SANCTIONS - 1989

SEPT. — DEC.

Texas faces a giant problem — over 10,4 tons of SA steel

ARGUS 1/9/39 230

By RAMSAY MILNE, Argus Foreign Service in New York

IN terms of steel — usually measured in hundreds, if not thousands, of tons — it isn't very much.

Maybe 11 tons or so.

But the steel is South African, 10.4 tons to be exact, and it is posing the weightiest problem for the state of Texas since John Wayne fell off his horse.

SANCTIONS

What has caused the Texas ruckus is the importation of 10.4 tons of Iscor steel for use in the building of a bridge over the Houston, Texas, ship canal.

The contract for the steel, a legal document, was signed before the approval by Congress of sanctions legislation banning the importation of certain South African goods into the US, steel being among them.

Though that puts the Texas Highway Commission in a legal bind, it has not stopped the National Association for the Advancement of Coloured Peoples (NAACP), the AFL-CIO, the National Association Against Apartheid and other anti-apartheid groups from protesting against the use of the steel, which, they say, South Africa was able to produce cheaply because "it uses slave labour."

A plainly rattled Texas Highway Commission chairman, Mr Robert Dedman, told reporters that he would rather anyone other than South African "slaves" had produced the controversial steel.

"Life would be a lot easier," he said.

But since the commission is bound by its contract to use the South African steel, he has suggested a novel solution: he urged his critics to go to court for a ruling that would halt the importation of the Iscor steel — and also end his own personal exasperation.

"I would be very relieved," he said, "and you can quote me on that."

An NAACP spokesman, however, said he is less sure that a court would find in its favour.

"The South African steel is legal," he said, "which means, I suppose, it has to go into building a part of that there bridge."

Which is where this weighty matter rests at the moment.

Sanctions bring out the best

TOUGHER sanctions have backfired in some respects because of the development in Natal of a sunflower oil extraction process.

Plant from a Pinetown engineering company has enabled Maritzburg-based Capital Oil Mills to develop a system which cuts processing time by 20% — resulting in increased throughput and lower operating costs.

Capital managing director Haroom Essack says normally the plant would have been imported.

"But because of sanctions we took a chance and placed the R1,5-million order with Duys Engineers of Pinetown.

"The installation of the equipment allowed us to develop the process which saves time and money, helping to keep down the price of sunflower oil and boosting our export potential."

The plant has been installed in Capital's new R16-million factory in Willowton, Maritzburg.

Capital exports oil to neighbouring states, but it is looking for other markets, says Mr Essack.

280 Chron 3/9/89.

Summit clash

UK envoy under fire for sanctions views

BY ZB MOLEFE

BRITISH ambassador Robin Renwick came under fire this week for the fact that his government does not support sanctions against South Africa.

The attack came during a black economic empowerment summit in Sandton, Johannesburg.

Centre for African Studies director Eugene Nyathi spoke of the "opportunism" of Thatcher.

Nyathi pointed out the arguments advanced by Sir Renwick included "the dubious observation that negotiations and dialogue are the most effective way to end apartheid".

He said Britain had been prepared to go to war with Germany, Argentina and the Irish Republican Army (IRA) for the sake of freedom and democracy.

At the same time, the British government was surprised when black South Africans were called upon to make sacrifices for their liberation.

Nyathi charged that Renwick's comments were "politically insensitive and devoid of any moral content".

Quoting a Chamber of Mines newsletter, he said sanctions would mean the loss of between 120 000 and 250 000 jobs in the United Kingdom alone.

However, Nyathi added, he appreciated British financial support for numerous community projects.

"But this does not absolve London of complicity with apartheid.

"Funding clinics and creches is fine, but it's not the issue.

"The issue is democracy and freedom. If money given to the black community is meant to dampen our desire to sacrifice for freedom, then I dare say we don't need such aid."

Renwick answered: "We don't agree with Nyathi but I am glad you heard his views. It's important that such debate takes place in South Africa."

He went on to explain Britain's role in political settlements in Zimbabwe and Namibia, although Chester Crocker of the US started the settlement talks in Namibia.

"Nyathi talked of the Thatcher record in Africa. I personally worked hard to achieve independence for Zimbabwe and Namibia," said Renwick.

"I am not prepared to agree that my position was immoral."

He concluded by saying that although Nyathi had advocated sanctions, he was not one of those likely to lose his job.



Eugene Nyathi

Summit paper pledges tighter sanctions

Star 4/9/87 (280)

By Bob Tilley,
The Star's
Foreign News Service

BELGRADE — The Non-Aligned Movement yesterday put finishing touches to a summit document containing a pledge to increase efforts to isolate South Africa internationally.

The summit meeting of heads of state and government of the 102 member countries gets under way today. For the past three days, foreign ministers have been working on documents to put before their chiefs during the four-day meeting.

In one central section of the proposed closing document, the movement says it recognises that apartheid "is a particular and repugnant form of institutionalised racism which civilised nations have widely condemned as a crime against humanity. We shall accordingly increase, widen and tighten the sanctions aimed at isolating this abhorrent regime and eradicating the apartheid system."

The statement concludes: "We call upon the community of nations to join us in this important undertaking."

Another separate document is to be drawn up dealing with the southern African situation in detail.

On the sidelines of the conference, Zimbabwean President Robert Mugabe last night handed a cheque on behalf of the Non-Aligned Movement to Swapo leader Sam Nujoma.

Mr Nujoma, after embracing Mr Mugabe, said the money would be added to Swapo's election campaign funds.

● See Page 4.

UN to hold sanction hearing

Star 4/9/87

LONDON — South Africa will fall under another international spotlight in Geneva this week when the United Nations holds three days of hearings on disinvestment and sanctions.

An international panel will hear the views of more than 30 organisations on the role of multinational companies in South Africa and Namibia.

Among them is the Association of Chambers of Commerce of South Africa, which will argue against further sanctions and disinvestment on the grounds that they are counter-productive. — Sapa (280)

New UN call for sanctions against SA

GPG: Times 5/9/89

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GENEVA. — International pressure, in the form of sanctions against South Africa, was "more important than ever" in the light of tomorrow's "whites only" elections, Nigeria's Major-General Joseph N Garba, chairman of the UN Special Commission on Apartheid, said here yesterday.

"Sanctions do work and they are the only peaceful means of bringing apartheid to its knees," Gen Garba said while opening a meeting of a panel of UN-appointed experts debating the role of multinational corporations in South Africa.

He said he did not expect fundamental change in South Africa once acting president Mr F W De Klerk gained an expected full term in the elections. — Sapa-Reuter and AP

SA 'painted into financial corner'

Own Correspondent

LONDON. — South Africa and the squeeze ahead of the country in the face of increased sanctions is the main report in the latest issue of the respected US financial magazine International Business Week.

Staring from the cover is a pensive Mr F W de Klerk. Behind him is the ominous title: "South Africa — the squeeze is on".

"As sanctions bite hard, will De Klerk choose reform or repression?" the lead article asks, illustrating the point with a stark picture of a police helicopter hovering inches above the sand as it closes in on a group of demonstrators on a Cape Town beach.

Compiled by a team of correspondents — which includes Business Day's Alan Fine — the article portrays South Africa as a country painted into an ideological and financial corner as the clock ticks ominously in the international community.

One set of graphs underlines the economic cost of apartheid (security spending over 10 years rising as GDP growth falls), while another shows the rand as a hostage of fortune to the gold price.

Acknowledgement of the effect of world pressure comes from Chamber of Mines president Mr Kennedy Maxwell "Those chanting the mantra of sanctions . . . have played a part in bringing South Africa to its present crossroads."

Business Week goes on to examines the underlying malaise — capital flight, high interest rates, the brain drain and the growing militancy of the disenfranchised black majority.

Even the Minorco bid for Consolidated Gold Fields is described as an indicative symptom which "said loudly to local business leaders that South Africa wasn't a long-term bet".

The magazine was in no doubt that it was the cumulative effect of these factors that was forcing Mr De Klerk to the negotiating table. But like most observers outside, it did not know which way he would jump after the elections.

More than 550 have bowed to pressures

Star 6/9/89

(60) (280)

The Star Bureau

LONDON — More than 550 foreign companies have been obliged to divest their South African holdings since 1985 because of public pressure and sanctions policies, according to the International Chamber of Commerce (ICC).

This had weakened the political and economic bargaining power of the country's black population, it added in a submission yesterday to the UN hearings in Geneva on the activities of transnational corporations in South Africa and Namibia.

The ICC said apartheid was "morally indefensible", but the departure of foreign companies had lessened pressure for change, increased black unemployment and poverty, and frequently led to a deterioration in the condition of blacks.

The ICC figure is much higher than the total of 277 companies leaving since 1984 established in a UN report.

The ICC submission said opinion polls taken in South Africa by a wide variety of organisations showed the black population was opposed to action that threatened jobs.

The hearings were told that more than 300 companies were still in South Africa and had more than 130 000 employees. The companies subscribed to the US Statement of Principles and the European Community code of conduct.

Delegation calls for more investment

UN urged to abandon sanctions against SA

(280) Star 6/9/89

By Michael Chester

A multiracial South African delegation, representing mines, business and the United Municipalities Association (Umsa), has called on the United Nations to abandon sanctions and disinvestment.

Member countries were called on instead to plough more investment into black advancement.

The SA team, led by Mr Peter Gush, former president and member of the executive committee of the Chamber of Mines, gave evidence at a UN hearing in Geneva into the role of transnational business corporations in SA and Namibia.

He was accompanied by Mr Tom Boya, president of Umsa, Mr Mike Getz, vice-president of the Federated Chamber of Industries, and Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce and Industry. Also represented were the Afrikaanse Handelsinstituut and the Black Taxi Association.

The UN hearing was told it was essential that a post-apartheid society in South Africa did not inherit an economic wasteland. The best route to peaceful change and the restoration of stability was a resumed flow of foreign investment designed to bolster black economic muscle.

