust laws but fight against them.

We have got to work actively on industrial relations in this new SA of ours and make it work in a mood of give and take.

As business leaders, we must clearly show that we are here to stay, and that we do not have one foot overseas because of our lack of confidence in the country.

We must learn to share in our businesses through such methods as share allocation schemes.

We must take advantage of the huge influx of people into the cities with the end of the pass laws. This movement of people represents an enormous economic opportunity in that it offers the availability of a greater workforce and a need for the provision of housing, furniture and appliances.

It is essential that we fight with confidence to keep the economy going, because that is the only way we can kill apartheid. We must invest in housing, in bursaries and education, not only for our own employees, but generally. There is crying need in SA.

And we must support organisations like the Urban Foundation, which is developing housing and lobbying government for change. We must put money into Operation Hunger to alleviate poverty, and into the Small Business Development Corporation to create jobs.

Having achieved an improvement in relations with black employees within our own organisations, our second major challenge is to open up channels of communication with black leadership in general.

Business must have as much contact with black leadership in SA as possible, in order to persuade them that investment and growth are the best roads to eradicate apartheid, not sanctions and disinvestment.

This is particularly important, because government is not making any effective contact with them.

In the same way, it is essential that we work closely with black unions in trying to create more understanding between management and workers and to try to convince them that the free enterprise system is better than socialism.

For a base of moral strength, our third task is going out to the world and to persuade people in other countries that disinvestment and sanctions are evil and wrong. To deliberately create hardship and poverty cannot possibly be the right way to change SA.

The role of the businessman in this task is crucial. Politicians are not believed. The businessman has greater credibility. We can talk to our own suppliers and the companies in our own industries abroad. We must go to large industry bodies and lobby for investment rather than poverty and convince them to fight sanctions.

We must also have contact with Democrats and Republicans, particularly after the Bush victory, to show them that constructive investment is the best way to change this country. Sanctions have moved many people to the right and strengthened the right wing. There is no doubt that they have created poverty.

Finally, we — the business leaders — must not stop lobbying our own government for structural change in the economy and to bring down the final pillars of apartheid. We must never stop urging government to cut back on over-spending and reduce bureaucracy. This will make reduced taxation possible so that business can invest with confidence to try to ensure that a strong economy prevails. A strong economy will wipe out apartheid in the end.

We cannot afford to despair. Business has been able to help bring about change in SA, and as a result of our lobbying efforts abroad the pendulum of realism is slowly swinging back.

American companies still in SA are changing their views. They are beginning to believe that it is moral to stay rather than moral to go.

I have seen them allocate money for education and housing which has come out of their American funds.

And I have seen greater realism among Republicans and Democrats in the US, who have now come to see that the Dellums Bill and the sanctions programme would be crippling to the South African economy. There is a distinct change of heart.

We are definitely having an influence, and we have got to go on doing it. We can cover an enormous number of people. Many of our people are already active in using their influence abroad to change people's minds about sanctions. It certainly is not totally co-ordinated — but it is happening.

We now have an even greater responsibility to show the Bush regime that business is indeed fighting against apartheid and fighting for a fairer SA. We can influence the new Bush administration by our contacts far more than the politicians can.

As Paul Johnson has said: "I no longer have the smallest belief in a catastrophic solution for SA. Too many people of all races have too much to lose and too much to gain from the rational alternatives."

Our job is to prove him right.

SOWETAN, Thursday, November 24, 1988



HELEN SUZMAN



DESMOND TUTU

TUTU JUSTIFIED, SAYS SUZMAN

But sanctions are no answer to the problem

ARCHBISHOP Desmond Tutu's challenge to provide an alternative to sanctions was not so much a search for an alternative ideology as it was a practical suggestion to end the apartheid system, says Mrs Helen Suzman, Progressive Federal Party MP for Houghton.

In a letter published in yesterday's *Business Day*, Mrs Suzman said Archbishop Tutu's challenge was justified, "considering it comes from a man who, though an adult South African citizen, head of the Southern African Anglican Church and a Nobel laureate, nevertheless does not have a vote"

She said, however, there was no instant solution which would transform the South African scene, "sanctions and disinvestment notwithstanding

"There is only the long-term effect to economic expansion within South Africa — leading to growth and the creation of jobs These are the factors responsible for the non-cosmetic changes which have already taken place, such as the repeal of job-reservation, the recognition of black trade unions and the acceptance of the permanence of blacks in the urban areas"

The "slowly increasing" economic muscle which blacks could use would redress imbalance in privilege and wealth in South Africa

"This solution is long-term, and understandably blacks want fundamental change now, and the end of apartheid.

"But the alternative will lead to isolation and a wrecked economy

"This may give moral satisfaction to some who oppose apartheid, but the disastrous unintended consequences thereof must be surely weighed in the balance." — Sapa

Preacher's advice for Bush

Star 25/11/88

By CARINA LE GRANGE
Religion Reporter

280

A televangelist and Republican presidential candidate comes out strongly against sanctions.

Apartheid should be dismantled but sanctions should be lifted because they harm blacks, says American TV evangelist Dr Pat Robertson.

Dr Robertson, an internationally recognised Christian leader, is the founder and chairman of the Christian Broadcasting Network and host of the TV news/features programme The 700 Club, seen in the US and 27 other countries.

He arrived in South Africa on Sunday for a week of programmes to be televised to the US via satellite Among those whom he met for the programmes are President Botha, Independent Party leader Dr Denis Worrall, Transkei leader General Bantu Holomisa and Chief Mangosuthu Buthelezi.

"I asked to meet Archbishop Desmond Tutu and Dr Allan Boesak but they both refused I have been greeted and welcomed by almost everybody else in this country," Dr Robertson told The Star.

He and his co-host, Gospel recording artist Sheila Welsh, hosted programmes from Cape Town, Johannesburg, Ulundi and the Kruger National Park

Earlier this year he was a presidential candidate for the Republicans and was active in George Bush's campaign

The advice he would give Mr Bush would be that "75 percent of blacks oppose sanctions as blacks are the victims of sanctions; and that what is rather needed is black empowerment through educational and financial assistance".

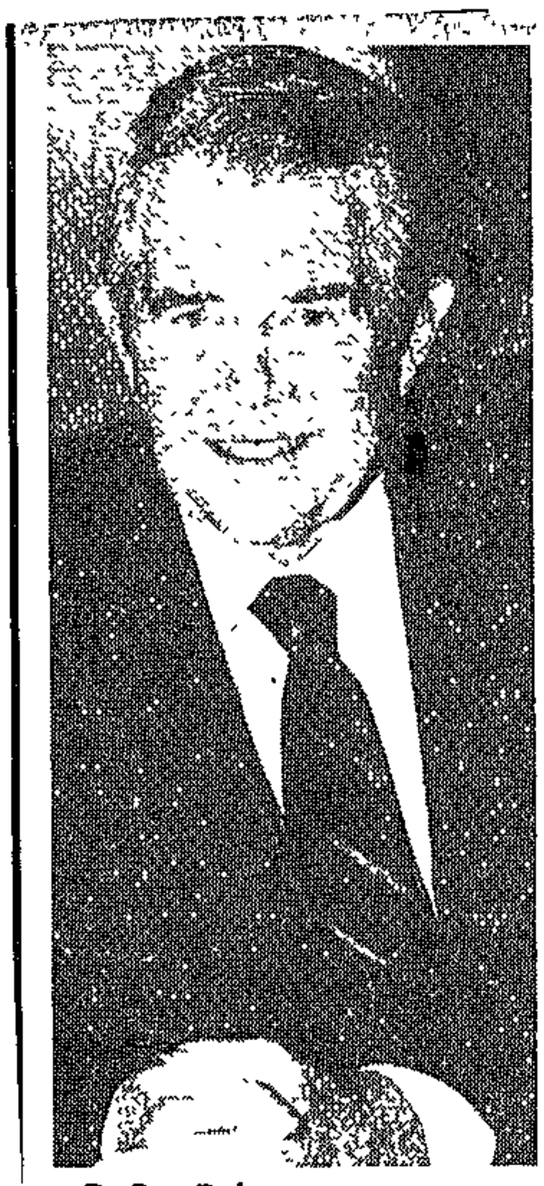
"Sanctions should be lifted and apartheid dismantled"

He described the aim of his visit as "giving the American people a balanced view of the current situation in SA and to give them a broader knowledge and understanding of this beautiful country and its people.

"I sense enormous goodwill in all races towards the establishment of a democratic government It is obvious that the wall of apartheid is being chipped away and much needs to be done before apartheid is abolished, but in my view the country has made exceptional strides.

"It is time for parties who favour a peaceful process of change to sit down and negotiate. Change cannot take place overnight but there needs to be a movement towards it.

"The reprieve of the Sharpeville Six and the agreement reached on Namibia's independence have sparked an enormous amount of good in terms of public perception of SA."



Dr Pat Robertson . . senses enormous goodwill in SA.

SA companies face increasing pressure

Star 25/11/87 280

LONDON — South African companies are expanding abroad as disinvestment, sanctions and the threat of future turmoil slows their country's economic growth.

But if Minorco SA's case is any example, South African companies which make publicly disclosed offers are likely to face growing resistance from anti-apartheid campaigners.

Bidders who have been doing deals quietly or acquiring smaller companies have attracted less attention. But Minorco is making headlines because it represents an attempt by a company with ties to the world's biggest gold mining group to buy the second biggest in what would be Britain's largest ever takeover.

Luxembourg-based Minorco's £2,9 billion bid not only raises monopoly questions, but also has sparked a row over the extension of South African control of gold production to the United States and the Pacific region.

Sixty percent of the non-communist world's gold is mined in South Africa and the acquisition would increase South African control to 70 percent of non-communist production, mining analysts say.

The offer has been temporarily blocked by the British government and by a federal judge in New York. It is also being reviewed by the South African government and the European Commission.

Papua New Guinea's prime minister, Rabbie Namaliu, has warned he would require Minorco to divest itself of Consgold's Papua New Guinea interests, saying: "We cannot allow this apartheid regime to benefit from our rich resources."

Minorco is intent on pursuing it, while Consgold has mounted intense lobbying against the bid, saying, among other things, that Minorco's South African connections would hurt its operating companies.

But Consgold holds South African interests of its own, and gets heavy criticism about it from some of its own shareholders.

South African companies are looking abroad because their economy is growing slowly as a result of apartheid, disinvestment and sanctions.

The United States, Japan, France, and Denmark have imposed sanctions ranging from trade embargoes to refusing to extend loans, and many foreign corporations have sold off their South African interests.

Britain is thought to be an attractive haven for South African companies because Prime Minister Margaret Thatcher steadfastly opposes sanctions.

Another South African company, Rembrandt Group, a major tobacco and consumer products company controlled by the Rupert family, in September spun off its Richemont Group of non-South African interests.

Richemont has listed its shares on Swiss stock exchanges and it has no operational ties to South Africa, but still is effectively controlled by the Ruperts.

The Ruperts say they want to establish a presence in Europe before 1992, when the European Economic Community becomes a single, barrier-free trading bloc.

In a telephone interview, Jan du Plessis, Richemont's finance director in Zug, Switzerland, also cited South African government restrictions, which made it difficult to raise funds publicly, as well as the impracticality of having headquarters far away in South Africa.

Other South African companies setting up footholds abroad include Liberty Life, FSI, and Malbak's Abercom, which recently bid for MY Holdings, a British sporting-goods and games manufacturer.

—Sapa-AP

(280)

FINANCIAL SECRECY

Devils amid the angels

■ Evidence is that some companies use a secrecy clause to conceal mismanagement



One effect of sanctions has been to make it harder for the SA economy to perform as efficiently as in the past. In this situation, the inclination of some businessmen is to listen to the devil on their right shoulder and retaliate in kind. Simply put, they keep their heads down and their mouths shut.

Trouble is, that makes the economy even less efficient — and all that much harder for businessmen to turn an honest buck. For markets need information in order to allocate resources efficiently — the very information that sanctioneers can turn against us.

The favoured compromise is to appoint a bureaucratic mediator to decide — in each individual case — what information a company should withhold from shareholders and investors at large. In practice this is the task of the Registrar of Companies under Section 15A (S 15A) of the Companies Act.

S 15A states that the minister may exempt "any particular information or a particular fact concerning the affairs of the company, or any of its subsidiaries, which would otherwise be required under this Act."

The section was inserted into the Act in 1978 and amended in 1981. In the opinion of an accounting expert, it was put in "with enterprises like Armscor in mind."

But with the recent increase in sanctions measures against SA, certain companies involved in everyday business seem also to have been able to furnish reasons to qualify for the exemption. Whether, however, these exemptions are for bona fide reasons — or simply mask their managerial shortcomings — is of increasing concern to accountants and those accustomed to SA's high standards of financial reporting.

Says Arthur Young's Garth Coppin: "As auditors, we are concerned that the financial statements of a company fairly present its financial position. But if S 15A is applying and the auditor feels that the financial statements do not fairly present the position, the auditor is silenced.

"Because of a statutory prohibition, he cannot mention this in his report. It's as simple as that." Moreover, some companies argue that if they are granted the S 15A exemption, they need not publish anything to that effect in their financial statements.

The increase in exemptions granted has more than a few people worried. Says a prominent attorney in a letter to the *FM*: "I cannot give you specific information of where S 15A has been used to disguise mismanagement, but I can assure you that — in my respectful view — on occasion this does take place. I also believe that S 15A exemptions are used with aspects of competition in mind."

That is a great pity, given that disclosure is the cornerstone of regulation in company law and other securities statutes in SA. For, as JSE president Tony Norton says, SA's financial markets are disclosure-based. Any threat to the integrity of disclosure needs to be strongly resisted.