Mr Gush said: "We believe that the time is ripe to shift emphasis from punitive action against South Africa to winding down sanctions in keeping with progress towards reform.

"We are not asking the international community to abandon or compromise its opposition to apartheid. We propose a change of strategy, not of principle."

"Those concerned with promoting a just and fair political system in South Africa can make their most constructive contribution by encouraging the process of black empowerment and creating opportunities for blacks to become more effective agents for change."

Strong economic growth in South Africa was the best way to further the development of the southern African region, where SA generated 89 percent of wealth and more than 1,6 million jobs for workers from neighbouring states.

Revive economies

Regional economic co-operation was the best hope of reviving the war-torn economies of SA's neighbours. The region could not develop without a strong SA economy, the delegation said.

● Mr Eugene Nyati, director of the Centre for African Studies in Johannesburg, said sanctions had successfully undermined the Government's ability to finance apartheid, reports Associated Press.

"Sanctions demand a sacrifice. Before freedom comes, some lives and jobs will be lost. This is regrettable but inevitable, and yet the final goal will more than justify the interim deprivation."

Mr Nyati told a press conference he risked punishment for his remarks when he returned to SA.

First major test of US laws barring investment in SA

SIMON BARBER

WASHINGTON — US anti-apartheid activists have scored an important victory in the first major court test of state and local laws barring public investment in companies with business ties to SA and Namibia, but the case could now go to the Supreme Court.

The Maryland Court of Appeals on Tuesday upheld Baltimore's 1986 divestment ordinance requiring the city's pension fund trustees to sell stock in SA-linked companies.

The trustees filed suit against the law in 1986, saying it required them to violate their fiduciary responsibilities, contravened the Federal Constitution and illegally delegated authority to a private anti-apartheid organisation, the Africa Fund, to determine which investments had to be sold

City Council attorney Russell Frisby said the judgement "will clearly have national impact".

"Hopefully, this decision will put an end to questions of whether or not divestment ordinances are constitutional".

George Nilson, acting for the trustees, said he would discuss with his clients tomorrow a possible appeal to the Supreme Court.

"From a legal point of view, it's the kind of case the Supreme Court would review."

Divestment

System deputy director Tom Taneyhill said yesterday more than 30% of the retirement system's $1,5bn portfolio wasaffected by the law.

No divestment has yet taken place.

The Appeals Bench, reaffirming a lower court decision in 1987, found that beneficiaries would not be harmed.

It also said that the Africa Fund's list of tainted companies was to be used only as a non-binding "guide" to trustees and did not therefore usurp their authority.

Tougher SA sanctions wanted

GENEVA — A UN panel of experts will recommend tougher international economic measures against SA, one of its members said yesterday.

"I expect this report to be extraordinarily tough," former US Senator Lowell Weicker told a news conference after three days of hearings before a panel of "eminent persons".

The group, appointed by UN Secretary-General Javier Perez de Cuellar, is due to publish its recommendations to the UN General Assembly in a report tomorrow.

International and SA businessmen have been among those testifying before the panel in Geneva.

The General Assembly does not have the authority to impose sanctions that must be obeyed by all members. The Security Council does, but Britain and the US have vetoed sanctions extending beyond a mandatory arms embargo.

"We hope out of these hearings...certain specific actions will be tightened or taken to force the SA government to come to their senses, to come to the negotiating table with the rest of the population there," former Zimbabwean President Canaan Banana, co-chairman of the panel, said.

Neither Weicker nor Banana would reveal what the panel's recommendations would be.

Weicker, a liberal Republican, criticised Congress for not acting firmly enough to press for an end to apartheid.

"It would be nice if in our country, the United States, we could use a panel report as the reason for our action rather than a tragedy," Weicker said.

While some delegates had told the panel that sanctions should be strengthened and broadened, others — especially businessmen — had said these might only stiffen the resolve of the government and hurt blacks rather than help them.

That view met little sympathy from Banana.

"We find a bit of contradiction in terms," he said, "in respect of those who argue for the death of apartheid and yet at the same time argue against measures that must bring that death about." — Sapa-Reuter.

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No agreement on SA sanctions

LONDON — Canadian Minister of External Affairs Mr Joe Clark called on Britain yesterday to support new financial measures against South Africa.

But after four hours of talks, British Foreign Secretary Mr John Major told Mr Clark there would be no immediate change in his country's opposition to sanctions. Star 8/9/89

Mr Clark said he had hoped to persuade Britain to join in pressing international financial institutions to refuse to renegotiate South Africa's foreign debt repayments. Mr Major did not agree. — The Star Bureau.

Welsh rugby bosses quit over SA tour

From IAN HOBBS

LONDON. — Welsh rugby was yesterday plunged into a crisis that could wreck relations with South Africa.

Wales' two top administrators, secretary Mr David East and president Mr Clive Rowlands, yesterday confirmed they had resigned over Welsh involvement in the World XV tour of SA.

However the Wales Rugby Union (WRU) has refused to accept the resignations and called an emergency meeting.

Welsh officials say the "whole can of worms", including allegations of improper incentives to players, is now to be exposed as a result of the crisis.

Welsh officials are expected to call an emergency meeting of the International Rugby Board (IRB) — and that could result in SA again being threatened with isolation.

Mr Rowlands and Mr East, a former chief constable of the South Wales police, are outraged that WRU officials and players lied to them about being invited to join the tour of SA.

Both men have consulted lawyers and declined to comment yesterday, but in the past two weeks they have stated they suspected "improper approaches" were made to Welsh players and officials to go to SA.

They made it clear their anger was directed at two officials — Mr Terry Vaux, one of the two WRU representatives on the IRB, and junior vice-president Mr Rhys Williams, who is due to be president in 1991.

There are claims that the two men hid invitations to SA from Mr East and Mr Rowlands, while planning to go to the country.

Mr East and Mr Rowlands then announced that no players or officials would join the tour — but were humiliated days later when the truth became known.

Mr Williams and players have denied the claim.

Meanwhile, Mr John Mason, rugby correspondent of the Daily Telegraph said it was a tragedy that the people who had told "lies" were still surviving when Wales had lost two of its great rugby figures.

Six members of the WRU committee, including Mr Rhys Williams and 10 players, travelled to SA for the tour.

Yesterday a spokesman for the Welsh Anti-Apartheid Association, Mr Hanif Bhamjee, said it was "clear that the pro-SA mafia in the WRU leadership had ganged up against Mr East and Mr Rowlands".

Botham, Gower 'not for SA'

JOHANNESBURG. — Dr Ali Bacher, managing director of the South African Cricket Union, says the omission of Ian Botham and David Gower from the England cricket team to tour India and the West Indies does not mean the two players will join the rebel tour of South Africa. "Our party is complete and the England team does not alter our decision in this regard," he said. — Sapa

England team — Page 12

R8,6m cosmetics contract?

ch uses animals in horrific ex-
s for its products.

ni, star of the controversial film
lvet", has a five-year contract
6 million. She works just 30 days
a salary reputed to top R1,7m.

Animal-rights groups are calling for a ban on L'Oreal products which include Ambre Solaire, Armani and Lancome.

Also on the list for persuasion are Cybill Shepherd, who advertises L'Oreal hair dyes, and Paloma Picasso, who has given her name to a make-up range.

Supply to a wide range of reporting, comment and pictures

Sanctions 'working'

Star 9/9/89 ● FROM PAGE 1.

But the same could hardly apply to Switzerland. Even if banks there had put a "cap" on new lending to South Africa, it still remained the centre for the sale of half of South African gold production and all of the world supply of diamonds.

Although Japan had imposed limited sanctions on trade with South Africa and participated in the ban on new lending, "there is evidence that Japanese companies also have benefitted materially from the sanctions imposed by other countries".

Because of South Africa's need to re-negotiate its foreign debt, the next nine months would see "a unique opportunity for the international community to demand tough concessions".

The report added: "We believe that there are clear signs of a changing mood among some sections of the white community in South Africa. We do not underestimate the problems that lie ahead, or the intransigence of those who currently hold a monopoly of political and economic power.

"But there are indications that an increasing proportion of the white community is reluctantly coming to the conclusion that — in part as a result of sanctions — it will have no alternative but to negotiate on fundamental constitutional change."

Panel co-chairpersons were Dame Judith Hart, former British Labour government minister, and the Reverend Canaan Banana, former President of Zimbabwe.

Sanctions against SA are working, UN panel

Star 9/9/89

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FOREIGN NEWS SERVICE

GENEVA — Economic sanctions against South Africa are working, despite their being consistently opposed or "routinely flouted" by many governments.

This is the summing-up conclusion by the United Nations panel of eminent personalities who have been receiving testimony here on the activities of transnational corporations in South Africa and Namibia.

"Sanctions are effective," their report says, "both in terms of their economic impact on the white minority and, as important, through their psychological impact on white morale."

As an example of the cumulative effect, the panel report cited South Africa's low growth rate (1,5 percent this year, lower still next year), inflation at 16 percent and 18-20 percent interest rates.

The panel decided to ask the UN General Assembly to investigate abuses of sanctions "with the specific aim of publicising the names of both the countries and companies involved".

"We are particularly concerned," it added, "about the gross abuses and that countries and companies must be forced to live up to their obligations."

"But abuses of anti-sanctions legislation are deep-rooted. We believe they must be extirpated, that have been brought to our notice in the critically-sensitive areas of armaments, oil and coal.

In constantly opposing mandatory sanctions, Britain, the report said, has even continued to encourage trade links, "though it has gone some way with so-called 'voluntary' measures".

While Bonn remained firmly against disinvestment and distinctly lukewarm on other economic sanctions, West German banks generally had a good record on financial sanctions.

● TO PAGE 2.

AND MORNING OF SALE

Canada easing its position on SA?

Star 11/9/89

By David Braun, The Star Bureau

WASHINGTON — The reassignment of a top-ranking Canadian foreign affairs official known for his hard-line views on South Africa has refuelled speculation that Ottawa is softening its position on Pretoria.

The transfer next month of Mr Roger Bull, Canada's High Commissioner to Zimbabwe and Botswana and ambassador to Mozambique and Angola, removes the last of three hardliners in the Canadian external affairs department who favoured tough economic sanctions against South Africa and extensive political support for the Frontline states.

The other two officials, Mr Stephen Lewis, a former ambassador to the United Nations, and Mr Roy McMurphy, a high commissioner to Britain, have left the Canadian foreign service.

Mr Bull is reportedly being sent to a low-profile position outside Ottawa.

Speculation in Canada is that a hard line on South Africa has become increasingly unpopular among senior officials of the external affairs department.

Critics are increasingly accusing the Canadian government of softening its stance towards South Africa.

The *Globe and Mail* newspaper quoted an unidentified observer as saying Mr Bull's transfer meant the last of the triumvirate associated with Canada's once-aggressive policy on South Africa was gone.

RUN FOR COVER

The observer said there had been a suspicion all along that the Minister of External Affairs, Mr Joe Clark, did not have his heart in the South African issue. Mr Bull's transfer meant Mr Clark and the department had "run for cover" on southern Africa.

Mr Mark Entwhistle, spokesman for the department, denied the move had anything to do with policy towards the region. The *Globe and Mail*, however, said insiders in the department who were unhappy with Mr Bull's forthright views on South Africa sought to reassign him in 1987 and again last year, but that both times the Prime Minister's office intervened directly to keep him in place.

The newspaper quoted a source as saying Mr Bull had been led to understand that he would be reassigned this year in order to take over the chairmanship of Ottawa's special task force on southern Africa. The external affairs department subsequently revoked this offer, the newspaper said.

It described the original offer and the subsequent revoking of the offer as part of a ploy to remove Mr Bull from southern Africa without attracting the attention of the Prime Minister's office.

Mr Entwhistle would not comment on the reported offer. Mr Bull was not available for comment.

French to invite SA rugby side to tour

Cape Times 11/9/89

AGEN, France. — The French Rugby Union Federation (FFR) is to invite a South African team to tour France, on condition half the side is coloured or black, the FFR said yesterday.

No dates had been fixed for the tour, but the FFR said SA Rugby Board (SARB) president Dr Danie Craven had agreed provisionally.

The tour decision was made at a meeting on Saturday of the FFR's governing board.

Dr Craven said there were enough talented non-white players in the country to ensure that a very powerful team could visit France.

Dr Craven would not disclose any details of the proposed tour, but said it was very good news indeed. — Sapa-Reuter

Tougher sanctions call

Star 11/9/89

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The Star's Foreign News Service

GENEVA — The UN panel which has been conducting a three-day public hearing in Geneva on multinational corporations in South Africa has called for tougher economic sanctions to combat apartheid, including restrictions on trade credit.

The panel said: "We believe that the most promising tool is the possibility of increasing financial sanctions — particularly by restricting the availability of trade credit."

It called on governments and the public to insist that commercial banks push for an end to apartheid as a condition for rescheduling their $8 billion (about R22 billion) South Africa debt, covered by the partial moratorium imposed by Pretoria in August 1985.

The statement, released yesterday, also called for better monitoring of trade flows, closure of existing loopholes in sanctions such as in the oil trade, and urged new items be put on the list.

The UN panel said sanctions had had an economic impact on the white minority and a psychological impact on white morale. "But the impact of sanctions has been seriously undermined by the fact that they are not comprehensive, not universal and, in many crucial areas, not mandatory."

It called on the UN General Assembly to investigate evidence that some countries had ignored specific measures imposed by the UN.

SAB landed Amcham's former executive director

BDay 12/9/89

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AMERICAN Chamber of Commerce (Amcham) former executive director, Adrian Botha, has taken up a position as SA Breweries (SAB) public affairs manager.

Idasa national co-ordinator Wayne Mitchell takes up Botha's vacated post at Amcham from October.



● BOTHA

Botha said his move was prompted by a "fantastic job offer" from SAB and was not a vote of no confidence in Amcham.

"Amcham undoubtedly still has a definite role to play in SA despite US sanctions and disinvestment," Botha said.

About 130 US companies remain in SA after 160 US subsidiaries have pulled out over the past six years.

Amcham president Ian Leach said disinvestment had obviously affected Amcham with about 15% of member companies resigning over the past two years.

However, new members had been attracted to join the chamber with SA companies comprising 75% of the 200-strong membership.

Leach said US sanctions and disinvestment had not rendered Amcham redundant but had, in fact, strengthened its resolve.

TANIA LEVY

Disappointing

"Now, more than ever, Amcham has a mission — to fight against sanctions," he said.

Botha's departure was obviously disappointing but he left with the chamber's best wishes and understanding that he had secured an excellent job at SAB.

Leach said Amcham had been fortunate to secure Mitchell as Botha's replacement.

"He has excellent experience in lobbying against sanctions in the US, a sound administrative background and familiarity with SA's political and business scene," said Leach.

Wales sacks 'SA Mafia' rugby men

Capt Times 13/9/89

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From IAN HOBBS

LONDON. — The Welsh Rugby Union's (WRU) links with South Africa are to be reconsidered and three top officials — dubbed the "Pretoria Mafia" — have been sacked from their posts following the controversial International XV tour.

The disgraced officials are WRU vice-president Mr Rhys Williams, forced to resign from the controlling general committee, and Mr Terry Vaux and Mr Gwilym Treharne, sacked from their jobs as the union's two International Rugby Board (IRB) representatives. The ousted men have protested angrily that they are the victims of circumstances beyond their control and reject suggestions that they deliberately deceived the WRU.

Despite the strong-action factions in the WRU, the Welsh press say the full truth is still being covered up and that the whole "webb of deceit", including suggestions that players may have received illegal payment, must be publicly exposed.

Announcing the action, the WRU's senior member, Mr Ken Harris, said there would be a special general meeting of all member clubs on Ocobter 6 to consider whether or not to maintain links with South African rugby.

Mr Harris told journalists: "The committee considered firstly the unfortunate events surrounding the statements made by Mr Rhys Williams, that he was not going to South Africa when, in fact, he knew that arrangements had already been made for him to travel the following day."

He included the IRB and the Five Nations Committee, the main umbrella body for European rugby, in the criticism.

ANC not the sole representative of 'majority' — Relly

By Carina le Grange

Claims that the African National Congress was the sole representative of the "majority" of South Africans were unrealistic, Anglo American Corporation chairman Mr Gavin Relly said in Belgium last night.

He was delivering a keynote address to the Brussels-based Centre for European Policy Studies on "Developing southern Africa: a South African View".

Mr Relly said that despite the ANC's "obvious importance", claims that it was the sole representative of the majority should be discouraged.

DANGERS

There was already sufficient evidence in Namibia of the "dangers of that approach".

Mr Relly said the international community should be convinced of the Acting State President, Mr F W de Klerk's, serious intent to reform.

The international community should, however, dampen unrealistic expectations.

"It will be fatuous to set preconditions and timescale demands that take no account of the environment in which Mr de Klerk will have to operate," he said.

"Similarly, the international community will have to be even-handed in its condemnation of violence or other obstructionism."

On the possibility that Mr Nelson Mandela would be released, he said: "I can foresee a situation in which the South African State continues to provide security for Mr Mandela, enabling him to participate in the political process, whilst safeguarding him from threats from the extreme left and right."

Mr Relly said isolation and sanctions jeopardised the role South Africa must play if southern Africa was to develop.

"Europe of all regions in the world understands the functionality of the move towards integrating regional economies and 1992 is the lodestar of the trend.

"Trying to achieve European Common Market economic integration without one of the major economies of Europe such as Germany would be unthinkable. Trying to develop southern Africa without South Africa is equally unthinkable."

Star 14/9/89. 280

Malbak buys Wyeth as US parent quits


Tom Chalmers.

By Ann Crotty

Another Malbak acquisition and another US disinvestment. This time around it's pharmaceutical group Wyeth-Ayerst.

Yesterday Malbak said it had bought an 80 percent interest in the infant food and ethical drugs producer from its US parent, American Home Products Corporation.

The acquisition will not have any immediate material effect on earnings, dividends or the net asset value of Malbak ordinary shares.

In what seems to have become customary with US disinvestments, detailed information is fairly thin on the ground because of sensitivity over the issue.

But industry sources say Wyeth-Ayerst's turnover is around R80-R90 million a year.

Working on the assumption that operating margins are in the region of 15-20 percent and allowing for tax and interest payments, a price-tag of R70-R80 million seems to be on the cards.

The SA company will continue to pay royalties to its former parent.

The name will be changed, but Wyeth will have continued use of its existing brand names.

Malbak executive director Tom Chalmers would not comment yesterday on the turnover level or the price paid, saying the matter was sensitive.

But he did say a technical knowhow agreement had been signed with the US group.

The deal will give a significant boost to Malbak's pharmaceutical activities, lifting annual turnover to above R200 million.

Mr Chalmers said: "Wyeth-Ayerst is well-managed, financially sound and already holds a major share of its principal markets.

"We believe that under Malbak's ownership, its considerable potential for continued real growth in financial as well as operational terms will be fully realised."

The trend has been for local operations to perform well once they have been released from US owners who tend to be ambivalent about having an operation in SA.

This ambivalence makes them reluctant to invest resources to ensure that the asset is maintained at its most efficient level.

The existing management team will continue to run the business.

Although released from strict adherence to the Sullivan code, Mr Chalmers says that basically Malbak does adhere to it.

Wyeth-Ayerst's major areas of interest are infant nutritional products (including SMA), hormone drugs and oral contraceptives (including Loganin).

Malbak has been in contact with Wyeth-Ayerst for a number of years. It bought an East London production facility from Wyeth about three years ago.