It may come as something of a surprise to some that certain companies find it necessary at all to apply for S 15A exemptions. For the art of accountancy is sufficiently creative to allow a great deal to be obscured from all but the most skilled financier, especially if use is made of off-balance sheet financing (using "related parties") and securities transactions in futures, options and the like.

SA accounting standards do not require certain subsidiary results to be revealed at group level. Profits from subsidiaries, in whole or part, can be consolidated under a general group account without giving information of how, what, when or whom.

Says Pim Goldby's Peter Wilmot, one of SA's two members of the International Accounting Standards Committee: "Off-balance sheet financing is the main issue Many such transactions are designed exactly in order to not disclose. This is the game that's on at the moment.

"The main concern in foreign accounting standards are options, interest rate swaps, and the like. We don't even have accounting standards for those — and the game has already moved on to the next field without accounting standards being devised for the old ones."

The point is that any SA company needing to apply for a S 15A exemption is obviously trying desperately to hide things that teams of accountants, lawyers and merchant bankers cannot mask on existing legitimate grounds.

Monica Singer of the SA Institute of Chartered Accountants argues that, for a start, companies granted S 15A exemptions tend to bury the fact in their financial statements — which in itself raises suspicions "Experience," she says, "has shown that users read the directors' report, balance sheet and income statement. But reference to S 15A in these statements is rare. And when S 15A is referred to, one finds practically no details of what is involved."

Examples of companies that have qualified for S 15A exemption are not difficult to come by, though Johannes Janse van Rensburg, Registrar of Companies, says that only about two applications a week are received.

In its latest annual report, Rembrandt states: "In terms of S 15A of the (Act), exemption from the publication of certain information has been obtained." Period. Users of this financial statement have to guess the rest, if that's possible with a multinational involved in tobacco, liquor and mining.

Among others, Wits University's accounting professor, Margo Steele, has no doubt that there are legitimate grounds for granting S 15A exemptions "The real problem is that some people will use anything to get away from disclosing information."

Some companies — for example Amic — don't even bother to refer to S 15A: "With the necessary consent in terms of the (Act), the names of certain subsidiaries have been excluded ... " But, given that S 15A is the only section in the Act for which consent is required, one can reasonably surmise that Amic is referring to



(280) FMAL 25/11/88

Section 15A.

Other companies give oblique reasons for why they are operating under the protection of S 15A. Kersaf, for example, states. "Details of certain subsidiary companies have not been disclosed as the directors are of the opinion that such disclosure could be detrimental to the future earnings of the group. The necessary consent in terms of the (Act) has been obtained . . . "

Again, this statement comes in an annexure to the group's annual report. Further, Anglo American, in a statement under a list of associated companies, states: "With the necessary consent, in terms of the (Act), certain information regarding associated companies has been excluded."

As Singer says, S 15A exemptions need not be related to "sanctions" or "strategic" issues at all: "Because the section refers to the company and subsidiary, it could refer to *any* information."

And that information is at the discretion of officials who have to guess at its relevance. It is an unenviable task and their inclination is probably to err on the side of caution and place too great a weight on the applicant's argument. It is within the nature of a bureaucratic mind that expediency is given more weight than the erosion of the integrity of accounting standards.

This is all too evident in the administration of taxation, where, increasingly, backdating is used for the expediency of the Exchequer, allowing tax law and practice to be suspended.

Apart from that, there are some accountants concerned at what is happening under S 15A who believe there is ample scope elsewhere in the Act to provide whatever secrecy might be needed. Apart from using off-balance sheet transactions as protection, the Act permits companies to not deal with subsidiaries in group accounts if the:

- ☐ Subsidiary is "immaterial;"
- ☐ Inclusion is "misleading;" or
- ☐ Inclusion is "impractical "

In other words, the activities most likely affected by sanctions — transactions of a foreign subsidiary — have long qualified for non-disclosure under the Act. Why then is S 15A used *in addition*?

This has led some accountants, like Steele, to the conclusion that use of "S 15A is more an issue related to a company's management than it is a matter of disclosure. It appears that companies are requesting S 15A exemption in the wrong circumstances, and that the Registrar is granting it in the wrong circumstances.

"We should be talking about something which is harmful to the country — not something which is harmful to the company." Wilmot echoes this: "Frequent use is made of S 15A. Whether this is in the best interests of the country is open to doubt. In the earlier years, S 15A was used to not disclose overseas investments — and this was to be accepted, if not applauded. But lately S 15A has been used more liberally: for example, for the non-disclosure of directors' emoluments. And one gets the impression that the authorities are fairly liberal in granting the S 15A exemption."

Registrar Janse Van Rensburg does not agree: "There's not one case of abuse that I can think of. Our decisions are taken on good grounds and a number of companies are turned down. There is certainly no case where we have consciously assisted non-disclosure. If there is any suspicion at any stage we will go back to the company for further information."

That may be so. But the question has to be asked whether the Registrar and his staff are in a position to know.

What would improve the situation is that once S 15A protection has been granted, companies be required to give the sort of information contained in Dekro's annual financial statements. This company, which manufactures paint, coatings, polyesters and resins, says in its directors' report that exchange control approval has been obtained to establish a subsidiary abroad. "A suitable property has been acquired in the EEC . . . this venture is not expected to contribute to group profits in the short term . . The company has been granted exemption (under S 15A)."

Few would deny that in the face of sanctions some secrecy is necessary But there appear to be sufficient grounds for reconsidering whether S 15A is the best means of determining what it should be. There appear to be four legs to a solution. First, the application should be made to a committee that is more broadly representative. Second, companies should be required to reveal a lot more about what their exemption entails. Third, the exemption should be given prominence in the directors' report. And finally, as Norton suggests, the application for an exemption should be accompanied by a certificate signed by the company's auditor and attorney, to the effect that the application is motivated by reasons falling within the spirit of the Act.

SA cannot afford inroads into its standards of financial disclosure As shown in the recently published *A Survey of Financial Reporting in SA 1988*, these standards are among the highest in the world and they fulfil a vital economic function.

If S 15A is used to succour the inefficient, inhibit competition and mask the deceitful, the outcome is to reinforce — certainly not ameliorate — the economic damage sanctions are doing to this country's economy No one in their right mind would want to do that — least of all those whose need for some secrecy is legitimate. *Barry Sergeant*

Role for private sector in black advancement

Cape Times 26/11/88 280

By AUDREY D'ANGELO
Financial Editor

THE international community will be "clamouring to invest in SA" once this has become a democratic, free enterprise, non-racial country, the Director General of the SA Foundation, Kurt von Schirnding — former SA Ambassador to the United Nations — said at a Cape Town Chamber of Commerce lunch yesterday.

And the quickest way to do away with apartheid and achieve this situation is through the economic forces at work in the marketplace.

"We in the private sector can play our role by encouraging and stimulating black economic advancement which must inevitably lead to greater social and political acceptance."

Von Schirnding said that if SA were a normal country, politics would not enter into any discussion of how to encourage overseas trade and foreign investment.

But "any assessment of international views on business involvement in SA cannot but focus on the political issues which are uppermost in the minds of our overseas trading partners."

Von Schirnding warned that South Africans should not be lulled into a false feeling of security by the fact that there appeared to be a sense of weariness, particularly in Western Europe, with "the SA problem" and the steam had gone out of the sanctions campaign.

There was a growing realization that punitive measures had retarded reform, furthered black impoverishment and played into the hands of the radicals to the right and the left.

There had been "a discernible shift in public opinion in the West which, if intelligently exploited by the government to re-establish its reform credentials, could result in a re-assessment of the SA situation as a whole."

Stressing that "the key to change in SA, experience has shown, lies with the black majority, not the outside world".

Von Schirnding said that the danger of sanctions had not altogether disappeared and its avoidance depended on showing the world some progress.

It was incredible and macabre that right-wing "experts" on US foreign policy should suggest that the implementation of a Namibian solution would hasten sanctions.

"The fact that we have come so far as we have must be seen as a positive step."

The State President's decision to reprieve the Sharpeville Six and the latest move on Mandela were positive steps in the right direction.

But these could be undermined completely by any attempt by a right-wing municipality to restore old-time apartheid restrictions, Von Schirnding warned.

They would be portrayed in the overseas media, not as the actions of a small minority, but as the SA government turning its back on reform.

He went on: "We must recognize that the core of SA society, regardless of colour, has the same aims and aspirations as people everywhere and that in spite of cultural and other differences there is more that binds us together than divides us.

"In the final analysis it is progress on the domestic front which will determine the view of the international community."

JOHANNESBURG. — Big business yesterday prepared to hit back at Boksburg — South Africa's new apartheid town.

With 60 Conservative Party-controlled municipalities in the Transvaal ready to follow Boksburg's lead in turning back the apartheid clock, commercial giants led by OK Bazaars and Tradegro joined the growing row, threatening to drag the government along with them

OK Bazaars managing director Mr Gordon Hood said the indications were that Boksburg's black residents were already taking their business to neighbouring towns.

Sales at the Boksburg outlet were markedly down, while other East Rand stores have improved.

"If a race group decides it is not wanted in town, it may boycott the businesses in that town," Mr Hood said. "It has happened before"

Tradegro chief executive Mr Donald Masson said his group would not make any new investments in towns like Boksburg where CP councils re-imposed old apartheid measures.

'Financial sabotage'

Both men voiced total opposition to the CP's actions Mr Masson said he was convinced the government will take steps to counter the CP's move.

Tradegro would maintain its existing investments in Boksburg, mainly in the form of retail stores like Dions, but would not stand for any discrimination in its stores, he said.

The Boksburg Chamber of Commerce condemned the town's partition as "financial sabotage" and predicted that massive disinvestment of overseas companies could result.

The president of the chamber, Mr Johan Viljoen, said the decision to segregate amenities would only apply pressure to multinational companies operating in industrial Boksburg and give them the excuse to disinvest.

Some of the multinationals who had promised to remain in South Africa could be "pushed over the edge".

"We are very concerned at the effects that the decision will have on the welfare of the town. It could cost us millions of rands.

"Not only will South Africa lose, but the people of Boksburg will suffer in lost jobs and reduced buying power."

Interleisure chairman Mr Ian Heron, whose firm runs a string of fast-food outlets and restaurants including Bimbos and Captain Dorego, said Interleisure was "totally against racism".

Even if the CP only managed to reimpose apartheid on property controlled by CP councils, Interleisure would "make the strongest representations to government",

Mr Raymond Ackerman, chairman of Pick 'n Pay — which has one supermarket and one hypermarket in Boksburg — has promised to lobby for change and possibly discuss the Separate Amenities Act with the government

"Through our own efforts and those of business organisations we will try to have their action reversed."

The action could mitigate against the positive overseas reaction to South Africa following government moves over Mr Nelson Mandela, the Sharpeville Six and Angola, he said.

The managing director of leading multinational Colgate Palmolive, Mr Gerald Kocker, said the situation was "just ridiculous" and vowed to do everything to "convince those people they are not doing the right thing".

While disinvestment was not an option, his organisation might decide to support an increasingly popular idea to have their factory rezoned to nearby Benoni.

But even as the volume of protests against the CP's return to old-style apartheid grew yesterday, the unrepentant Boksburg town council said it

To page 3

Cape Times 29/11/88

From page 1

would stick to its guns

The chairman of the Boksburg town council management committee, Mr Gideon Fourie, said the CP represented most of the town's wards and would carry out its mandate from last month's elections

He also announced that a new suburb, Willowmore Park, would be reproclaimed for exclusive white residence and Indian families living in the area would have to move out

Meanwhile the PFP is expected to join Boksburg's outraged black residents in taking court action against the right-wing council's moves to restore Verwoerdian-style apartheid

A party source said the matter was being considered by the Boksburg PFP, though local chairman Mr Tony Dutton could not be reached yesterday for confirmation

Black residents have indicated they are investigating the feasibility of an urgent court application to set aside the council's apartheid measures

A municipal by-election tomorrow is expected to give an indication of whether Boksburg residents believe their council has gone too far

Parties to the left of the CP have rallied around independent candidate and president of the SA Amateur Swimming Union Mr Issy Kramer, who is fighting the election with the unofficial backing of the NP and has also been offered support from the PFP

A major protest meeting in the town is being planned by numerous sports bodies for Thursday

CP leader Dr Andries Treurnicht will address a public meeting in the town next week when he is likely to insist that the party continue to implement its policy at local level, regardless of the reaction.

Own Correspondent

280

Issue Date

CAPE TIMES

Cape Times 29/11/88

WCC in call for help

Sowetan 29/01/88

THE World Council of Churches conference held in Harare, Zimbabwe, last week called on the United Nations and the Organisation of African Unity to provide frontline states with military assistance to fight against South African aggression.

The conference, under the theme of Churches in Solidarity with the Frontline States, was attended by representatives from 42 countries. The ANC, PAC, and the BCMA as well as Swapo of Namibia were represented.

Isolate

The conference called for campaigns to isolate South Africa and for the effective application of comprehensive mandatory sanctions in all areas especially finance, banking, oil and armaments.

The dismantling of apartheid and the transformation of South Africa into a united democratic society was a pre condition for peace in the region, it was said. More assistance for refugees in the affected states, especially those from Mozambique, was called for.

Charity money spent on anti-SA campaign

Star 30/11/87 (280)

The Star's Foreign News Service

DUBLIN — A famine relief agency backed by the Roman Catholic Church in Ireland has been criticised for using funds donated for charitable purposes to finance a publicity campaign against South Africa.