UN panel looks at disinvestment in SA

The Star's Foreign News Service

GENEVA — An 11-member panel of "eminent persons" convened by the United Nations met here yesterday to start a three-day examination of the state of disinvestment in South Africa, and the possibilities of change as a result of tomorrow's election

The panel, the second of its kind to be convened by the UN Centre on Trans-National Corporations, will come up with a series of recommendations to the Secretary-General, Dr Javier Perez de Cuellar, at the end of the three days of public hearings The first such meeting was held in 1985

Representatives of the International Chamber of Commerce, various anti-apartheid organisations, non-governmental institutions and South African employer organisations are among those giving evidence The South African representatives, who include the Chamber of Mines and the Black Taxi Association, are expected to testify today.

The first day's meeting heard a warning from Mr Joseph Garba of Nigeria, chairman of the UN Special Committee against Apartheid, that the Government of the Acting State President, Mr F W de Klerk, "is trying to break out of international isolation and reduce international pressure by making vague announcements aimed at creating an impression of a readiness to bring about gradual reforms in the system".

"Given the long history of oppression by his party, we don t think he (De Klerk) is bringing out anything new," he told a press conference later.

Councillor's status subject to review

Municipal Reporter

The deputy chairman of the South-Western Management Committee, Mr Victor Thomas, was sentenced to 12 months' imprisonment or a R1 000 fine last week after he was convicted on two counts of corruption.

Johannesburg City Council housing director Mr F W Robins said he had asked for copies of the Protea Magistrate's Court records to be referred to the council's legal advisers for their opinion on Mr Thomas's status as a councillor.

Mr Dudley Arends, chairman of the United Civic Association, said the case followed the submission of certain documents by UCA to the MEC in charge of local government

The documents referred to maladministration by the South-West Management Committee

Businessmen slate Boksburg advert

By Helen Grange

A recent Boksburg Town Council advertisement, showing statistics indicating positive economic growth in the town, has come under fire from Boksburg businessmen who say the figures are misleading

The Boksburg Alliance, an organisation representing businessmen, has criticised the advert, which appeared in several national newspapers last week, as an "unjustifiable" election ploy by the Conservative Party.

The advertisement was issued by Boksburg town clerk Mr J J Coetzee, on instructions from Boksburg's CP-controlled management committee.

Mr Robert Gardiner of the Boksburg Alliance asked if the Conservative Party had the right to "issue selective details under the name of the town clerk to attain some sort of credibility"

The advert claimed that Boksburg's budget growth had been 16 13 percent, that income derived from rates levied on property had increased by 9,35 percent and that the total valuation of properties had grown by 9,77 percent

● See Page 7.

Mambazo cancel two shows

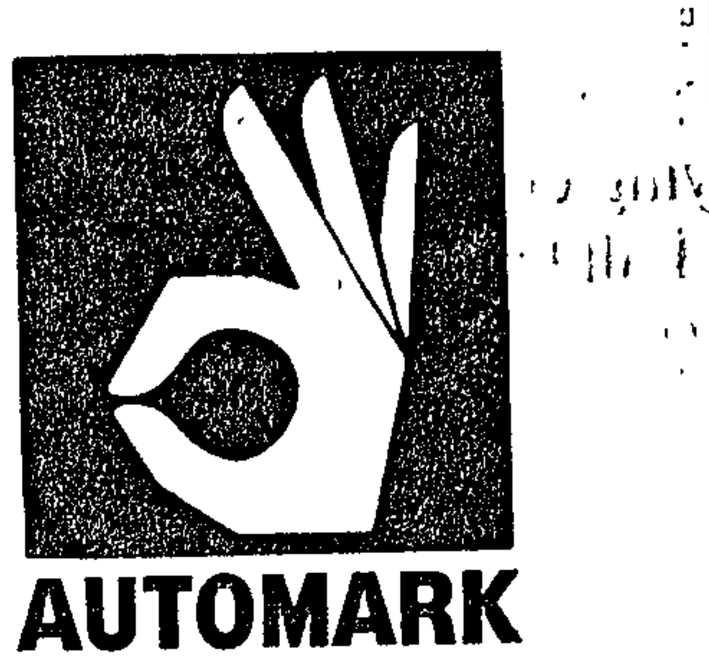
Ladysmith Black Mambazo have canceiled tonight's and tomorrow night's performances at Pretoria's State Theatre "due to unforeseen circumstances".

Pact's publicity department was unable to comment further about the reasons for the cancellation.

The show now officially opens on Thursday night.

Ticket holders for tonight's charity performance should request refunds from their charity organisation

Those with seats for tomorrow night can claim a refund from Computicket or may book again.



Strike over disinvestment settled

Employees at Goodyear win cash bonanza

GOODYEAR employees have won entitlement to a massive cash bonanza which could average R6 000 each, and the company has also agreed to write off housing loans to employees worth R3 000 to R5 000 over five years.

The deal involving 2 600 employees arises from the settlement, announced yesterday, of the 11-week strike by 1 200 Numsa members over the terms of disinvestment of Goodyear's former US parent.

It also includes guarantees on employment conditions, jobs, and union contracts, and effectively nullifies the dismissals technically carried out during the strike

A union spokesman says Numsa members have "succeeded in defending and advancing the gains made at Mobil" where 2 800 employees won a R6,5m disinvestment package in June.

The agreement provides that employees return to work by Monday, although a number have begun streaming back to the Uitenhage factory. The company expects to be back to full production within a week.

A company spokesman said the guarantees were given, and housing scheme improvements proposed, at the time of the announcement in June of the sale of the company to Consol.

According to details supplied by Numsa, the cash payments are to be paid out through the company pension fund. Each employee will receive a once-off R1 000 payment as "compensation". Goodyear says it will pay this money into the fund.

In addition, employees will be entitled to

ALAN FINE

withdraw double their own contributions plus interest back to the date of their last entry into the fund. They may alternatively transfer their benefits to a new provident fund whose establishment was agreed to in principle before the dispute.

Numsa national organiser Gavin Hartford says this will average R4 500 to R5 500 a person A Goodyear spokesman has been unable to supply an estimate, but says he doubts the figure is that high.

Furthermore, it has been agreed the actuarial reserve, which includes pre-1985 employer contributions, will be calculated for employees back to the date of their first entry into the fund. These amounts will then be transferred to a new provident fund still to be established.

Most black Goodyear employees withdrew their contributions from the fund in the mid-1980s, and then rejoined.

A Goodyear spokesman says the company has become "increasingly concerned about the future welfare and retirement plans of some employees who have made two withdrawals from the pension fund in recent years".

The R1 000 payment is apparently a bid to discourage further withdrawals.

The other major financial benefit for employees will derive from improvements to Goodyear's housing scheme.

The company spokesman was unable to say last night how many employees already participated in this scheme.

□ To Page 2

Goodyear bonanza

□ From Page 1

Beneficiaries of the scheme, which is open to all employees, will be required to pay only 8% interest on the outstanding amount with the company bearing the capital repayments.

Employees have been guaranteed no retrenchments for 12 months, and that wages, benefits, other employment conditions, and social responsibility programmes will be maintained at at least their present levels for the same period.

Hartford maintains Goodyear's disinvestment cannot be seen as an anti-apartheid move since Ohio-based Goodyear is maintaining a licensing contract and will continue to transfer technology.

Parsons takes stand against more sanctions

Star 18/9/89

280

The chief executive of Assocom, Mr Raymond Parsons, has told British businessmen that recent events in South Africa and Southern Africa have created a unique window of opportunity for confidence and development in the region.

Addressing a special meeting of the Confederation of British Industry in London, he said a combination of internal and external factors surrounding the recent general election in South Africa had underlined the importance of economic and business involvement in what would be a decisive few years for South Africa.

Reform in South Africa in the post-election phase would best be achieved if it was done from a basis of economic strength, he said.

Referring to recent calls for additional sanctions against South Africa, Mr Parsons said it was important for foreign audiences to understand the realities of the foreign debt situation. If unduly pressed, South Africa would decide unilaterally the terms of repayment.

In addition, the adoption of financial sanctions would entail severe risks for the status and security of Third World debt and the international banking system.

It would be far better, he said, if those outside South Africa who were in favour of sanctions and disinvestment revised their strategy to concentrate more on rewarding rather than on punishing South Africa for taking the window of opportunity which had now presented itself.— Sapa.

Dutch workshop on apartheid ends in row

280

The Argus Foreign Service Argus 19/9/89

UTRECHT. — A workshop on South Africa at the first mass interdenominational meeting in Holland ended in a shouting match between ANC supporters and conservative worshippers.

The event held over the weekend was meant to be a day of reconciliation between Holland's great variety of religions. Most of the day had gone off harmoniously, despite pouring rain.

But the workshop on apartheid raised temperatures considerably. It was Nederlandse-Zuidafrikaanse Werkgemeenschap (NZAW) member Mr Arnold van den Broek who started the shouting match when he opposed calls for a tightening of economic sanctions.

RESPONDING TO A CALL

A shouting match followed Mr van den Broek's call, made during question time, in which ANC supporters and black South African students were pitted against the NZAW members.

The chairman managed to quieten the crowd after some time, and then refused further questions.

FBIDay 20/9/89

Call for West to interact with SA

RIAAN SMIT

AN APPROACH of active involvement with SA by Western countries could have remarkable effects, SA Foundation director-general Kurt von Schirnding said in Basel, Switzerland, last week.

In a speech to the Swiss Study Group for southern Africa, Von Schirnding said strategies of punitive sanctions outside any framework of interaction with the country being sanctioned were "woefully inept". He suggested two areas in which "a very fruitful interaction" with SA could be possible.

In the area of international credit and development finance, SA's interest in external capital created an opportunity to establish a forum for debating development projects within SA and southern Africa.

The second area for involvement could be the facilitation of multi-party talks, involving spokesman for all SA's political groupings, he said.

"Most importantly, perhaps, such multi-party talks should not be structured as once-off events. They should allow for a process in which the SA government and its opponents can prepare proposals for debate."

Sanctions hurting Cape's industry

CAPT Times 20/9/85 280

By PETER DENNEHY

THE Mayor of Cape Town, Mr Gordon Oliver, spoke out against sanctions yesterday and in favour of the alternative of "black empowerment".

At the opening of the 700-delegate annual conference of the Institute of Municipal Treasurers and Accountants in the Good Hope Centre, Mr Oliver said sanctions were already hurting Cape Town's industry.

Cape Town was a major centre of the insurance, oil, clothing and fishing industries, he said, and a further million people in the Western Cape were dependent on the agricultural sector.

Mayor sees challenge

It was worrying that Cape Town's industrial sector was employing proportionally fewer people than those in other cities.

"Our industry is suffering as a result of sanctions already," he said, giving the example that the Americans had closed their lucrative clothing markets to South Africa.

"I believe black empowerment is a better option than sanctions."

There was much to be optimistic about, however, if one considered fundamental shifts which were occurring in our economy.

The fallen rand favoured South African exporters in the manufacturing industry, as well as exporters of agricultural goods.

Secondly, greater Cape Town was establishing itself as a centre of high-technology industry, which relied on human skills. Educational levels attained by Capetonians were among the highest in the country.

Thirdly, Cape Town's rapid population growth had increased the size of the market, and the number of opportunities for growth and development.

Black empowerment to beat sanctions — mayor

BDay 20/9/89

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At the start of the 700-delegate annual conference of the Institute of Municipal Treasurers and Accountants here, Oliver said sanctions were already hurting industry.

Cape Town was a major centre of the insurance, oil, clothing and fishing industries, he said, and a further million people in the western Cape were dependent on the agricultural sector.

Own Correspondent

It was worrying that Cape Town's industrial sector was employing proportionally fewer people than other cities. (280)

"Our industry is suffering as a result of sanctions already," he said, giving the example that the US had closed its lucrative clothing markets to SA.

"I believe black empowerment is a better option than sanctions."

However, there was much to be optimistic about if one considered fundamental shifts in the economy, he said.

Firstly, the falling rand favoured manufacturing and agricultural exporters.

Secondly, greater Cape Town was establishing itself as a centre of high-technology industry relying on human skills. The city's educational levels were among the highest in the country.

Thirdly, Cape Town's rapid population growth had increased the size of the market and the number of opportunities for growth and development.

SA blacks at level of Martin Luther King – churchman

By David Braun,
The Star Bureau

WASHINGTON — White liberals such as Senator Edward Kennedy were playing games with United States blacks by insisting on sanctions against South Africa while doing nothing about American black living conditions, a leading churchman said here last night.

The Rev Jim Bevel, a black who was a close adviser to the late Dr Martin Luther King, said he, too, had believed in sanctions against South Africa until he had visited the country and had seen and heard the situation for himself.

He had struggled to find black South African leaders who favoured sanctions. Leaders with visible measurable constituencies had told him the last things they wanted were sanctions, which were hurting them.

Mr Bevel said South African blacks were amazingly advanced intellectually. They were right at the level of Dr Luther King, who had understood that the importance of non-violence was that if one violated one's principles to attain one's goals, then one would never attain those goals.

"These are not Uncle Toms. They are Christians, people who are unafraid to stand for what they know to be right," he said.

Mr Bevel was addressing a reception organised by a group of congressmen and others working for peaceful progress in South Africa in honour of a visiting delegation from the Church Alliance of South Africa.

SA implicated in arms deal

280 Cape Times 21/9/89

Own Correspondent

LONDON. — There was strong evidence that South Africa had dealt with the US arm of the troubled UK defence contractor Ferranti to obtain technology for cluster bombs, arms experts said here yesterday.

The £421 million (R1,9bn) take-over deal by Ferranti of the US defence company International Signal and Control (ISC) two years ago, has now fallen under the spotlight as the British company appears to have been financially misled to the tune of £150m (R669m).

The UK Ministry of Defence (MoD) has declined to comment on press reports that it had officially warned Ferranti at the time of the deal that ISC had been involved in "questionable" arms deals — including some with South Africa.

However, an MoD spokesman said the issue "may have come up" in the course of what was described as "conversations" with Ferranti.

Ferranti — whose products range from the radar in the Sea Harrier fighter to computers and telephones — went into the deal in a bid to expand in the viciously competitive arms market.

But instead of creating a defence group with sales worth £1bn (R4,46bn) and profits of £100m (R466m) after the acquisition, the company is now urgently reviewing the validity of contracts worth £150m that it believed it was buying

Yesterday arms experts based in both the UK and the US told the Cape Times London correspondent that there was strong circumstantial evidence that South Africa had approached ISC to obtain technology for cluster bombs.

Cluster bombs contain hundreds of smaller bombs or bomblets and can be dropped without the need for extreme delivery accuracy.

SA manufactures and exports cluster bombs. Spokesmen for both Ferranti and ISC have declined to comment.

280 Wmail 22-28/1/89.

BUSINESS

Numsa strikes disinvestment deals with Goodyear SA

By HILARY JOFFE

TRADE unions in the Congress of South African Trade Unions fold have been campaigning since 1987 for companies pulling out of South Africa to negotiate with them the terms of disinvestment. It's not often that they have won their demands

The settlement reached last week between the National Union of Metalworkers (Numsa) and Goodyear South Africa — sold to Consol by United States parent company Goodyear Tire and Rubber in June — is only the fourth such agreement but it provides the most substantial cash benefits for employees

Numsa last year negotiated disinvestment deals on behalf of its members at Samcor (Ford) as well as at Mono Pumps, while the Chemical Workers' Industrial Union reached a settlement with Mobil earlier this year following a strike by the oil company's workers when the US parent company decided to pull out

Goodyear SA agreed last week to pay workers substantial cash sums via the company pension fund and has guaranteed workers' job security for a year It will uphold all existing agreements with the union, which has negotiated a substantial housing benefit for workers.

The settlement at Goodyear followed a bitter 11-week strike by the company's workers, in the course of which workers at Mercedes Benz, Volkswagen and Nissan acted to support the strikers by refusing to handle Goodyear tyres At one point production at Volkswagen had to stop briefly because of the tyre shortage

The 1 200 strikers at Goodyear's Uitenhage plant returned to work on Monday — the company reinstated them without loss of benefits despite the fact that it had locked out and dismissed them, bringing in "scab" labour during the strike.

In terms of the agreement, Goodyear has guaranteed wages, benefits, terms and conditions of employment, manning levels and social responsibility programmes for one year from the date of disinvestment

The housing package agreed on allows workers to take housing loans of between R3 000 and R5 000. They do not have to pay off the capital amount — the company does that over five years — just the interest, which they pay at eight percent, less than half the market rate. Goodyear's housing scheme previously enabled loans of only up to R4 000 and obliged workers to pay off the capital amount of the loan.

Goodyear had conceded a union demand to establish a provident fund but in terms of the latest agreement it will now transfer to the new fund the full actuarial reserve — including the employer's contributions — for each worker from the existing pension fund It previously agreed only to transfer employees' contributions

Cash payments to employees as compensation for the disinvestment will be routed through the company's pension fund. Many of Goodyear's black workers had withdrawn from the pension fund and then rejoined it in 1981 and again in 1985.

The company has now agreed to pay employees the equivalent of double their contribution to the pension fund back to the date of their last entry into the fund Numsa estimates this as an average R4 500 to R5 500 per worker. In addition to this, each employee will receive R1 000.

Numsa organiser Gavin Hartford said he believed the Goodyear strike "is a clear warning to all multinationals to negotiate with representative unions prior to disinvestment so terms can be secured whereby the wealth created by the workers remains their property when the company leaves".

SA economy looks healthier. Or is it merely luck?

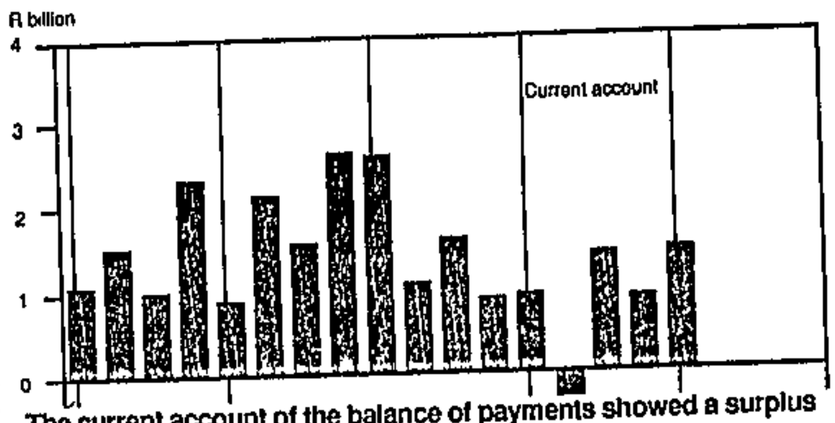
South Africa has survived anctions since 1985. But has e economy been restructured to ensure growth in the long term? By HILARY JOFFE

OUTH Africa's economy has own positive real growth in the ıst-1985 era of financial sanctions. But while some commentators gue the economy has been restrucred and will look healthier in the ng term, others are more sceptical. Luck has played a part in enabling e economy to adapt to sanctions. nd it's not clear that there is a coher- it process of restructuring the econny to ensure growth in the longer rm, they say

Merle Lipton, of the Washington-ısed Investor Responsibility Re-arch Centre, is one who argues that ie economy is being restructured, irtly in response to sanctions In *The Challenge of Sanctions*", which ie presented both to the United Naons hearing on Transnational Cororations in Geneva earlier this nonth and to the Economic Society's iennial conference in Johannesburg, he concludes that "a significant restructuring of the economy is under ray, partly in response to the huge apital outflows, to which sanctions ave contributed".

The real growth rates achieved dur-ng the last few years suggest "a pro-ess of growth-oriented structural ad-ustment" — and, says Lipton, South Africa is coping with its debt crisis etter than many other countries fac-ng this problem.