The agency, Trocaire, is spending thousands of rands erecting huge posters at sites across Ireland urging a boycott of South African coal and calling on the Dublin government to impose sanctions in protest against Pretoria's Mozambique policy. Now some of those who have given to Trocaire collections are asking why their money — for relieving distress in the Third World — is being used in this way.

A professor from Galway University, Dr Everard Hewson, wrote in a letter to the Irish national newspapers: "Trocaire is quick to spend money given it for charitable purposes on posters condemning the policies of white South Africa, but it is damn slow — in my eyes anyway — to condemn genocide in Sudan and Ethiopia. Its silence on such tragedy is the height of hypocrisy."

'I don't want SA to be destroyed'

Sanctions: Tutu for and against

B/day 2/12/88

CAPE TOWN — Archbishop Desmond Tutu said this week he was for and against sanctions against SA.

The Kenilworth parish, hearing Tutu criticised as a "political priest" and also for his calls for sanctions, invited him to a meeting on Tuesday for a question-and-answer evening.

The questions ranged from sanctions to women in the priesthood.

"Yes and no," Tutu said in reply to a question whether he was in favour of sanctions and whether he was in favour of multinational companies disinvesting from SA.



● TUTU

"Yes in so far as you say you are looking for a non-violent way of ending apartheid, and I hope people will have read what Pik Botha said ... about the to-do in Boksburg — where he says all of what is happening there is going to bring worse sanctions than the UN ever dreamt of because, he says, of apartheid. Which is what we are saying and they go and give me credit."

He said he loved SA passionately and would not like to see it destroyed — that was why he talked to the ANC — three times in the last 18 months.

Tutu said he wrote a letter to B J Vorster when he was Prime Minister in 1976 and said he was worried. "I was just back from England and was living in Soweto. I said unless we did something I was fearful of what was likely to occur."

Vorster dismissed his letter with contempt and said he was being used by the PFP. A few weeks later unrest erupted on June 16.

In 1980 he saw the Prime Minister, P W Botha, and put forward proposals. "We said abolish the pass laws, commit yourselves to a common citizenship for all in an undivided SA, stop forced populations removals and institute a common education system."

Tutu told Botha in 1980 if they had done that, he (Tutu) would have stood on the roof and shouted to the people to please give them a chance. But again they were dismissed as if they did not count.

Tutu said: "I don't want sanctions. I said to the President, I love this country, I love it passionately and I think I love it more than you, for we fought against the Nazis, you didn't." — Sapa.

Anglicans opt for selective sanctions

w/t Argus 3/12/88

280

by KAREN STANDER
Weekend Argus Reporter

THE leaders of the Anglican Church have come out in favour of "targeted" economic and diplomatic pressure on South Africa, believing it has potential to bring about relatively rapid change.

This is the strongest support it has given Archbishop Desmond Tutu, who has repeatedly emphasised that his sanction calls are made in his personal capacity.

The church leadership's decision was taken at the synod of bishops in Port Elizabeth Their stand will be read from pulpits throughout the country tomorrow

The bishops said they would identify specific areas for action after further investigation and consultation with church members

"We recognise the moral dilemmas which the advocacy of pressure can create for us and we approach this issue with pastoral concern for all the people of Southern Africa," they said in a statement.

Sinful

"In our understanding of ethical issues, means are important as well as ends. In the South African context we should wish to choose forms of action which will avoid as far as possible the creation of further unemployment.

The bishops said the practice of racism, embodied in South Africa in the policy of apartheid, had come to be recognised all over the world and by every religion as sinful.

What was distinctive in South Africa they said, was that in spite of what the government called its reforms, the evil of racism still found expression and protection in official policy

The possibility that men and women would change their minds in response to God did not relieve Christians of their obligation to work by other means for the eradication of evil.

"There is nothing to indicate that apartheid will disappear without some form of pressure The continuance of apartheid threatens to destroy the whole fabric of society in Southern Africa

Loyal, faithful

"In seeking non-violent means to abolish apartheid we believe we are being faithful to God, loyal to all our people and patriotic citizens

"We feel it would be wrong to suggest that reliance on international pressure alone will solve our problems We therefore call for the exertion of pressure — internally and externally

"Internally we recognise that Anglicans of all races have often been in the forefront of the search for change and we encourage them to accelerate their efforts

"Internationally, boycotts have achieved some telling results, most recently demonstrated by the long-term effects of the sports boycott.

"The imposition of financial pressures in 1985 — when an American bank refused to roll over South African loans — was followed rapidly by the repeal of the pass laws and by visits of prominent businessmen to talk to the ANC.

"We believe that the imposition of carefully selected and specifically targeted forms of pressure, including economic and diplomatic pressure, holds potential to bring about relatively rapid change

"We intend going beyond this general statement and identifying specific areas for action but we should like first to involve our people in the process by asking for their views and initiating further investigation"

Tutu in frank question, answer session

Cpress 4/12/88

280

Archbishop Desmond Tutu, said this week he was 'for and against' trade sanctions against South Africa.

The Kenilworth parish in Cape Town, hearing Tutu criticised as a "political priest" and also for his calls for sanctions against the SA Government, invited him to a meeting this week for a question-and-answer evening to hear what he had to say

The questions submitted by parishioners were put to Tutu by a panel and other questions were asked from the floor They ranged from sanctions to women in the priesthood and other controversial issues

"Yes and no", Tutu said in reply to a question whether he was in favour of trade sanctions against SA and whether he was in favour of, multi-national companies disinvesting from SA

"Yes in so far as you are looking for a non-violent way of ending apartheid and I hope that people will have read what Mr Pik Botha said About the to-do in Boksburg – where he says all of what is happening there is going to bring worse sanctions that the United Nations ever dreamt of because, he say, of apartheid Which is what we are saying and they go and give men credit "

He said he loved South Africa passionately and would not like to see it destroyed – that is why he talks to the ANC

"I've been three times in the last 1-1/2 years One time I said why don't you suspend your armed struggle and call the government's bluff I wouldn't do that if I was longing to see this country destroyed

He said that in 1980 he saw the Prime Minister Mr P W Botha and put forward proposals.

He told the Prime Minister in 1980 if they had done that, he (Tutu) would have stood on the roof and shouted to the people to please give them a chance.

To applause Tutu said: "I don't want sanctions. I said to the State President I love this country, I love it passionately and I think I love it more than you for we fought against the Nazis, you didn't.

Bush against sanctions

280
STV
5/12/88

The United States president-elect, Mr George Bush, has reaffirmed that he is not in favour of sanctions against South Africa.

He said he shared the same opinion in this regard as President Reagan.

Mr Bush's comment on sanctions was conveyed to the Rev Pat Robertson, who was reporting back to him after his fact-finding tour of South Africa.

Mr Robertson told Mr Bush that sanctions were hurting the very people they were intended to help.

Mr Bush reportedly told Mr Robertson he wanted to encourage US blacks to visit South Africa and examine the situation for themselves. — Sapa.

● See Page 17.

Bishops support 'pressure', not sanctions

By BARRY STREEK

ANGLICAN bishops in Southern Africa yesterday came out in strong support of "selected" forms of economic and diplomatic pressure against South Africa — but they stopped short of calling for sanctions.

By not endorsing sanctions, the bishops have distinguished their position from that of the head of the Anglican Church in Southern Africa, Archbishop Desmond Tutu.

Archbishop Tutu has publicly supported sanctions in his personal position, but stressed that his views are not necessarily those of the church.

He has repeatedly said he did not want sanctions, but felt they were one of the only non-violent ways of bringing an end to apartheid.

The bishops, in a statement read out in churches yesterday, clearly did not go as far as Archbishop Tutu in identifying the kinds of international pressure against apartheid they would support.

They said: "There is nothing to indicate that apartheid will disappear without some form of pressure being applied."

For that reason, they supported the Lambeth Conference's call for "maximum pressure aimed at producing a genuine process of change towards the establishment of democratic political structures in a unified state.

"The continuance of apartheid threatens to destroy the whole fabric of society in Southern Africa.

"In seeking non-violent means to abolish apartheid, we believe we are being faithful to God, loyal to all our people and patriotic citizen," the bishops said.

They felt it would be wrong to suggest that reliance on international pressure alone would solve South Africa's problems.

"We therefore call for the exertion of pressure against apartheid both internally and externally.

"We believe that the imposition of carefully selected and specifically targeted forms of pressure, including economic and diplomatic pressure, holds potential to bring about relatively rapid change.

"We intend going beyond this general statement and identifying specific areas for action, but we should like first to involve our people in the process by asking for their views and initiating further investigation," the bishops said.



Archbishop Tutu

was incorrectly set.

● Page 5

Tug-of-loved ones

The fate of two young children whose father does not want them to grow up in South Africa hangs in the balance in Harare.

● Page 6

Burning questions

Fragments from a cave suggest early humans learned to use fire 1,5 million years ago.

● Page 7

Doctor fined

A doctor whose negligence resulted in the death of a snakebite victim is given a suspended fine.

● Page 9

Christmas caring

It's giving that really counts, two youngsters find.

● Page 11

Drugs rip-off

Consumers pay almost 100 percent more for drugs than pharmacists.

● Page 13

Behind the times

Human evolution is still not being taught in our schools.

● *Letters*, Page 15

Peasant business

Colin Bundy's book "The Rise and Fall of the South African Peasantry" explodes the myth of black incapacity.

● Page 16

Brazzaville blues



Chester Crocker's negotiations in Brazzaville end with little more than an

Italian threat to SA gold — report

LONDON — South Africa faces damaging economic sanctions from the huge Italian gold jewellery industry, according to a report in *The Guardian*.

The newspaper said the Italians, "who consume an estimated 33 percent of the Republic's annual gold production" were considering ways of buying gold from other countries.

The value of the "Italian connection" was said to be $3 billion (about R7,2 billion) a year.

The Guardian said that at an unpublicised meeting last month in Vincenza, the northern Italian town which is the world centre of the industry, representatives of the leading employers' association said their gold manufacturing members would be happy to find other sources if the price was right.

"The meeting was attended by the World Gold Commission and the three national Italian trade union federations.

"The developments, targeting what many campaigners see as the ultimate sanction against South Africa, took both the commission and the unions by surprise," said the report.

The Guardian quoted the chairman of the commission, Mr Jim Robbins, as saying: "I came away with the impression that the Italian manufacturers were seriously intending to do something quickly.

"The chances of them buying substantial amounts of gold from other sources is very high.

"Our hope is that this will immediately create a secondary market for South African gold.

"They will still be able to sell it but probably at a discount, which will seriously damage their foreign earnings."

No to sanctions

THE United States President-elect, Mr George Bush, reaffirmed yesterday he was not in favour of sanctions against South Africa.

He said he shared the same point of view regarding sanctions as President Ronald Reagan.

garded as possibly infected. [illegible] Waldsa was barred from

Anglican bishops outline pressure strategy

'Targeted' sanctions

CAPE TOWN — The leadership of the Anglican Church has taken a stand in favour of "targeted" economic and diplomatic pressure on SA, believing it has potential to bring about "relatively" rapid change.

This is the strongest support it has yet given Archbishop Desmond Tutu, who has emphasised up until now that his sanction calls are made in his personal capacity

The decision was taken at the Synod of Bishops' meeting in Port Elizabeth. Its handling by the church would depend on local leadership, a spokesman said.

"In our understanding of ethical issues, means are important as well as ends. In the SA context we should wish to choose forms of action which will avoid as far as possible the creation of further unemployment", the synod said.

'Telling results'

"We feel it would be wrong to suggest that reliance on international pressure alone will solve our problems. We therefore call for the exertion of pressure — both internally and externally.

"Internationally, boycotts have achieved some telling results, most recently demonstrated by the long-term effects of the sports boycott.

"The imposition of financial pressures in 1985 — when an American bank refused to roll over SA loans — was followed rapidly by the repeal of the pass laws and by visits of prominent businessmen to talk to the ANC

"We believe that the imposition of carefully selected and specifically targeted forms of pressure, including economic and diplomatic pressure, holds potential to bring about relatively rapid change"

The bishops said they would identify areas of action after consulting church members — Sapa

[illegible]

New UN call for trade embargoes against SA

NEW YORK. — New demands for mandatory sanctions are among 11 resolutions passed by the United Nations General Assembly in a bid to force South Africa to scrap apartheid.

The resolutions were adopted yesterday with little dissent.

A resolution asking the Security Council to consider immediate mandatory sanctions was approved by 123 votes to 12 with 19 abstentions.

A separate text urging the council to invoke sanctions received 149 votes to two with two abstentions.

The Assembly also urged the Security Council to impose an embargo on the shipment of crude oil and petroleum products to South Africa.

The ban should also apply to equipment, technology and investment financing for the oil industry and coal liquefaction in South Africa.

The Assembly agreed to hold a special session on "apartheid and its destructive consequences in Southern Africa".

By 106 votes to 23, with 26 abstentions, it called on Israel to end all forms of military, nuclear, intelligence, economic and other collaboration with South Africa, particularly long-term contracts for military supplies.

The Assembly urged all states to impose a wide range of embargoes against South Africa, including bans on imports of minerals and agricultural products and the severance of all transport links. — Sapa-Reuter.

SA-link criticism irks Japan

TOKYO. — Japanese government and business leaders reacted with dismay and outrage today to UN General Assembly criticism of Tokyo's trade ties with South Africa.

Prime Minister Noboru Takeshita said trade with South Africa had been declining in both yen and dollar terms.

Government figures showed that two-way trade had been falling in dollar terms since May while trade in yen terms had been declining since 1985.

On Monday, the UN Assembly said Japan was South Africa's most important trading partner and called on all nations that had boosted their business with the Republic to sever such ties.

Takeshita said Japan would continue its efforts to limit trade with South Africa.

Japan replaced the United States as South Africa's largest trading partner in 1987.

Trade Minister Hajime Tamura said: "It is regrettable that the Assembly did not take into account Japan's serious efforts to restrain exports to Pretoria."

He said Japan's trade with South Africa increased only 1,6 percent this year while West Germany's had jumped 42,5 percent, Britain's by 30,5 percent and America's by 27,3 percent. — Sapa-Reuter.

UN votes for SA sanctions

UNITED NATIONS. — The general assembly yesterday approved by large majorities a series of resolutions aimed at forcing South Africa to end apartheid, including the imposition of mandatory sanctions.

The 11 texts, some of the provisions of which overlapped, were adopted with little dissent. Two resolutions were approved by consensus.

A resolution that the security council consider immediate action to apply mandatory sanctions was approved by 123-12 with 19 abstentions.

The general assembly has repeatedly called for comprehensive mandatory sanctions against South Africa but such measures may only be enforced by the security council, where the United States and Britain are among the five powers with the right of veto.

The general assembly, by a vote of 138 to two with 14 abstentions, also urged the security council to act without delay to impose a mandatory embargo on the supply and shipment of oil and petroleum products to SA.

The ban, it said, should also apply to equipment, technology and investment financing for the oil industry and coal liquefaction in South Africa. — Sapa-Reuter

Apartheid condemned

Sowetan - 7/12/84

SOWETAN Reporter

THE General Assembly on Monday adopted a package of resolutions deploring South Africa's apartheid system and noted Japan's status as the white-ruled nation's leading trading partner.

One resolution criticized Israel and "certain Western states" for continued military, nuclear, intelligence and technological collaboration and trade with South Africa.

Similar anti-apartheid resolutions are passed every year by the General Assembly, which unlike the Security Council has no way of enforcing its decisions.

The resolution condemning military collaboration with South Africa was passed by 123-2, with 29 absentions. Israel, criticised by name, and the United States voted against it. Most Western nations, Japan, Australia and New Zealand abstained.

US delegate Harvey Nelson said America opposed the resolution because it explicitly criticized Israel "for actions which many have committed, including some of those who protest most loudly."

Another resolution calling on Israel to cut off its collaboration with South Africa, particularly its long-term contracts for military supplies, passed 106-23, with 26 abstentions

A TIMES MEDIA PUBLICATION

Johannesburg

SIMON BARBER

Two firms to reduce SA ties

WASHINGTON — Two Japanese companies have announced they are reducing their ties with SA following the UN General Assembly's adoption on Monday of a resolution singling out Japan for increasing its SA trade.

Matsushita Electric Industrial said it was closing the Johannesburg office it opened in 1960 and Sanyo Electric vowed to cut its sales to SA by 15%.

Japan's US ambassador Hideo Kagami protested that the UN's criticism was unfounded, noting that Japan's trade with SA had been shrinking in yen terms since 1984. Officials said Japan's SA trade had declined 50% over the past five years and by year's end was expected to be down 20% from 1987.

In the first 10 months of this year, two-way trade dropped by 11,1% from the same period in 1987 to 437,4bn yen. Because of the yen's increasing strength against the dollar, this translated into a modest increase of 1,6% in dollar terms.

Prime Minister Noburu Takeshita told a Press conference in Tokyo that he would step up calls for voluntary restraint by Japanese firms.

Neither Matsushita nor Sanyo said how their moves might affect their earnings. Both declined to reveal the value of their SA sales.

Sanyo, a major supplier of facsimile machines, videocassete recorders and air conditioners, has been exporting to SA since 1959. It has no office in SA, but said it was considering recalling an official who has been acting as its agent.

Matsushita, which exports components for VCRs and TV sets, said it would close its office and bring home its two representatives early in the new year.

Italian threat to boycott SA gold 'hard to carry out'

8/12/88

By Kaizer Nyatsumba

The Italian threat to boycott South African gold in favour of production from other countries was cause for worry, but there was only a small possibility of the sanctions plan succeeding, the chairman of the South African Gold Coin Exchange, Mr Eli Levine, said yesterday.

Responding to a report in the British newspaper *The Guardian*, saying South Africa was facing damaging economic sanctions from the huge Italian gold jewellery industry, Mr Levine said it would be difficult for the Italians to boycott South African gold because the locally produced metal was channelled together with gold from other countries.

Italy, like other countries, did not buy South African gold directly from South Africa, he said.

The Guardian report said the Italians, "who consume an estimated 33 percent of the Republic's annual gold production," were considering ways of buying gold from other countries.

The value of the "Italian connection" was said to be about R7,2 billion a year.

MORE UNEMPLOYMENT

Mr Levine said a successful boycott of South African gold by Italians would have two serious consequences.

"Firstly, there would be a shortage of gold and this would cause the price of gold to rise sharply and South Africa would benefit from the price rise. Secondly, marginal gold mines in the country would be forced to close down and many black people would lose their jobs. This would hurt the very same people they wish to help," he said.

South Africa produced more than 50 percent of the Free World's gold and about 40 percent of the global gold prodution total. So there was a great international dependence on South African gold, Mr Levine said.

The Guardian said that at an unpublicised meeting last month in Vincenta, the northern Italian town which is the world centre of the gold industry, representatives of the leading employers' associations said their gold manufacturing members would be happy to find other sources of gold if the price was right

The meeting was attended by the World Gold Commission and the three national Italian trade union federations.

Finns deny breach of SA arms embargo

The Star Bureau

Star 8/12/88

LONDON — The Finnish government has denied claims that its purchase of Crotale surface-to-air missiles from a French firm is in breach of the UN arms embargo against South Africa and its own policy on trade with the Republic.

The World Campaign Against Military and Nuclear Collaboration with South Africa has called on the government to withdraw from the contract because the Crotale, also known as the Cactus, was originally developed in South Africa in the 1960s, reports *Jane's Defence Weekly*.

The magazine quotes the Finnish Defence Ministry as saying that the Crotale system, bought from Thomson-CSF under an agreement signed in July, is a totally new arms system which has nothing whatever to do with the system developed in South Africa.

NO RELATION

The Ministry added: "The SAM system bought bears no relation to the type developed in South Africa. The Crotale SAM we will take delivery of will be tailored to Finnish defence conditions and undertaken as a joint Finnish-Thomson-CSF project. It will be a totally new system."

The magazine says it understands the system being bought is not Crotale, but the VT-1 missile originally offered by the French company and its US partner LTV.

"It is also wrong to claim that Crotale was developed in South Africa," it adds. "According to *Jane's Armour and Artillery*, the South Africans paid for 85 percent of the development of the missile by Thomson-CSF, but the work was undertaken in France."

Norway withdrew from a plan to buy Crotale SAM systems in 1975 after many protests

case He found that Mr Malan had been | Lyons said yesterday that he ...

Churches divided over call to apply sanctions

250

By Carina le Grange, Religion Reporter

Other than the Anglican Church, English-speaking mainline churches in South Africa have no clear-cut view on sanctions and disinvestment — while the two main Afrikaans churches are firmly opposed to sanctions in any form.

The Anglican Church announced last weekend that the synod of bishops accepted that selected economic and diplomatic pressures could bring about relatively rapid change in South Africa

The president of the Methodist Church, the Reverend Stanley Mogoba, stated his church's view as recorded in the minutes of the last conference held recently.

"The conference declared that our church is divided on whether or not to commend sanctions and disinvestment as a strategy to bring about change We are persuaded that this kind of economic pressure is already bringing about a measure of self-examination and reassessment which may yet lead to repentance among privileged South Africans. We cannot condemn something that could succeed where the cries of the people and the pleas of the church have gone unheard," he quoted the minutes

The minutes said the South African Government was responsible for taking those steps neccessary for the lifting of sanctions by immediately instituting those "fundamental changes required to move South Africa from oppression to full democracy and justice"!

The conference urged people to continue to search for other creative means of applying pressure on the South African Government to bring about change.

The Catholic Church does not have a clear-cut view on sanctions but set out its view in a pastoral letter issued in May 1986, former president of the South African Catholic Bishops Conference (SACBC), Archbishop Denis Hurley said.

"We said sanctions are justifiable as pressure towards the dismantling of apartheid We did not have the economic expertise to be more specific but we counselled against such all-embracing sanctions which would wreck the South African economy. Sanctions can cause widespread poverty, even more than apartheid We have not reached a further conclusion on the issue since 1986," he said.

The two main Afrikaans churches, the Ned Gereformeerde Kerk and the Nederduitsch Hervormde Kerk, both firmly oppose sanctions

Professor Johan Heyns pf the NGK said: "We don't think sanctions are the solution to our problems — it can at most bring about political changes and what we really need is new attitudes You cannot bring about new attitudes if people should suffer because of sanctions.

"The Anglican Church is out of touch with the general view of people in South Africa — even the blacks — and I lament their decision What we need is not sanctions or new political structures but a new spirit They are creating polarisation while we need reconciliation."

Professor Bart Oberholzer of the NHK said. "It is nothing new for the Anglican Church to choose a point of view which is not in the interests of the people of South Africa. With the latest decision, they confirm that the interests of all the people of South Africa is not important to them.

"The NHK's view on sanctions is that it is the action of the enemy, not only towards the Government but also against all the people of the country. It remains inexplicable to me that a responsible church can make space for sanctions — whatever type of sanctions it may be

"I think we have progressed in South Africa to a stage where people of different colours can begin to understand each other without interference from people from outside"

More sanctions? Blame P W, say Senators after fact-finding trip

Star 11/12/8 8 By ALAN DUGGAN

TWO of the most powerful men in the US Senate — Senators Sam Nunn and David Boren — say President P W Botha's attitude towards them was calculated to increase the likelihood of further sanctions against SA.

The two Senators spoke in Cape Town after an official "fact-finding" mission that could determine the shape and direction of future US policy towards SA.

Having just completed a week-long series of meetings with leaders across the political spectrum, they said their talks with the State President had been a "great disappointment". Senator Boren said that while they were intent on discussing SA's future, it became apparent President Botha was concerned only with the past, and how blame should be apportioned.

If this attitude was seen as the only view to emerge from SA, they would be far more pessimistic about the country's future, he said.

However, their discussions with other senior members of Government, including Minister of Foreign Affairs Pik Botha, and Minister of Constitutional Affairs Chris Heunis had been more productive.

Although they found some grounds for optimism, they were concerned about what they saw as an alarming direction being taken by the South African Government.

Threat

The policy direction reflected by the Delmas trial and continued detention and restrictions threatened a serious deterioration in US-SA relations.

On sanctions, Senator Nunn said he hoped South Africa would make it possible for this country to resume normal trade relations with the US.

But if the US Congress were to hold another vote now, he would again vote for sanctions.

Senator Nunn, a conservative Democrat from Georgia, is chairman of the Senate Armed Services Committee, and is often mentioned as a top choice for a future Democratic presidential nominee.

Oklahoma senator David Boren, 47, is chairman of the Senate Intelligence Committee and an important figure in continued intelligence ties between the US and SA.

HER (ATTRACTIVE) HONOUR PASSES JUDGMENT ON SANCTIONS . . .

GUILTY

(280)

S/Times.
11/12/88.

INNOCENT



"Only those big businessmen who demonstrate that they are opposed to apartheid should get visas"

"We have got to find ways to hit people where it hurts, but still not take away food from our babies' mouths"

A BLACK American woman judge arrived in South Africa committed to blanket sanctions. Now she will return to campaign against them — calling instead for selective pressures.

Judge LaDoris Cordell, 39, changed her mind on sanctions in spite of being harassed by police while on a visit to a Port Elizabeth township last weekend.

She said: "I was in favour of blanket sanctions, anything that would bring the government in this country to its knees.

"But now my perceptions have changed. I realise those measures are not in the best interests of blacks.

"They may change apartheid, but they will also bring a lot more suffering to many people.

"This is a special struggle and it's going to take a lot of creativity to end apartheid.

"We have got to find ways to hit people where it hurts, but still not take away food from our babies' mouths."

The judge, in SA to address a human rights conference, said she would be returning to the US next week to campaign vigorously for new approaches in the fight to end apartheid.

By MANDLA TYALA

One is what she calls the Band-Aid approach — which entails the provision of support to the disadvantaged and other victims of apartheid.

The other is that the US should grant visas to South Africans on a selective basis. This should be coupled with a boycott of businesses which support apartheid.

"Only those big businessmen who demonstrate they are opposed to apartheid should get visas. Take the wealthy man who wants to take his family to Disneyland. He will not be able to go if he does not demonstrate his stance.

Campaign

"This may not sound like a lot, but it will go a long way, and I believe other countries will do the same if America takes the lead. I plan to campaign through my colleagues, through Congress and through every possible channel, for this measure to be introduced."

Judge Cordell, who is listed in Who's Who of Emerging Leaders in America and who is the first black woman to be appointed to the Supreme Court of northern California, has had an eventful stay in SA since she arrived a week ago. She has discussed the morality of enforcing apartheid laws with judges and has sat in on a murder trial in the Port Elizabeth Supreme Court.

But the incident she remembers most took place on Monday. Young white policemen escorted her out of a township after accusing her of having taken pictures of them and searching her bag.

The judge was with a black priest when they heard police sirens behind their car. After pulling over, their car was searched and a policeman went through her bag.

Judge Cordell said: "They said I was not allowed to take pictures of them, that I had to go the police station to get permission.

"I told them I had not taken pictures of them. I had only taken pictures of the township. I said I was a judge visiting from the US and I produced a driver's licence which had my photograph on it.

"After consulting over their car radio with what I thought must have been their superiors, they escorted us out of the township."