She cites as one source of growth he "spurt" in the informal sector as a esult of deregulation and urbanisa-ion. Another source of growth, in her view, has been import substitution, spurred by the devaluation of he rand, but encouraged largely hrough market forces rather than di-ect controls by the government. She adds that it is hoped that privatisation and deregulation of government controls over the economy will contribute to the drive for a more efficient and more competitive economy — although she does note that some scepticism has been expressed about the potential of privatisation.



The current account of the balance of payments showed a surplus again in the first quarter of this year

Graph: NEDBANK

In addition, South Africa has managed to register surpluses on the current (trade) account of the balance of payments to cover the outflows on the capital account, a turnaround from the 1984 position (when the current account was in deficit). This enabled South Africa to cope with the debt crisis although it constrains economic growth potential. Lipton highlights the increase in exports from R29-billion ($20-billion) in 1984 to R59-billion ($26-billion) in 1988 — despite the imposition of trade sanctions.

Lipton's emphasis on restructuring parallels in some respects the line which has come out of the Reserve Bank in the past year. In a paper earlier this year, the late governor Gerhard de Kock focused on South Africa's success in living with the capital outflow of more than R25-billion in the last four years and the lack of incoming foreign capital. He attributed this success in large part to appropriate policy measures — for example, exchange rate and interest rate policy

At the time, Nedbank economist Edward Osborn countered this view, arguing instead that South Africa's success in adjusting was a result largely of good luck. In particular, exports have been boosted by excellent conditions on world commodity markets

Osborn is now predicting the current account surplus could be R5,5-billion this year — higher than most predictions — as a result both of measures taken to curb imports and of good export prospects. In the latest *Nedbank Guide to the Economy* Osborn points to a boost which will be provided by agricultural, coal and diamond exports. Maize exports, for example, are likely to add R1-billion to export receipts this year. The prices of base metals — high world prices for commodities such as steel had made a major contribution to South Africa's export receipts — have fallen although, according to Osborn, prices are historically still at high levels

Standard Bank economist Nico Czypionka also points to all-time high export levels as the "windfall" which has saved the country from what might have been a balance of payments crisis given the falling gold price Export values have doubled over the last year and a half even taking into account the devaluation of the rand, on his estimates.

Not that the balance of payments position looks that healthy — the country's foreign reserves in June would be sufficient to cover only 1,3 months' worth of imports.

But Czypionka is another who argues the economy may have "turned a corner" since 1985.

Exports are one example of this — it is not just that the country is exporting primary commodities, it has also increased its industrial exports, particularly to African countries

Czypionka takes a longer term perspective, pointing out that South Africa's economic growth performance has in fact been sliding since the late 1960s — and that balance of payments problems preceded the debt crisis of 1985

He believes, however, that the longer-term picture has improved since 1985. There has been a recognition that the economy is underperforming and a recognition of the need for social political and economic reform.

Many of the changes Cyzpionka sees as positive for the economy are political, rather than economic He includes the removal of influx control, the "benign neglect" of restrictive laws such as the Group Areas Act, an acceptance of political power-sharing and improvement in foreign perceptions as well as the initiation of a housing effort. Other positive factors he cites are:

- The government retaining market forces despite pressure for the "soft option" of direct controls
- The growing pace of privatisation and deregulation
- Economic restructuring initiated on the export and manufacturing side
- The development of new markets in Africa.

But on the negative side he cites foreign sentiment, high government spending, a perceived lack of economic and political leadership and inconsistent application of economic policy. He also includes poor education and "trainability" levels of the population

He argues for an economic recovery plan and for efforts to get sanctions removed rather than simply to "beat" them. And he points out that economic restructuring is not something that happens in the space of a few years.

Economist Stephen Gelb, of the University of Durban Westville's Institute for Social and Economic Research, is more sceptical of the notion of "restructuring". While there have been changes, these don't necessarily add up to a coherent, long-term direction, he argues, adding that the "luck" factor has been an important one in enabling the economy to live with sanctions. For example, privatisation and cutting government's involvement in the economy appear to be incompatible with the kind of import substitution drive — for example in the motor industry — imposed by the Board of Trade and Industry. It may also be incompatible with the greater government intervention suggested by the push to greater export incentives.

How business blew the sanctions fight

It was not that the pro-sanctions lobby won the argument. It was that the South Africans lost it. By BEN LAURANCE

WHEN leaders of South African business trooped into the United Nations building in Geneva earlier this month, they could have harboured no illusions: they were going to have a hard time.

The South Africans were in Geneva in a fruitless attempt to persuade a UN panel of 11 people picked from the great and the good of the international community that sanctions do not work, that they entrench rather than weaken apartheid, and in particular, that multinational companies which have resisted pressure to pull out provide a progressive force in a racist state.

That their attempt to sway the panellists failed surprised no one: the UN team included Britain's Judith Hart, who had plenty of experience of trying to enforce sanctions against Ian Smith's Rhodesia, former Zimbabwean president Canaan Banana, Senator Lowell Weiker, a main architect of American sanctions legislation, and Nigerian playwright Wole Soyinka, who has campaigned hard for a cultural boycott of South Africa.

Such people were scarcely likely to admit that sanctions were a horrible mistake and should be abandoned forthwith

But it was the manner of the South Africans' defeat that was fascinating. It was not that the pro-sanctions lobby won the argument. It was that the South Africans lost it.

The three-day Geneva session, which heard 32 witnesses, had the dry title "Transnational Corporations in South Africa and Namibia".

The South African delegation represented the Afrikaanse Handelsinstituut, the Association of Chambers of Commerce (Assocom), the Chamber of Mines, the Federated Chamber of Industries, the South African Black Taxi Association and the United Municipalities of South Africa. Also present were their anti-sanctions allies from the International Chamber of Commerce.


Chamber of Mines' Peter Gush

The South African and international chambers of commerce insisted that:

- Sanctions have constrained economic development — if not as much as the anti-apartheid lobby believe;
- Slow economic development has primarily damaged job prospects for blacks;
- Multinationals have a good record in training blacks and in other community programmes;
- Post-apartheid South Africa will need multinationals with their technology and their skills — if they leave, they are unlikely to return

Hence their conclusion: foreign investment in the republic is A Good Thing. Instead of piling on new sanctions, the international community should be offering to lift existing sanctions in exchange for more political reform.

It was predictable stuff, supported by a wealth of statistics, essentially a call for more carrots and fewer sticks.

Then former Jamaican Prime Minister Edward Seaga provoked one of the hearing's few charged moments by asking a simple question: "What reforms would the ICC most like to see?"

The ICC's Manfred Graf von Roon replied: "The repeal of the Group Areas Act and more training for blacks." There was a pause but Von Roon offered no addendum. He could not bring himself to suggest the thing which every witness claimed to be their eventual aim: an abolition of apartheid and the advent of one person, one vote. He had blown it.

Senator Weiker pounced on the omission. "We all see on television what is going on in South Africa and yet you say you want to carry on with business as usual."

Yet Chamber of Mines executive member Peter Gush, representing the associated chambers of commerce, fell into exactly the same trap.

Canaan Banana put the stark question: "Does your organisation believe in one person, one vote?" Gush paused, then responded: "We are highly inexpert in the details of political constitutions."

If anyone had ever thought that the anti-sanctions campaigners had a chance, such ideas evaporated. The panellists refused to skate over the crucial distinction: no amount of training, employment or housing makes up for not having a vote.

Eugene Nyati, director of the Centre for African Studies in Johannesburg, summed it up: "No-one is against the progress of blacks on the corporate ladder. But if such advancement is an attempt to prolong the status quo, then we don't need it."

After that the pro-sanctions groups had just about everything their own way.

—The Guardian, London

Paying off the debt of apartheid

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Sowetan 22/9/89





Desmond Tutu and Beyers Naude met with Bush on sanctions.

THE rescheduling of the South African debt hearing before the United States Government's' House Sub-committee on International Development, Finance, Trade and Monetary Policy, drew response from varied sources.

Senator Joseph Kennedy told the hearing that "If the United States cannot take a resolute and principled stand against the practices of the racist government of South Africa, then our nation's moral compass has lost its bearings"

FOCUS

By ISMAIL LAGARDIEN

Presenting the argument for financial sanctions as a means of compelling constitutional change in South Africa was Mr Terry-Crawford Brown a former treasury manager for Nedbank and an Anglican representative to the Western Province Council of Churches

"As much as apartheid is incompatible with Christianity so it is with sound banking practice," Crawford-Brown told the House.

Scandal

Crawford-Brown provided a strong argument for sanctions citing "extraordinary foreign exchange losses thanks to gross mis-management of foreign loans by State owned corporations such as SA Transport Services, the Post Office, Wool Board and Maize Board etc.

"Barely a week now passes in South Africa without leakages of yet another financial scandal. And the numbers involved are huge South Africa has become fair game for a variety of sleaze merchants and conmen under the guise of sanctions-busting' arms traffickers, drug traffickers oil pirates and even dumping ground for toxic wastes'

Spawns

'This," Crawford-Brown said, "is a consequence of apartheid and the sanctions it spawns Sixty percent of South Africa's economy is trade oriented rendering the option of telling the world to 'go to hell' ludicrous"

The University of Stellenbosch Economics Department estimates the direct and indirect annual costs of apartheid as R80 billion. In addition the capital outflow from South Africa during the past four years has been R27 billion The national debt has risen from R12 billion in 1978 to R65 billion this year.

"The litany goes on and on," he said.

On July 18, Minister of Law and Order Mr Adriaan Vlok conceded that sanctions were working and that they "are forcing the Government to negotiate with the African National Congress."

Crawford-Brown stressed that the time for "more and urgent pressure against apartheid, not an easing up so that De Klerk can be 'given a chance"

"International linkages have been identified by 'a variety of authorities' as being apartheid's greatest vulnerability, 'hence the focus on international banking ahead of the debt rescheduling negotiations"

Purpose

"When church leaders Archbishop Tutu, Dr Allan Boesak and Dr Beyers Naude visited Washington in May and met President George Bush they said that the purpose of sanctions is not to destroy the South African economy. The goal is constitutional negotiations for a democratic, non-racial and prosperous South Africa," Crawford-Brown told the Americans.

"We do not relish sanctions any more than a cancer patient looks forward to surgery. But only when apartheid is behind us can South Africa begin to meet its potential. And only when South Africa has overcome apartheid can it begin to contribute to the development of South Africa

"International banking pressure is a link in a comprehensive strategy," he said.

Crawford-Brown is presently serving as an advisor to Boesak and Tutu on the matter of financial pressure against apartheid.

Star 22/9/89 280

'Independent' TV service is linked to SABC

By David Braun
in Washington
and Carina le Grange

A local television service housed in the SABC's Broadcast House in Auckland Park, Johannesburg, produces programmes for the United States television market while creating the impression that it is independent.

According to US sources, Global News Service pays the International Television Network (ITN) a monthly fee to get its programme "Inside South Africa" on ITN's satellite feed.

The source, the "South Africa Now" service, said Global News Service concealed its sponsorship, did not credit any South African Government backing and used SABC material with SABC correspondents but did not identify the stories as SABC material.

Propaganda

The US-based anti-censorship service, "South Africa Now", distributed by ITN and screened on public broadcast systems in the US, has accused South Africa of launching "Inside South Africa" as propaganda in response to the US show.

No link between the Global News Service and the SABC was evident in the US. But The Star yesterday traced Global News Service to the SABC.

Inquiries were referred to the editor of the External News Services, Mr Lionel Williams, who was not available. The inquiries were then faxed to SABC director-general Mr Wynand Harmse. By late yesterday no response had been received.

Business Report

Concern over sanctions

280

CAPE TIMES 25/9/89

Financial Editor

SA BUSINESS people must do much more to counteract the impression that intensified sanctions would harm only the white community and make little difference to blacks, says Mike Getz, President of the Cape Chamber of Industries.

Getz was a member of the delegation from SA business and commerce — including the SA Black Taxi Association (Sabta) — which recently put the case against intensified sanctions to the United Nations hearings in Geneva.

He says he was shaken by the lack of knowledge the UN panel showed about black urban living conditions in SA, and their indifference to the need for a sound economy if black housing, education and hospital facilities are to be improved.

The panel "seemed comfortable" with representations that hardships the black community would suffer as a result of tougher sanctions leading to loss of jobs were not significant, or would be accepted readily by that community.

"Their idea seemed to be that black people were already at such a level of poverty that sanctions would make no real difference to them," said Getz.

'Business people must do more'

He was shaken by the realisation of the strength of vested interests in tightening sanctions and weakening the SA economy.

"The talk in the corridors of Geneva was that the pro-sanctions lobby had a multi-million dollar budget and employed 1 000 people," he said.

"Careers have been built on fighting for tighter sanctions and bringing the white SA government to its knees.

"The people who have been working for years to bring this about are preparing to perpetuate their organisation by spending years, after there is a black government, in drumming up support to rebuild our shattered economy.

"But in the meantime, a weakened economy means that it will be harder to bring about the improved conditions which will make political reform easier.

"If everyone is coming together but, meanwhile, the economy is being made to deteriorate it will make that coming together more fragile. We need a viable economy in order to achieve meaningful improvements and deliver the material benefits of an equal society."

Getz said there "seemed to be a complete lack of logic in the panel's acceptance of suggestions that increased sanctions would help to speed up the end of apartheid.

"Arguments that demographic and economic factors would in any case end apartheid and that black economic empowerment in a more prosperous society would speed up the process did not really seem to shake them.

"I think it is vitally important that SA business people should explain the real role of blacks in our integrated economy to their contacts overseas. And they should make people in this country realise how much they would be at risk if sanctions were intensified."

SA ad attacks disinvestment

The Star Bureau

LONDON — The South African Government has spent £40 000 (about R175 000) on an advertisement attacking disinvestment.

The Department of Foreign Affairs this weekend placed the full-page ad, headlined "How to Finance the South African Revolution", in the London *Sunday Times*.

The text of the ad is an argument against disinvestment, based principally on the grounds that "by supporting the many South African companies and organisations that are fighting for a free economy — rather than supporting the systematic destruction of the economy — you will help South Africa achieve its goal".

It is illustrated with photographs of a bottle of "Africa blood mixture", a carton of Home Brew Beer, a can of snuff and a razor.

These items, the ad explains, are examples of the goods that enabled 20 000 black-owned backyard shops in Johannesburg and Pretoria townships to achieve a turnover equal to that of South Africa's largest supermarket chain.

It describes the burgeoning economic power of black South Africans as "the revolution which is putting apartheid out of business".

disinvestment in 1988, though Hillsam re- ● See Page 12

Goodyear: R7,5m withdrawn

ALAN FINE

MORE than 1 500 Goodyear employees have withdrawn an estimated R7,5m from the company's pension fund, in terms of the deal struck with Numsa two weeks ago to end an 11-week disinvestment strike.

A Goodyear spokesman said yesterday said more than 60% of the 2 500-strong workforce — including a large number of non-Numsa members — had so far made the decision, although employees had until November before the offer closed.

The agreement included a provision that employees were entitled to withdraw double their own accumulated contributions plus interest, and the company paid into the fund another R1 000 per worker.

The pension fund declined to give the total value of the withdrawals, but it was estimated the individual entitlements would average R5 000. It appeared many were withdrawing to service arrear mortgage payments.

The settlement also included guarantees on job security, working conditions and union contracts, and an improved housing scheme whereby employees are liable to repay only 8% interest on loans while the company writes off the capital amounts of

☐ To Page 2

Goodyear

☐ From Page 1

R3 000 to R5 000 over five years.

The spokesman said the company was bringing in outside insurance experts to give counselling to employees on what would be the best course of action for them.

At the time of the settlement Goodyear management expressed concern about the future welfare and retirement plans of employees.

It had previously been agreed in principle that the pension fund be converted to a provident fund. In the settlement the parties agreed that the actuarial reserve of the pension fund following the withdrawals is to be used as initial financing for the provident fund, the rules of which are still to be negotiated.

The Ohio-based Goodyear corporation sold its SA subsidiary to Consol in a R176m deal which took effect on July 1.

but the answers are the same

Pretoria's ad to speed 'revolution'

280

Argus 26/9/89

The Argus Foreign Service

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The Department of Foreign Affairs last weekend placed the full-page ad, headlined: "How to finance the South African revolution", in the London Sunday Times.

The text of the ad is, however, not the stuff of South African revolutionaries. It is an argument against disinvestment, based principally of the grounds that "by supporting the many South African companies and organisations that are fighting for a free economy rather than supporting the systematic destruction of the economy you will help South Africa achieve its goal".

"GOING TO HAPPEN"

The goal? — "The creation of a free and democratic society for all."

The ad concludes by asserting that: "More fundamental change is imminent. And it's going to happen."

It is illustrated with photographs of a bottle of "Africa blood mixture", a carton of Home Brew Beer, a can of snuff, a razor and a bottle of perfumed bath oil.

These "basic odds and ends", the ad explains, are examples of the goods that enabled 20 000 black-owned backyard shops in Johannesburg and Pretoria townships to achieve a turnover equal to that of South Africa's largest supermarket chain.

to clean laminate finish
This systemised range is suitable for
all individual or Open Plan installations.
The system is based on modular storage

Star 27/9/89 280

Pressure building up for tighter financial sanctions

WASHINGTON — The Archbishop Tutu-inspired anti-apartheid campaign for co-ordinated financial sanctions against South Africa is given prominence in the *Institutional Investor*, an IMF/World Bank publication released this week.

Under the headline, "Banks Pressed for Tighter Sanctions Against South Africa", the publication points out that the effort is specifically aimed at European and North American commercial banks that face a June 1990 deadline for completing a new repayment schedule for $8 billion in South African loans falling due next year and in 1991.

Seventeen percent — $1,6 billion — is owed to US banks, including Citibank, Chase Manhattan, Morgan Guarantee Trust and Manufacturers Hanover.

According to *Institutional Investor:* "The anti-apartheid movement wants the banks to apply the most stringent terms, including maximum interest rates, a denial of new loans and trade credits and refusal of South African requests to extend payments over 10 years."

The IMF

JOHN SPIRA



The publication speculates that action could come soon on several fronts.

"Commonwealth leaders, meeting in Kuala Lumpur next month, will be asked to approve financial sanctions already endorsed by a foreign ministers' committee that included representatives from Canada and Australia, but not Britain.

"In the US, a legislative working group has been considering similar measures as a supplement to the 1986 sanctions law."

Institutional Investor says the House of Representatives banking committee, still hoping for a Bill that would gain Republican support, views a prohibition on US bank participation in a generous rescheduling as a test of the Bush administration's pledge to move beyond the "generally discredited constructive engagement policy of the Reagan years."

However, the publication suggests that anti-apartheid groups believe public opinion has shifted in their direction and they are stepping up their campaign against British, French, West German and Swiss banks.

It is acknowledged that US banks are bitterly opposed to more sanctions, but are nonetheless feeling the heat.

Institutional Investor recognises that if the need for international capital is the Achilles Heel of the South African economy, as anti-apartheid activists believe, fear of provoking a loan default acts as a similar constraint on congressional action.

During banking committee hearings last month, Treasury officials argued that the leverage — far from being with US banks — actually lay with South Africa.

They argued that existing sanctions were working — that the South African economy was being squeezed — and that compelling US banks to walk away from their claims would let South Africa off the hook, while giving competitive advantages to European banks.

Commercial banks urged to help S[illegible]

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Star 27/9/89 182 280

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Commercial bankers urged to help S Africa

Ramphal pushes for tough debt reprisals

(280) GRETA STEYN

WASHINGTON — Commonwealth Secretary-General Sir Shridath Ramphal has come out with a strong statement urging SA's creditor banks to force an end to apartheid. BI Day 2 7/9/89

Ramphal says the expiry of the current agreement on SA's debt caught inside the standstill net "provides a special window of opportunity to the international financial community to sustain pressure on SA" — and to do so in ways which technically do not amount to sanctions.