Police confirmed the incident. They said they acted after one of them reported a black woman taking pictures of a crime prevention unit apprehending a suspect.

A spokesman said the police acted without knowing the woman was from the US. She was freed when her identity was verified.

Judge Cordell said: "That incident was nothing, but I got a taste of what people in the townships live like — experiencing the fear that kind of force can generate."

Of her discussions with her white South African counterparts, the judge said the general mood was that they were opposed to apartheid.

"But when I ask them how they reconcile that position with having to sit on the Bench and enforce apartheid laws, they say they have no problem with that. Someone has got to do it, they say."

Perception

Judge Cordell has raised eyebrows everywhere — "the common perception of a judge here is a white male who is over 50".

She believes SA is a country of stark contrasts. "Here you find blacks in one of the most beautiful countries in the world and in one of the toughest situations.

"I have never met people who have suffered so much but still have so much compassion I have been to Mexico where there is untold hardship, but people there are angry. It is different here."

reports. The move comes less than a year before the next general elections. — Sapa

Tutu, Amcham meets on sanctions

JOHANNESBURG. — A three-man delegation from the American Chamber of Commerce in South Africa (Amcham) met with Anglican Archbishop Desmond Tutu in Cape Town last week to discuss sanctions.

Suzman helped alter US stance

By BARRY STREEK
Political Staff

DEDICATED civil rights campaigner Mrs Helen Suzman, PFP MP for Houghton, deserves much credit for the shift in attitudes towards sanctions in the United States, according to US journalist Ms Vicki Butler.

The influential Washington Post had endorsed Mrs Suzman's views opposing more punitive legislation on the grounds that it would be counter-productive, after it had published a long article by Mrs Suzman in which she argued that sanctions would retard rather than speed reform.



Mrs Helen Suzman

Ms Butler, who was formerly based in South Africa, wrote in the latest issue of Inside South Africa: "When she points out that sanctions will result in a contracting economy marked by high black unemployment, increasing white intransigence and prolonged violence, people in the United States listen to her because of her impeccable 35-year record opposing apartheid.

"When she says economic empowerment of blacks will destroy the apartheid system more surely and quickly than sanctions, people take note because for more than three decades Suzman has fought for a just society.

"Suzman's fight for a better South Africa has taken her into the sanctions debate and her position has made her unpopular with many blacks and extra-parliamentary opposition groups," Ms Butler added.

WORLD

'Drastic change needed to block sanctions'

The Argus Correspondent

JOHANNESBURG. — The Afrikaanse Handelsinstituut (AHI) has warned that drastic change is needed in South Africa if further punitive economic measures from European countries are to be avoided.

The institute reached this conclusion after a visit by its executive members to four European capitals — London, Paris, Brussels and Bonn — and 30 interviews with, among others, government officials, bankers, politicians, industrialists and businessmen.

In a statement the AHI said pressure for political and economic action against South Africa was building up.

It was clear that influence against increased sanctions, boycotts and disinvestment could not be exercised while the situation in South Africa was maintained.

The suggestion that evolutionary constitutional changes had gained overseas support for economic growth in South Africa had not been met with approval, the statement said.

The AHI said the measures facing the country included additional sanctions, boycotts and limitations on capital investment.

"In our opinion it will require vigilance not to give pressure groups the opportunity to succeed with additional action. The recent decision of the State President to reprieve the Sharpeville Six undoubtedly denied them such an opportunity."

People and institutions friendly to South Africa had emphasised that the attitude of many European Community countries was so negative that it would be difficult to prevent further punitive measures.

Only a dramatic step towards a new political dispensation would bring about a change in attitude. Such a dispensation would have to be acceptable to the majority of black South Africans.

"It was clear to us that such a step towards power-sharing for black South Africans points to central government level. The impression was created that power-sharing did not have to be instituted in a unitary state. It could also happen in a federal system," the statement said.

AHI finds more sanctions pressure

PRETORIA — Strong pressure was building up for more political and economic steps against SA, said an Afrikaanse Handelsinstuut (AHI) fact-finding mission which has just returned from Europe.

AHI president Dries Niemandt, who headed the mission, said steps such as cutting off air links and withholding technology were possible.

He said the purpose of the mission had been twofold.

"To put SA's case in perspective overseas, and in this way to exercise an influence against sanctions, boycotts and disinvestment, as well as to inform AHI members and relevant authorities of the problems foreigners might have in this regard.

"It was quickly clear to the mission that strong pressure is building up for more political and economical steps against SA. It was also clear to the mission that influence could not be exercised against intensive sanctions, boycotts and disinvestment should the political status quo be maintained in SA.

"This could only be done by taking the standpoint that SA was in the process of evolutionary change on a constitutional level. 12/12/88

"Also, the suggestion that SA's eco-

To Page 2

'More sanctions pressure building up'

From Page 1

nomic growth deserved overseas support as a prerequisite for continuing evolutionary reform, did not meet with approval.

"More economic steps imply additional sanctions, boycotts and restrictions on capital investment in SA, while more political steps, among others the withdrawal of landing rights for SAA flights as well as those by overseas airlines to SA, as well as withholding technology from the country, could occur."

Niemandt said various people and organisations who were more favourably inclined towards SA and with which the mission had had discussions, emphasised the general attitude towards SA by many countries, such as those of the EC, was so negative that in the long term it would be difficult to avoid more action against SA unless a basic change in attitude towards the country took place in those countries

Such a basic change in attitude would only follow on a dramatic step towards a new political dispensation in SA which was acceptable to most black South Africans It was clear to the mission that such a step pointed to a joint say by black South Africans in central government. — Sapa.

Star 12/12/88

US senators disappointed after SA visit

PW's actions 'a spur to sanctions'

(280)

Star 12/12/88

By Kaizer Nyatsumba

United States Senators Mr Sam Nunn and Mr David Boren left South Africa yesterday disappointed with the State President, Mr P W Botha, whose actions they thought might encourage further US sanctions against Pretoria.

At a press conference held in Cape Town, which was linked by telephone to Johannesburg, Mr Nunn and Mr Boren said Mr Botha had given them no reason to believe that South Africa was about to change or that Nelson Mandela, whom they were refused permission to see, was about to be released.

"Our visit with President Botha was very disappointing. Mr Botha deeply disappointed us by wanting to talk only about the past and he did not give us ample time to talk about the future.

"If Mr Botha's view was to be seen as the only view of this country, then that would encourage further punitive economic sanctions," Senator Boren said.

The two senior Democratic senators are influential in the US Senate. Mr Boren is chairman of the Senate Select Committee on Intelligence and Mr Nunn is chairman of the Senate Committee on Armed Services.

After their return to the United States they would adopt a wait-and-see attitude and monitor developments in this country. How they would vote on further sanctions against South Africa would depend on developments here, they said.

The American lawmakers also expressed their disappointment with Mr Botha's decision to turn down their request to see Mandela.

"Mr Botha's only response to our request to see Mr Mandela was 'No, you can't see him'," they said.

"And Mr Botha did not give us any clear indication whether Mr Mandela will be released soon. The place to which Mr Mandela has been moved is still a prison facility, even if it is a house without bars. This is totally viewed by the rest of the world as a continuation of his imprisonment."

The senators said the Delmas trial and "escalating pressure and restrictions placed by the Government on non-violent political and economic groups" were indicative of the Government's intention to narrow the range for free, non-violent political action.

"If those who are working for real change are foreclosed from using non-violent political methods, it is our great fear that they will be forced to turn to methods that will undoubtedly lead to violence and tragedy.

"We believe that the policy direction reflected by the Delmas trial, and continued detention and restrictions without criminal charges being made, unless reversed will lead to a serious deterioration of US-South African relations," the senators said in a joint statement.

They questioned the Government's desire for dialogue "when they are locking up the next generation of leaders". The Government could not presume to "choose for black people their leaders", they said.

The senators expressed their surprise at the Government's failure to "vigorously seek a Bill of Rights, which would later protect them as a minority".

The American entourage left yesterday for Kinshasa, where they will meet President Mobutu Sese Seko of Zaire and members of his government.

SA 'to sign draft tomorrow'

Star 12/12/88

By Gerald L'Ange, The Star's Africa News Service

The search for independence for Namibia continues to be a cliff-hanger in what appears to be its final days.

It is not yet clear whether all the difficulties that prevented a signing of a protocol in Brazzaville on December 2 have been resolved.

The Cuban Deputy Foreign Minister, Mr Ricardo Alarcon, said yesterday the only question remaining was not whether the protocol would be signed but when.

The South Africans, who were to have left today for Brazzaville, now say they will leave tomorrow to sign the protocol that will provide for a Cuban troop withdrawal from Angola and implementation of the United Nations independence plan for Namibia.

Diplomatic sources were quoted in Havana as saying the signing will take place on Wednesday.

ıke place on Wednesday.

ment.

Pressure for sanctions 'is growing in Europe'

Star 12/12/85 Staff Reporter · 280

Drastic change is required in South Africa if punitive economic measures from European countries are to be avoided, the Afrikaanse Handelsinstituut has warned.

The AHI reached this conclusion after a recent visit by its executive members to four European capitals — London, Paris, Brussels and Bonn — and after interviews with government officials, bankers, politicians, industrialists and businessmen.

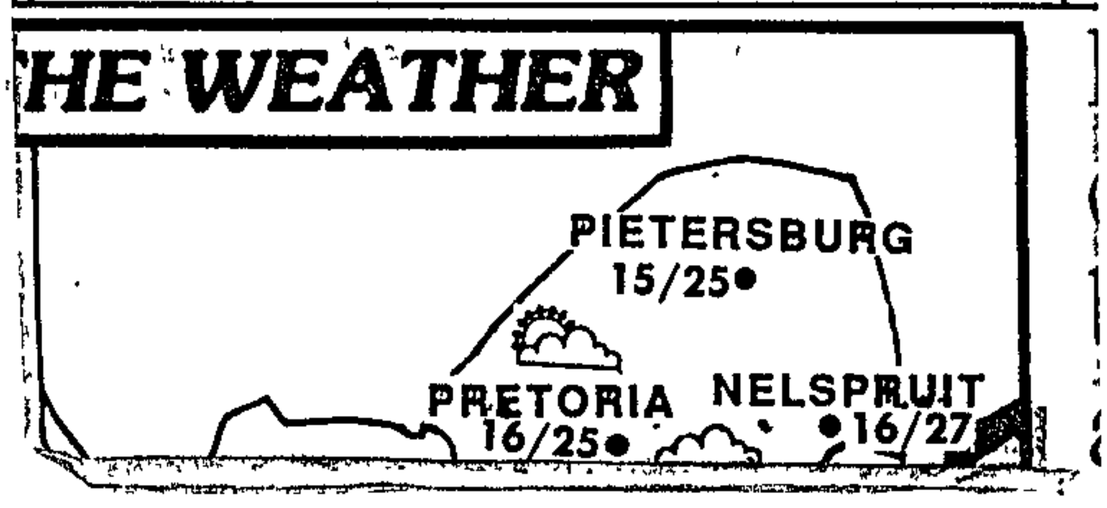
The AHI says in a statement that pressure for political and economic action against South Africa is building up. It says it is clear that influence against increased sanctions, boycotts and disinvestment cannot be exercised while the status quo in South Africa is maintained.

The suggestion that evolutionary constitutional changes had gained overseas support for economic growth in South Africa had not been met with approval, the statement said.

"In our opinion, it will require vigilance not to give pressure groups the opportunity to succeed with additional action. The recent decision of the State President to reprieve the Sharpeville Six undoubtedly denied them such an opportunity," the AHI said.

Various people and institutions friendly to South Africa had emphasised that the attitude of many European Community countries was so negative that it would be difficult to prevent further punitive measures.

Only a dramatic step towards a new political dispensation would bring about a change in attitude.



BUSINESS DAY, Tuesday, December 13 1988

COLGATE APPLIES TO DUMP 'BACKWARD' BOKSBURG

PRETORIA — Colgate Palmolive in Boksburg has applied for rezoning to the Benoni district.

MD Gerry Nocker said payments of rates and taxes to a town council which held such backward views could not be justified.

He said the Boksburg council's retreat to the petty-apartheid era had highlighted the disinvestment and sanctions issue.

This meant pressure would increase on foreign companies.

GERALD REILLY

He said developments in Boksburg had created a false impression of the Afrikaans community.

"Regardless of their political views, I cannot believe they want to create a ghost town of Boksburg."

Referring to mounting US pressure on the company to disinvest from SA, he said: "We are committed to stay in SA as long as we believe we can continue to influence political change and protect human rights."

More than 60% of the company's 1 200 workers were non-white and the Boksburg council's actions were an insult to their dignity and contrary to all human rights.

"The council's actions were particularly irresponsible at a time when there was a positive response and goodwill from President P W Botha's peace initiatives and his efforts to create an environment for negotiation with responsible black leaders."

Govt likely to act against CP moves'

13/12/88 B/day

GERALD REILLY

PRETORIA — The business community expected government to act soon after the opening of Parliament to block any more moves back into apartheid in CP-controlled local authorities, Witwatersrand Chamber of Commerce and Industries vice-president Eric Henderson said yesterday

He was reacting to reports that pressure was mounting in the US for Boksburg-based Colgate Palmolive to disinvest.

Henderson said "We cannot see government allowing the situation to develop to a point where there is a real threat of a new wave of disinvestment and other economic action against SA."

At the weekend, the Afrikaanse Handelsinstituut warned that drastic changes were needed to avoid further punitive economic action against SA

PFP spokesman Harry Schwarz said it would be totally illogical for any multinational to pull out of SA because of the activities of a verkrampte town council.

By staying, multinationals were contributing to solving the problems created by the CP and other right-wing organisations

In any case, punitive disinvestment action would not influence the CP to change its policies

By staying in SA, Colgate-Palmolive and others would be supporting those who opposed the "Boksburg syndrome".

Sanctions, the future of SA and Mandela — Thatcher speaks

THE British Prime Minister, The Rt Hon Mrs Margaret Thatcher MP, gave an interview at No 10 Downing Street to Mr W J Wepener, the editor of *Beeld*. Attached is the transcript of questions and answers from that interview.

QUESTION 1: You have been called all kinds of names because of your "defence" of South Africa on matters like sanctions. Why is this stance so important to you that you risk your popularity with so many people (notably the members of your own Commonwealth) because of a country you have visited only once?

Opposition to punitive sanctions against South Africa often is misrepresented as support for apartheid. That is simply nonsense. Apartheid is contrary to my whole philosophy, which is that people should be able to live where they like in their own country, exercise their full democratic rights and advance according to merit, not the colour of their skin. The reasons I oppose further sanctions against South Africa are clear. I cannot think how you can make things better in South Africa by making them worse. General sanctions would put large numbers of black South Africans out of work permanently, would create immense hardship for their dependents and would be likely also to have disastrous effects in the neighbouring states. They would not make the South African Government more responsive to the need for change, and would instead contribute to internal polarisation and violence. I find it very difficult to see how that could help the cause of those struggling for positive change in South Africa.

Q. 2: President Reagan recently told the United States Congress that (I quote) "The 1986 sanctions have increased the appeal to whites of isolationist, ultra-conservative and white supremacist movements". Do you agree that the world plays into the hands of the extreme right by increasing pressure on the country? And what will Britain's attitude to South Africa be should the far right get into power?



MRS Thatcher

I think that increasing isolation does play into the hands of the extreme right. That is why I oppose it. As to the possibility of the far right getting into power, I prefer to think that white South Africans will have the sense not to permit that to happen.

Q3: How do you feel about the use of sport boycotts as a political weapon against South Africa? Will you for instance support or object to the planned world rugby tour of South Africa next year to mark the South African Board's centenary? Will you agree to a Lions' tour of South Africa?

We abide by the terms of the Gleneagles Agreement. It is not for me to decide about rugby tours. Decisions of that nature are taken by the rugby boards, who are not under Government control I do welcome, however, the initiative taken by Dr Craven towards full integration in sport and to help reduce South Africa's isolation.

Q4. In a recent speech in Belgium you rejected the idea of a United States of Europe. You said 'Europe will be stronger precisely because it has France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions and identities. It would be folly to try to fit them into some sort of identikit European personality'. In South Africa we have at least ten different population groups which by these criteria may well claim to be called separate nations, each having its own language, customs, culture, traditions, religion, etc. In view of this, do you think that the political philosophy behind South Africa's homelands policy deserves more understanding?

In Europe we are dealing with twelve countries which have existed for centuries as independent nations. We do not recognise the 'independence' of the homelands. I do think that arrangements will have to be worked out for South Africa which take account of the country's diversity. But it is for South Africans, black and white, not for me, to lay down what those arrangements should be.

Q5: How do you see the future of South Africa? What do you actually expect to happen? How do you see the future of the white man in South Africa?

I believe that South Africa, like all other countries, has the capacity to change its future Unless bold initiatives are taken, violence may increase and South Africa could become more isolated That is not what I want to see happen. I believe that if courageous reform steps are taken, it will be possible to look forward to a very different future in which all South

To page 20

Thatcher explains Britain's attitude to SA

From page 12

Africans can play their full part and live peacefully together As for the white community, they have an indispensable part to play, both now and in the future It is not only the Afrikaners who have deep roots in South Africa and who have helped to develop the agriculture, industry and infrastructure to the state it has reached today It is essential to preserve and build on what has been achieved and in that regard as in others the white community has a vital role to play

Q6. At the moment one man one vote in a unitary state is an unacceptable idea to the vast majority of white people, inter alia because of the difference between the population groups May I ask what is your opinion of this question?

At every stage I have made it clear that future constitutional arrangements for South Africa must be worked out by South Africans They cannot be laid down by outsiders I must add that I do not see how, in the modern world, it is possible to achieve political stability except on a basis where all adults have the vote The issue is to reconcile the exercise of those normal democratic rights, which cannot be denied, with the reasonable protection of minority interests How that is to be done has to be negotiated between South Africans

Q7. Will you agree that South Africa has indeed moved a long way on the road of reform under President P W Botha? What other reforms would you most like to see in the near future?

I do indeed agree that many reforms have been carried through under President Botha and I have often paid tribute to these — in particular to the legislation of black trade unions, the scrapping of pass laws under which hundreds of thousands of people were arrested every year and the ending of job reservation As to what further steps might be taken, I have made clear that I would like to see progress towards the abolition of the Group Areas Act I do not believe that would have the dramatic consequences some people seem to fear where people live is decided mainly by economic considerations But, surely, people should have the right so far as possible to live where they wish There are other steps I would like to see taken I will come to those later

Q8 How do you assess our State President's recent visits to African countries and his initiatives in the region? What do you think of political developments in Angola and Namibia? Do you foresee a lasting peace in that area?

I welcome President Botha's recent visits to other African countries We attach great importance and have ourselves worked hard to contribute to the normalisation of relations between South Africa and Mozambique We have very strongly and directly supported the negotiating effort to bring peace in Angola and an internationally recognised settlement for



MRS Thatcher

Namibia These negotiations are bearing fruit it seems at last that there is agreement on the total withdrawal of Cuban troops from Angola This achievement will unblock the other problems in the way of Namibian independence We shall be continuing to do everything in our power to help the talks on the remaining issues succeed Apart from the benefits that could bring for the people of Angola and Namibia it would also be of great benefit to South Africa in terms of its relations with other states in the region and in the outside world

Q9 In your opinion, should South Africa end the state of emergency immediately, gradually, or keep it up for as long as it is deemed necessary?

I do not think any country should reconcile itself to the prospect of living semi-permanently in a state of emergency I hope that the state of emergency will be ended soon and that steps will be taken to normalise the situation That, I believe can best be done through the concept of negotiations in which all parties can participate, in the context of a suspension of violence on both sides That concept has not yet been accepted But I believe that it will be accepted one day and that it offers the best way forward

Q10 You have mentioned that you may visit South Africa provided your visit could help to break down apartheid Exactly what did you mean by that? And what are the chances that we may see you in South Africa soon?

I have no present plans to visit South Africa But I certainly would visit your country if I believed that, in doing so, I could help to end apartheid and promote positive change

Mandela

Q11 Do you think that releasing Nelson Mandela will make all that much difference to the world's opinion (and may I say, prejudice) of South Africa?

I think that releasing Mandela provided he is released without being subject to all sorts of restrictions would make a great difference to the world's opinion of South Africa If he were to die in prison I believe that would have disastrous consequences for South Africa If he were released that could help to open up the prospects for real negotiation internally and, as you know I have consistently supported that I welcome the recent announcement that he will not be returned to prison

Q12. The reasons for your concern about Nelson Mandela are obvious But recently you have also expressed yourself strongly in favour of clemency for the six people commonly referred to as the Sharpeville Six. Why did you get involved in this case, because the "Six" were after all tried and sentenced by a South African court of law, and even our worst enemies admit that South African courts are fair and just, and free from political interference?

There were features of the case of the Sharpeville Six which caused many of us not to question the court's verdict, but to appeal for clemency I am glad that clemency was exercised

Interference

Q13. Do you think there may be enough common ground for you and President Botha to get together and have a fruitful discussion on South African problems and the way it affects world affairs?



MANY reforms carried through under President Botha

President Botha and I had long very frank and useful talks at Chequers in 1984 I am in regular touch with him If a further meeting would help to advance matters at some point that will be a matter to be decided by us at the time

Terrorism and the ANC

Q14 At last year's Commonwealth Conference you have described the ANC as a "typical terrorist organisation" The British Government afterwards described them as a representative black opposition organisation of South Africa and made it clear that it will stay in touch with the ANC. It was also reported that the statement was made with your approval. Does that mean that there was a shift in your attitude towards the ANC, if so, why? In your opinion, what is the difference between the IRA and the ANC?

Our attitude has not changed in all I consistently have made clear the total opposition and abhorrence of the British Government for terrorist actions whoever they may be committed by Indiscriminate acts of terrorism such as letting off bombs in restaurants and in the street are not something I will ever condone We will go on condemning them and have made that very clear to the ANC I have made clear also my opposition to violent actions by the security forces

As a political movement, the ANC undoubtedly is a factor in South African politics The question is how to get it to give up the politics of violence The best approach is by offering the possibility of negotiations I have already made clear my view on that which is that the way should be opened for a negotiation between all the parties in the context of a suspension of violence on all sides

As to the difference between the IRA and the ANC the IRA is a terrorist movement which seeks to impose its views by violent means Let me remind you that there is universal suffrage in Northern Ireland, as in the rest of the United Kingdom The vote is denied to no one All people in Northern Ireland have the right to express their views in a democratic way Sinn Fein the political wing of the IRA attracts few votes That is why the IRA resort to violence

Q15 Recently Britain's SAS unit crossed the border with Spain to Gibraltar and shot and killed three IRA terrorists to prevent them exploding a car bomb. It is not quite the same thing but how do you feel about South Africa's pre-emptive strikes into neighbouring countries used by ANC-terrorists as a springboard for their terrorist attacks in South Africa?

The three IRA terrorists were shot dead in Gibraltar which is a British Dependent Territory for the security of which the British Government is responsible The terrorists were on a mission to plant a large bomb in Gibraltar and were shot when they failed to respond to challenges from the security forces At no time did the soldiers cross into Spain In Northern Ireland, where we are working closely with the Irish Government to improve security in the border area, British Security forces scrupulously respect the border There is no question of their breaching the border in pursuit of terrorists and at all times the security forces operate within the law

Argus 15/12/11

Swiss R80-m herald's thaw in freeze on loans to SA

From DEREK TOMMEY
The Argus Correspondent

JOHANNESBURG. — A group of Swiss financial institutions has lent the South African government 55 million Swiss francs, equal to about R80-million — a surprise development that could mark a major turning-point in the government's frosty financial relations with foreign countries.

Details of the loan were reported in the Zurich daily Tages Anzeiger.

It is believed to be South Africa's first official foreign loan since the the United States' Chase Manhattan Bank triggered a crisis in September 1985 by demanding the immediate repayment of its South African loans.

Since then South Africa's foreign creditors appear to have been more concerned with getting their money out of South Africa than investing here. However, some banks have been prepared to allow existing loans to continue.

The renewed willingness of Swiss financial institutions to invest is an indication that bankers in Europe are beginning to see South Africa in a more favourable light.

But although willing to risk investing at least short-term funds here, the Swiss are no doubt concerned about the possibility of political pressures being imposed on them.

Consequently, apart from the Zurich report, the loan has been given little publicity overseas.

Boksburg row could aid SA's cause

BY NEIL LURSSEN, The Star Bureau

Boksburg's civic politicians have captured internationally for their town the title of Bastion of Bigotry but, in an unexpected way, they may be doing the rest of South Africa a big favour.

Star 15/12/88

WASHINGTON — Conservatives in Boksburg are providing American conservatives with the evidence they need to prove that South African blacks can score powerful political points through their buying power.

The United States conservatives are pushing this argument hard as they prepare for the next round of the anti-South Africa sanctions struggle here Signs that US liberals have not given up on sanctions came this week when the city of Boston banned Shell Oil products because of the US company's trade links with South Africa — tenuous as they are.

Boksburg's black consumer boycott in response to a new outbreak of petty apartheid has clearly distressed the town's businessmen who are learning that discrimination does not come cheap any more.

Best solution

But the boycott has fallen into the laps of US conservatives who argue that the best solution for a peaceful end to apartheid in South Africa is black economic empowerment: give blacks the means, and they will buy their way to power-sharing.

They argue that blacks cannot be separated out of the South African economy as the sanctions movement here seems to think is possible Squeeze that economy and you squeeze blacks too — perhaps even harder than you squeeze whites.

The reverse is that if you assist the South African economy, you will also assist blacks. Take this a step further, aim your assistance directly at blacks and you create a situation where they become so important to the overall economy that no white businessman would dare risk offending such an important slice of his market

This is an approach that has been articulated on behalf of president-elect Mr George Bush by members of his foreign policy team — notably Mr Alan Keyes, a black conservative who is expected to win a top job in the Bush administration.

Mr Bush likes the general approach and now it has been endorsed enthusiastically by the Heritage Foundation, a Washington think-tank that had influence in the early stages of the Reagan administration and is seeking a similar role in the Bush era.

In a just-released policy study, the foundation's Africa task force chairman Mr Nicholas Eberstadt says that to help blacks win more control of their country's economy, US aid should be targeted directly at black economic sectors.

"Too much of the current US assistance, by contrast, goes to political opposition groups," he says "The Secretary of State (Mr James Baker from January 20) should design a programme through which the US, Western Europe and Japan assist black education, job training, health care, small business development, and housing."

Whether or not Western Europe and Japan will fall into the plan remains to be seen But it is clear that black empowerment will be one of the main elements in the argument about South Africa when the big sanctions debate resumes in Washington next year.

The conservatives will not have an easy time pushing their line in the US Congress. Earlier this year, for instance, liberal Democrats — who control the Africa subcommittee in the House of Representatives — rudely ignored black businessmen from South Africa who travelled to Washington to make a case for black empowerment

The climate may be different in 1989 The South African Government has scored some valuable points with actions and events lately — among them the signing of the Brazzaville Protocol, the outspoken opposition to Boksburg's apartheid zeal, the waiving of the death penalty for the Sharpeville Six, the release of political prisoners, and the realisation here that there is, after all, a difficult right-wing problem facing the Botha regime

If the black consumer boycott in Boksburg succeeds and the town's civic leaders decide that the trappings of white purity are maybe not so desirable after all, the opponents of sanctions have a good case to take to the Congress in 1989.

Secret fear

American conservatives also have a secret fear that further sanctions measures will lead the South African Government into a deal with the increasingly pragmatic Soviets

Such a deal, they theorise, may take the form of a greater Soviet involvement in the distribution of South Africa's mineral riches in return for reduction of Soviet support for the ANC and Soviet pressure on a Swapo government in Namibia not to stir up animosities with Pretoria

The prospect of a weakening of the West's influence in southern Africa, and especially a slipping grip on the mineral riches, horrifies American conservatives.

Thus they are pushing for aid to the South African economy through black empowerment. Every time Boksburg nails up a whites only sign, it may just help the US conservative effort to tear them all down

16/12/88

UNDERSTANDING SANCTIONS

280 Fm/hL

Conservative Party (CP) maverick Koos van der Merwe, who last week was instrumental in staving off the threatened defections of three of Boksburg's 12 CP councillors, evidently understands the negative effect that re-imposed apartheid signs would have on the sanctions debate in the US. This much he told Republican Senator John McCain (Arizona) during a meeting in the Carlton Hotel in Johannesburg last month.

McCain tells the *FM* that he met a broad spectrum of South Africans during his nine-day privately sponsored tour. "I told Van der Merwe that any going back to apartheid and apartheid signs would give impetus to the passage of more sanctions bills in Congress.

"I explained that it would affect my opinion and that of other moderate Republicans as to whether we would lean favourably towards supporting sanctions. Van der Merwe told me he has often visited the US and understands the effect such actions would have on the debate."

McCain points out that the CP's actions in Boksburg are very harmful to the cause of many white and black South Africans. "It will have a very significant impact on the sanctions debate."

...ghout

...bera-
...arties
...t that
...been
...per-

...elings
...llow-
...ndent

...ected
...basic
...f the

...eting
...d the
...rties'
...that
...he re
...par-
...sup-
...tical

...rties
...arty.

...nfra-
...d as
...on-

...susol, which has committed itself to a total of R90 000 over three years. Other major contributors have been Toyota (R1,2 million), JCI (R225 000), the Argus Printing and Publishing Company (R50 000), and Millionex and Total Oil, which have both donated a classroom to the centre.

Britain still against isolation

280

Star 16/12/88

LONDON — The British Government will continue to seek the abolition of apartheid in South Africa, but it does not believe that this objective will be brought closer by further isolation measures, says Foreign Office Minister of State Lord Glenarthur.

Replying to a debate in the House of Lords on southern Africa Lord Glenarthur said there had been significant positive developments recently, including the settlement of the long-standing problems of Angola and Namibia.

There had also been welcome developments in South Africa itself, such as the release of some political prisoners, the reconsideration of draft legislation to enforce the Group Areas Act and the "statesmanlike decision" of President Botha to reprieve the Sharpeville Six.

Lord Glenarthur said: "We will continue to press the government there to release all political prisoners, including Mr Mandela, and will continue to seek the total abolition of apartheid.

"But we do not believe that this objective will be brought closer by further isolation of South Africa."

Lord Cledwyn of Penrhos, Labour leader in the Lords, said sanctions against South Africa were biting and Britain should co-operate with its allies to exert stronger economic pressure

"Change through economic pressure is better than change through force of arms and the sooner change comes in South Africa the more lives will be saved," he said

Lord Cledwyn said the British government stood virtually alone in its continued opposition to stronger sanctions

"They have insisted that sanctions will not work while we and others, especially our Commonwealth partners, have taken a different view

"The accumulating evidence appears to support our arguments because South Africa is in increasing financial difficulty"

Independent peer Lord Goodman, who recently visited South Africa as vice-chairman of the British Council, said South Africa's whites needed to be convinced they were sitting on a time bomb which could explode at any moment. — Sapa.

Star 17/12/88

SA guilty, says US judge: sentence — more sanctions



SELECTIVE SANCTIONS . . . Judge LaDoris Cordell this week returned to the US to campaign for more selective sanctions against South Africa.
● Picture: Pat Devereaux.

A BLACK American woman judge — the first black woman to be appointed to the Supreme Court of northern California — left South Africa this week determined to campaign for further selective sanctions and seek aid for the victims of apartheid.

The fiery Judge LaDoris Cordell, who was invited to South Africa to speak at a human-rights conference, said in an exclusive interview just before her flight from Jan Smuts Airport this week: "I am convinced that people of all races want to live in peace, but what is happening in South Africa is frightening.

Hectic schedule

"The Government's harsh restrictive measures call for creative measures to end apartheid."

Judge Cordell, a divorced mother with two daughters, was dressed casually in jeans and a T-shirt with a sweater slung over her shoulders.

She looked much younger than her 39 years.

In a hectic 13-day schedule she met more than 150 people from a broad political spectrum, among them were the Conservative Party MP, Mr Clive

PAT DEVEREAUX (280)

Derby-Lewis, the *Weekly Mail* editors and the formerly jailed African National Congress leader, Mr Govan Mbeki.

Said Judge Cordell. "Visits to Crossroads, Khayelitsha and Winterveld, a trip to the Voortrekker Monument and attending elaborate dinner functions were also part of my programme.

"However, this is a land of such contrast and extremes.

"But, after having been detained briefly by police in Port Elizabeth's Soweto township, I have no doubt that this is a police state and people are living in fear."

She added: "Coming to South Africa was an eye-opener."

Judge Cordell said:"I did not know that many white people were also involved in the struggle for freedom in this country.

"I was surprised that they too realise that until South African black people are free no one is free," she added

But the judge said she wasappalled by the "insidious racism in this country".

"So many people I talked to, including judges, said they were opposed to apartheid but then agreed with unofficial apartheid."

I asked what she would do when she got back to her home in Palo Alto, California.

Judge Cordell is listed in Who's Who of Emerging Leaders in America.

To clarify her position on sancions, she said: "One Sunday paper here misquoted me as saying I would return to campaign against sanctions."

"On the contrary," she said, "I didn't come here as an observer. I intend to lobby for further selective sanctions," she said.

Detailing these selective sanctions, she said: "South African businessmen should only get visas if they denounce apartheid."

"Businesses which support apartheid should be boycotted."

"Airlines should not land in South Africa but in surrounding countries to give them added revenue," she said

Feeding schemes

"To aid victims of apartheid I am going to approach the authorities in my area to adopt a South African township and channel funds into education and feeding schemes as well as to anti-apartheid organisations."

As she prepared to leave Judge Cordell added: "As a feminist I was horrified at the blatant sexism in the press.

"As a mother I was deeply disturbed by the babies' bloated bellies in squatter camps.

"As a judge I was saddened by the legal system and the Delmas trial judgment.

"As a visitor I was not used to the blatant state censorship of the press and seeing such youthful, armed men with such power over people," the judge said.

 Star 17/12/88



SELECTIVE SANCTIONS . . . Judge LaDoris Cordell this week returned to the US to campaign for more selective sanctions against South Africa.
● Picture: Pat Devereaux.

SA guilty, says US judge: sentence — more sanctions

PAT DEVEREAUX (280)

A BLACK American woman judge — the first black woman to be appointed to the Supreme Court of northern California — left South Africa this week determined to campaign for further selective sanctions and seek aid for the victims of apartheid.

The fiery Judge LaDoris Cordell, who was invited to South Africa to speak at a human-rights conference, said in an exclusive interview just before her flight from Jan Smuts Airport this week. "I am convinced that people of all races want to live in peace, but what is happening in South Africa is frightening

Hectic schedule

"The Government's harsh restrictive measures call for creative measures to end apartheid."

Judge Cordell, a divorced mother with two daughters, was dressed casually in jeans and a T-shirt with a sweater slung over her shoulders

She looked much younger than her 39 years.

In a hectic 13-day schedule she met more than 150 people from a broad political spectrum, among them were the Conservative Party MP, Mr Clive Derby-Lewis, the *Weekly Mail* editors and the formerly jailed African National Congress leader, Mr Govan Mbeki.

Said Judge Cordell "Visits to Crossroads, Khayelitsha and Winterveld, a trip to the Voortrekker Monument and attending elaborate dinner functions were also part of my programme

"However, this is a land of such contrast and extremes

"But, after having been detained briefly by police in Port Elizabeth's Soweto township, I have no doubt that this is a police state and people are living in fear"

She added "Coming to South Africa was an eye-opener"

Judge Cordell said "I did not know that many white people were also involved in the struggle for freedom in this country

"I was surprised that they too realise that until South African black people are free no one is free," she added

But the judge said she wasappalled by the "insidious racism in this country"

"So many people I talked to, including judges, said they were opposed to apartheid but then agreed with unofficial apartheid"

I asked what she would do when she got back to her home in Palo Alto, California

Judge Cordell is listed in Who's Who of Emerging Leaders in America

To clarify her position on sancions, she said "One Sunday paper here misquoted me as saying I would return to campaign against sanctions."

"On the contrary," she said, "I didn't come here as an observer I intend to lobby for further selective sanctions," she said

Detailing these selective sanctions, she said. "South African businessmen should only get visas if they denounce apartheid"

"Businesses which support apartheid should be boycotted"

"Airlines should not land in South Africa but in surrounding countries to give them added revenue," she said

Feeding schemes

"To aid victims of apartheid I am going to approach the authorities in my area to adopt a South African township and channel funds into education and feeding schemes as well as to anti-apartheid organisations"

As she prepared to leave Judge Cordell added "As a feminist I was horrified at the blatant sexism in the press

"As a mother I was deeply disturbed by the babies' bloated bellies in squatter camps

"As a judge I was saddened by the legal system and the Delmas trial judgment.

"As a visitor I was not used to the blatant state censorship of the press and seeing such youthful, armed men with such power over people," the judge said

Fewer US firms quit SA this year — report

Star 17/12/88

By Neil Lurssen, The Star Bureau

WASHINGTON — This year there was a significant drop in the number of American companies ending their direct investment in South Africa, according to a report released today by the Investor Responsibility Research Centre.

Only 25 companies withdrew this year — fewer than half the number that quit last year.

The report shows an even more striking slowdown in the number of non-American companies getting out of South Africa. In 1988, only 11 such companies disinvested, compared with a peak of 44 withdrawals the previous year.

Disinvestment by foreign corporations appears to have reached its limit in 1987, when 57 American firms left, following the 50 in 1986, 40 in 1985 and seven in 1984.

MAJOR CORPORATIONS

There are now 138 American and 440 non-American foreign corporations with direct investment or employees in South Africa, according to the study.

The new report says that 77 of the remaining American companies in South Africa have signed the Statement of Principles that formerly were known as the Sullivan Principles.

Another 20 have not signed the Statement of Principles but have registered with the US State Department on their fair labour standards.

The report states that of the 149 US and Canadian companies that have stopped their direct investment in South Africa since January 1986, 68 have kept non-equity ties with the country, seven have "dormant" subsidiaries in SA and 86 have severed links completely.

US judge to work for more sanctions

W/E Argus 17/12/88 280

Weekend Argus Correspondent

JOHANNESBURG. — Black American woman judge LaDoris Cordell has left South Africa with a vow to campaign for further selective sanctions and aid for "victims of apartheid".

She had been in South Africa after an invitation to speak at a human rights conference.

Judge Cordell, 39, said before her flight from Jan Smuts Airport: "I am convinced people of all races want to live in peace but what is happening in South Africa is frightening.

"The government's harsh restrictive measures call for creative measures to end apartheid."

In a hectic 13-day schedule she met more than 150 people, including Conservative Party member Mr Clive Derby-Lewis, Weekly Mail editors and former ANC leader Mr Govan Mbeki.

"South Africa is a land of contrasts and extremes. But after I was detained briefly by police in Port Elizabeth's Soweto township I had no doubt this is a police state and people are living in fear," she said.

Boston squeezes Shell on SA

BOSTON — The city of Boston yesterday barred municipal purchases of Shell Oil products until the company's parent, the Royal Dutch Shell Group, stopped doing business in SA.

Mayor Raymond Flynn signed an executive order supporting a three-year-old international campaign to boycott Shell products in protest against apartheid.

Shell said the mayor's action was "unfortunate and misguided".

About 19 US cities have instituted a general ban on doing business with companies involved in SA, but Boston officials said the city was the first to target a single company.

Boston has purchased only about $2 500 worth of Shell products over the last two years, but Flynn said he would lobby other mayors across the US to take action similar to Boston's.– Sapa-Reuter.

B1 day 14/12/88

Boston joins the SA witch hunt

By PATRICIA CHENEY
Washington

BOYCOTTERS in the US have stepped up their campaign against South Africa.

And they are using one of their most-effective weapons yet — selective purchasing laws.

This week the city of Boston caused a real shiver of fear in Shell USA by announcing that it would no longer buy Shell products.

At the same time, Dr Scholl's internationally famous shoe manufacturers have also been fired by Boston because they do business in SA.

Ironically, Boston is not one of the cities to have adopted such laws before, as did New York, Chicago, Los Angeles, Houston, San Francisco and Washington.

Two states — Maryland and Michigan — and at least 33 town and country governments have adopted such legislation over the past three years.

Feeling the pinch most have been some of America's biggest companies — a factor which drove firms like General Motors and Xerox to sell off their SA subsidiaries.

Cited

General Motors, which sells police cars to municipalities around the US, cited the selective contracting laws when it announced in 1986 that it would sell off its SA plant.

Xerox began "to see the light" when it found itself in a hot bidding war with Eastman-Kodak over the sale of $9-million worth of high-speed copiers to New York City. Eastman, which had already pulled out of SA, got the contract.

The last straw came when Xerox, the low bidder in a contract to the Pittsburgh School Board, lost out to a much smaller firm, Monroe Systems.

Ironically, Monroe was US distributor for a Japanese firm doing business in SA.

Other firms, subsidiaries of corporations with SA operations, have found themselves dumped because of guilt by association.

Engineering firm Daniel Mann Johnson Mendenhall was chosen by the Los Angeles Board of Public Works for a $12-million sewage treatment contract when, suddenly, the contract was withdrawn.

Its parent company, Ashland Oil Inc, sold products, like Valvoline, in SA. Four days later, Ashland announced it would end its SA distributorship.

Boston boots out Shell over SA links

The Star Bureau

WASHINGTON — Boston has become the first American city to shun Shell Oil products officially because of the company's links with South Africa.

Rejecting US Shell's protests that it had no dealings with South Africa, the mayor, Mr Raymond Flynn, issued an order yesterday barring the city from any purchases of Shell Oil products until its parent company, Royal Dutch/Shell, left South Africa.

"We have to be very consistent in our human rights stand," said Mr Flynn.

Swiss loan to SA? Govt won't confirm

GWK Time 19/12/88

280

JOHANNESBURG. — The government has refused to confirm that Switzerland has loaned South Africa R88 million, but informed sources say the loan has gone ahead.

The loan, said to be from a group of Swiss banks, is believed to be the country's first foreign loan since 1985.

However finance officials declined to comment on the report, saying "these rumours have been flying around in Switzerland for some time. But the less said, the better".

Bankers involved said Swiss Volksbank was the paying agent for some 10 banks.

No official comment was immediately available from Volksbank. The identity of the other banks was unclear.

Burdened by a $22 billion debt, South Africa has been shunned by most Western banks since 1985 when they implemented a foreign credit freeze on the country, because of mounting political violence.

Bankers said the latest deal was the first known Swiss capital market transaction for a South African borrower since a 50-million franc private placement arranged for South African Transport Services in 1985.

Asked about the timing, bankers said the banks involved may have been encouraged to go ahead with the deal when President P W Botha visited Zurich in October.

During his week-long visit, Mr Botha met bankers and businessmen to urge them to relax their lending freeze.

Switzerland has never imposed a lending embargo on South Africa. Instead, the Swiss National Bank has imposed a total annual limit on Swiss lending to South Africa, which is currently set at 300 million francs a year.

A spokesman for the National Bank said approval was required for the new private placement under recently introduced new regulations governing credit transactions

"The 300 million franc limit has not been reached by a wide margin for a long time. This is one reason why this transaction could be made without any problem," he said.

Bankers here said that with a coupon of 7% on the new deal, South Africa was paying a large premium over the 4,25% which a sovereign borrower would usually have to pay for a three year placement. — Own Correspondent and Reuter

TRADE

'Pressure could slash S A coal exports by 85 pc'

By DICK USHER
Business Staff

SERIOUS political pressures on South Africa could reduce coal exports by 85 percent from a projected 55-million tons at the turn of the century to 8-million tons, according to a major report by Wharton Econometric Forecasting Associates of London.

Intensive marketing of South African coal was helping hold down prices on the world market and real prices had fallen back to the levels held before the oil price explosions of the 1970s.

But any substantial reduction in South African exports could push prices up by 15 to 23 percent, said the report, a projection of the world situation until the end of the century.

CHEAP TO MINE

South African exports last year had continued their rise, in spite of pressure from anti-apartheid campaigners, to reach about 40-million tons from the lows of the past few years.

South African coal was cheap to mine, of high quality and enjoyed a price advantage of about $20 a ton over its nearest rivals in Australia and the US.

But the report said there was considerable uncertainty about South African exports and if serious political pressures substantially reduced shipments, either through widespread boycott or internal supply problems, prices could rise by 15 to 23 percent which could boost them by up to $17 a ton in the Far East and $11 in Europe.

STEAM COAL

The main beneficiaries of any restrictions on South African exports would be Australia and the US, who would be encouraged by the higher prices to boost exports.

Otherwise the report expected steam coal prices to rise only 5 percent by 2000.

By the end of the century, Colombia and Venezuela would join Australia, the US, South Africa and Canada as the main international coal suppliers.

BIGGEST PRODUCER

Its other conclusions were that China, the world's biggest coal producer, would remain only a minor exporter and might even become a steam coal importer.

This was because domestic demand would outstrip local supply and because the Chinese infrastructure remained inadequate for domestic consumers and for the export terminals.

There could be a surge of imports by West Germany and the UK.

Further US sanctions 'inevitable'

280

Political Correspondent

Star 24/1/88

American politicians both on the right and on the left believe further sanctions against South Africa are unavoidable, a leading South African politician has found after a recent visit to the US.

Progressive Federal Party MP for Johannesburg North, Mr Peter Soal, said today that there was also growing recognition overseas that South Africa should be encouraged to make additional changes, but that regrettably most people believed further sanctions would be unavoidable.

He said after speaking to congressional aides and State Department officials he had a clear impression South Africa would be the subject of further punitive actions by the American Congress in 1989 but that the new President, Mr George Bush, would be relatively powerless to stop them.

Mr Soal said South Africa had not even been mentioned in the American and Canadian election campaigns, but nonetheless there was an intense interest in the country.

Comic drops Krugerrands prize

Star 22/12/88

TOKYO — A Japanese comic magazine has decided not to award prizes of Krugerrand gold coins following protests from an anti-apartheid group and Japan's Foreign Ministry.

Business Jump, a weekly comic magazine for adults, announced in its current issue that winners of a drawing would receive Krugerrands and other gold coins.

But yesterday an official of Shueisha, publisher of the magazine, said the editors had decided not to award the South African coins after they received telephone calls from an anti-apartheid group and the Foreign Ministry.

"We decided that we didn't want to give the appearance of supporting racial segregation in South Africa," said the official. (280) (12)

Comic books are popular among young Japanese adults.

Since 1985, Japan's government has urged companies to voluntarily stop importing Krugerrands as a means of pressuring South Africa's Government to end apartheid.

Japan also prohibits all direct investment in South Africa, limits cultural, sports and tourism exchanges, bans sales of computers that might be used to enforce apartheid, and no longer has an ambassador in Pretoria.

But last year Japan became SA's largest trading partner. — Sapa-AP

Swiss chain store cancels tours to SA

The Star's Foreign News Service

GENEVA — Giant Swiss retail chain Migros has announced that its travel subsidiary, Hotelplan Ltd, is stopping tours to South Africa because of low demand

The chain denied there was any political pressure behind the decision.

"Of the 16 two-week trips to South Africa planned for the coming 1989 season, only six, at the most, would have gone ahead because of lack of demand," said managing director Mr Walter Zuercher.

But other travel companies reported that tours to South Africa were in greater demand

The Rotunda travel company said its trips to South Africa rose by 25 percent this year. Rast Reisen Ltd and the big Kuoni companies also reported higher demand for South African tours.

'SPIRIT VIOLATED'

All the same, in September this year the "M-club", an independent group of Migros co-operative shareholders, began a boycott campaign against Hotelplan tours to South Africa, saying they violated the spirit of Migros as decreed by its original founder, Mr Gottlieb Duttweiler. The huge food, clothing, furniture and appliances chain still does not sell alcohol or tobacco.

Despite the Migros decision, Swissair said advance bookings to South Africa are "very good".

At the South African tourist office in Zurich, a spokesman said. "We have never had so many inquiries as in December this year. Additional Swiss travel companies are now showing interest in South Africa."

280 6/day 27/12/88

SA 'paying high price for exclusion from mainstream'

SUSAN RUSSELL

SA WAS paying a high price for its exclusion from the mainstream of international trade, culture and diplomacy but government could not be expected to respond favourably to "irresponsible and irrational" international pressure.

This was said by Gerrit Olivier, the chief director of communication and planning in the Department of Foreign Affairs writing in the latest issue of Optima.

He said: "At the same time, it must be stated government is deeply aware of the moral challenges confronting it.

"An attitude of 'stop the world I want to get off' is obviously not helpful."

Olivier said SA's greatest foreign-policy challenge right now was to regain moral legitimacy in world politics.

"This is the only way in which we can get back into the mainstream of international interaction," he said.

Olivier said chances for this looked remote if one considered the "over-publicised dark side of the SA scene But I am not all pessimistic

"After all, we as a people do not oppose the principle of human rights.

"I do not believe we are less compassionate than the average European or American.

"As a matter of fact, we associate ourselves with the principle of human rights and we are doing our best under difficult circumstances to advance these rights.

"One of the problems we face is to find the appropriate political structure to secure human rights."

Olivier said the endeavour to regain international moral legitimacy, desirable as it might be, could not be pursued at any price.

"Prudent realism prevents any government from ignoring the political consequences of seemingly moral action.

"It is simply not possible to create an instant Utopia.

"The establishment of a durable and authentic democracy is a process, not an event.

"Power sharing and full participation are government policy.

"The immediate challenge is to convince sceptical world opinion that a new order has been embarked upon — call it post-apartheid SA if you like."

Sanctions hit local and international confidence

CHARLOTTE MATHEWS

THE most serious long-term effect of sanctions could be the loss of local and international business confidence, according to an article in the latest issue of Indicator SA.

"The growing investment of private SA companies in foreign assets is sometimes cited as a greater problem than disinvestment," said Carolyn Jenkins of Natal University's Department of Economics in the journal, published by the university's Centre for Social and Development Studies.

"Increasingly, SA capital, reluctant to invest at home, has been finding more profitable and less risky opportunities abroad.

"This places further strain, not only on the balance of payments, but also on the ability of the economy to expand its productive capacity."

The withdrawal of foreign companies had so far not had as serious an impact as might have been expected because foreign companies were not major sources of long-term direct investment, said the report.

"The shock Barclays Bank withdrawal in November 1986, for example, was accompanied by almost euphoric pleasure on the part of some of its senior staff that the 40% stake was passing into SA hands."

The halting of bank loans and new investment in SA was more serious because SA was increasingly dependent on foreign loans to finance overspending, particularly in the public sector, the report said.

Exports, excluding gold, had risen in real terms throughout the mid-1980s because the depreciation of the rand made SA goods more competitive on world markets, while alternative sources of prohibited imports were being found.

"The present level of sanctions can, in all likelihood, be survived, but the costs to the economy grow with each additional embargo," the report said.

Firm accused of SA deal

280 Star 27/12/88

The Star's Foreign News Service

MUNICH — A third West German company is suspected of illegally exporting nuclear technology to South Africa, it has been disclosed.

It was announced last week that legal proceedings had opened against the former business manager of a nuclear technology firm and the former owner of another, defunct company, who are suspected of illegal dealings with South Africa, Pakistan and India.

On Friday, the public prosecutor in the southern German city of Konstanz confirmed that similar proceedings had been opened against a third firm, Gutekunst of the twin town of Villingen/Schwenningen in the state of Baden-Wuerttemberg.

280 280YA

Warning given against isolation

SA 'must stay in technology game'

South Africa faces numerous challenges in the world of technology. Some of these were discussed in a recent article by the CSIR's Group Executive: Research, Development and Implementation, Dr Brian Clark.

It was becoming increasingly important that South Africa should become a competitive player "in the world game" in terms of technological development, says Dr Clark.

"The international technology scene is an aggressive, highly competitive, fast-moving race in which even advanced nations are struggling to keep up.

"For countries like South Africa, the race is an especially tough one — because for the losers, the prospects are bleak. Clearly we cannot win the race, but we dare not allow other competitors to leave us behind," says Dr Clark.

Impact on development

He was discussing technology and its impact on South Africa's development in an article in a recent issue of *RSA 2000*, a Human Sciences Research Council publication.

There should, according to Dr Clark, "be no confusion" on the issue of the impact of political developments on future technological progress in South Africa

"If these were to lead to South Africa's effective isolation from world technological developments, it would undermine the development of South Africa itself.

"In addition, current spending on research and development in South Africa cannot possibly sustain our demand for the new knowledge and technology we need to continue developing in pace with our major world competitors," says Dr Clark.

When it was considered that the US, Western Europe and Japan found it necessary to "collaborate vigorously" on pre-competitive research, it was obvious that South Africa could not possibly afford to allow itself to become isolated.

"Technological development in South Africa demands that we remain part of the world community. Even Japan, the world's most innovative, effective user technology, remains a net importer (in 1986, 260,6 billion yen as against 224,1 billion yen).

"How much more important it is for South Africa to remain an effective trader in the world marketplace," Dr Clark says.

"The problem is further complicated by a lack of skilled technologists.

"South Africa has abundant mineral resources which are being threatened by political and technological initiatives and which, if not protected, will in future cease to be the huge asset they have been in the past.

"Capital and technology from world sources are increasingly being denied to South Africa, thereby threatening our very ability to make the progress needed to generate the wealth required to rectify social problems," Dr Clark says.

Black children on PE beach: Police called

PORT ELIZABETH. — Police were called out to King's Beach and the McArthur pool slides on the Port Elizabeth beachfront yesterday when lifesavers reported that visiting black children were swimming and playing in their underwear.

This followed a police warning earlier to right-wing political organisations not to take the law into their own hands should they decide to patrol the Port Elizabeth "white" beaches on New Year's Day to check whether black people were bathing there.

An Eastern Cape police spokesman said charges had not been laid against the children. He added that no members of the public had lodged any complaints against a church group of 164 black people who visited the beach and waterslides.