He said requiring SA to repay between $7,5bn and $8,5bn in debt next year would not consitute sanctions.

"Helping SA to reschedule its debt is helping Pretoria through extraordinary measures — abnormal actions that actually help apartheid."

Ramphal said the case for such pressure was undeniable. Financial pressure on SA had put a serious constraint on its growth.

"It is by forcing change — not sustaining the status quo — that lenders' interests are best served."

A Commonwealth committee of foreign ministers has called for the following forms of financial pressure on SA: substantial capital repayments on debt, high interest rates and the rejection of exit options such as conversion to nine-year loans.

In addition, trade financing should be cut off. A campaign to publicise SA's dealings with the international financial community was being planned.

● See Pages 6 and 13

Govt splashes out on ad

Sowetan 27/9/87

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The goal is the creation of a "free and democratic society for all".

It is illustrated with photographs of a bottle of "Africa blood mixture", a carton of Home Brew Beer, a can of snuff and a razor.

These items, the ad explains, are examples of the goods that enabled 20000 black-owned backyard shops in Johannesburg and Pretoria townships to achieve a turnover equal to that of South Africa's largest supermarket chain.

It describes the burgeoning economic power of black South Africans as "the revolution which is putting apartheid out of business".

Relly: 20 years of growth needed

WITHOUT a 20-year period of sustained economic development, SA stood no chance of reducing its population expansion and improving prospects for its environment, Anglo American chairman Gavin Relly said in Johannesburg yesterday.

Speaking at the launch of the book South African Environments into the 21st Century he said at the core of most environmental problems in SA and the world were too many people producing too many children causing too many pressures on the environment.

"Less income simply means more people and vice versa."

The book is co-authored by CSIR Foundation for Research Development ecosystems programmes manager Brian Huntley; SA Council for the Environment member Roy Siegfired, and Anglo director Clem Sunter.

Relly said man-made impediments to economic growth, such as sanctions imposed from abroad or internal restrictions on black and white entrepreneurs arising from an overregulated society could do nothing but worsen the overall picture for SA.

For a demographic transition to smaller family sizes to occur quickly, the fruits of labour must be spread across all layers of society. This means granting opportunities to everyone living here to participate in the wealth-creation process, said Relly.

"There must be universal access to the country's resources by the population as a whole — whether it be education, health, the economy minerals or land.

"Instinct tells me that, like it or not, the environment will become a major feature in business decisions as we move into the next century. It is therefore necessary for businessmen now to begin to understand the world of the Greens," said Relly.

He said one of the trickiest problems was to define the role of government within the context of preserving the environment.

"I believe the government is there to provide the broad rules for interaction between industry and the environment but it

TANIA LEVY

must not specify the specific tactics for controlling pollution.

"Rewards and penalties should be fixed for being better or worse than an affordable set of environmental standards. It should then be left to the private sector to devise the least expensive means of meeting those standards," said Relly.

The book concludes that human well-being depends on a combination of economic development, environmental health and quality of life.

"It is why apartheid and Marxism have both failed, because each ideology stresses one quality of human nature separateness and collectivism respectively — to the utter exclusion of all other qualities of human nature."

The final point made by the authors was that SA would have to develop its own shifting balance between the economy, the environment and the quality of life as there were no readily transferable models from the rest of the world and rigid prescriptions would be rendered obsolete by technological developments and changes in the marketplace, Relly said.



Relly ... too many children being born

Trade in Dominican passports alleged

Blom 28/9/89 IAN HOBBS 280

LONDON — South Africans are able to buy passports from the Dominican Republic and may be using them for sanctions-busting operations, the journal Africa Confidential claims.

The journal quotes business sources in Johannesburg saying the Dominican Republic is the only Caribbean island willing to sell its passports to South Africans, with the help of a middleman in London.

A spokesman for the Dominican Republic's foreign ministry denies any knowledge of the passport sales, which he says would be illegal.

But the journal claims South Africans need only make a substantial investment in land on the island. They do not need to be resident.

Tactics pay off — Clark

By David Braun,
The Star Bureau

WASHINGTON — Sanctions imposed on South Africa by Canada and other Commonwealth countries had had a greater effect than anyone had anticipated, Canada's Minister of External Affairs, Mr Joe Clark, said this week.

He told a Canadian newspaper the Commonwealth sanctions were partly responsible for the recent easing of certain Government restrictions against blacks.

"I think it's time to keep the pressure up ... protest marches by blacks within the past week would not have been tolerated by the previous South African government," he said.

He said he believed the De Klerk Government might be interested "in real change". Canada and other countries must, however, keep the pressure up.

He hinted that Canada was most interested in financial sanctions as effective forms of pressure.

Mr Clark said Canada wanted the South African Government to indicate its willingness to meet black leaders to discuss dismantling apartheid and he accepted that would involve some agreement on the suspension of violence.



Professor Martin Nasser of Unisa's School of Business Leadership. He says there is a common economic vision between South Africa's workforce and managements.

Bosses keen on partnership with unions 'to create wealth'

By Kaizer Nyatsumba

South African employers were not anti-trade unions and were eager to co-operate with unions in the process of wealth-creation, according to the University of South Africa's Project Free Enterprise report released in Johannesburg yesterday.

Announcing the findings of the report, Professor Martin Nasser of Unisa's School of Business Leadership, said the most amazing finding was that the South African workforce and management were now closer to agreeing on a national economic vision and strategy than ever before.

JOINT STRATEGY

"Contrary to the general belief that they are in two increasingly hostile, polarised camps, both management and employees now have enough in common to forge a joint strategy for national wealth-creation.

"The research proved conclusively that management is not anti-trade unions and is eager to co-operate with unions in the process of wealth-creation," said Professor Nasser.

The study, conducted among 4 000 people from all sectors and levels of the economy in both urban and rural areas, was the third to be carried out by Project Free Enterprise, the first two having been in 1984 and 1986 respectively.

The study also found that black employees were more prepared to contribute towards free enterprise, provided they shared in the benefits of the economic growth.

This, said the report, meant that employers now had "a once-in-a-lifetime opportunity" to set the process of wealth-creation in motion in partnership with employees.

The study found that far-reaching progress had been made in equal opportunity programmes over the past three years, although some employees remained sceptical about their managements' commitment to these programmes.

"Equal opportunity is not an option; it is a strategic must. Not only does it help create a more equalised society but it also ensures continuity of the free enterprise system," the report said.

The report urged the Government and the private sector to give urgent attention to the removal of excessive rules, regulations and controls which inhibited wealth-creation.

The report called on the Government to abolish the Group Areas Act, which had played a role in obstructing the emergence of "a common corporate culture for black and white employees." Management was also called upon to support the systematic "erosion" of the Act — a process which was already taking place through both political pressure and the effects of the housing shortage in the townships.

PRIVATE SECTOR

The study also found that there was an overwhelming opposition of sanctions on South Africa. According to the report, 95 percent of whites and 78 percent of blacks were opposed to sanctions.

The dramatic improvement in perceptions and attitudes was due to moves by both the Government and the private sector to implement the project's last proposals made in 1986.

Professor Nasser said since its inception in 1984, the project had attempted to gauge the perceptions and attitudes of "all the actors involved in the economy," and to create awareness of the implications of negative attitudes towards the free market system.

This year's research team was made up of Professor Nasser, Mr Wolf Schmikl (

Ramphal doubts FW's reform aims

STAR The Star Bureau

LONDON — Mr F W de Klerk is "shedding credibility in a manner reminiscent of woodland waterfowl that shed their plumage when the mating season ends", Commonwealth Secretary-General Sir Shridath "Sonny" Ramphal said yesterday.

When this happened, he said, the birds "cannot fly and remain huddled together for safety in the centre of the pond".

"Let us hope that this is not really happening and that the prospects for fundamental change in South Africa are better than they seem."

Sir "Sonny" told the Diplomatic and Commonwealth Writers' Association he did not believe there would be a great emphasis on producing a composite sanctions package in Kuala Lumpur. The warning would be given that if reform was not forthcoming, further measures would be taken.

"The rest of the Commonwealth (Britain apart) will want to go on the record confirming the judgment that sanctions have worked and they have a role to play on the road ahead. I don't believe Kuala Lumpur will be the moment for a new package of sanctions, but it will send the message that that will be the result if there is no tangible reform in South Africa."

He said the rest of the Commonwealth had not accepted Mrs. Thatcher's view that negotiation was the only way towards reform.

Cohen, Mbeki clash over sanctions

Star 29/9/88

280

The Star's Africa News Service

The United States Assistant Secretary of State for African Affairs, Mr Herman Cohen, has clashed with the African National Congress's head of foreign affairs, Mr Thabo Mbeki, over the question of further sanctions against South Africa.

The pair disagreed during a symposium in Washington, organised by the Columbia University School of Journalism and the United Nations Centre on Transnational Corporations, when Mr Cohen said there was "a transition into a new generation of leadership" in South Africa and that further sanctions against South Africa were not necessary.

Instead the US government should encourage negotiations on both sides in South Africa, Mr Cohen said.

Mr Mbeki did not agree, but his views may not be reported because he is banned in terms of the Internal Security Act.

On the question of Namibia, Mr Cohen defended South Africa's behaviour, saying they had done everything "correctly".

He criticised Swapo for its "illegal" mass incursion of armed guerillas in April.

Thatcher in 'warm' talks with Mabuza

Cape Times 29/9/89

From IAN HOBBS

LONDON. — Kangwane Chief Minister Mr Enos Mabuza had an "exceptionally warm" meeting with British Prime Minister Mrs Margaret Thatcher yesterday amid speculation that he could become a key figure in efforts to initiate talks between the ANC and the South African government.

Mrs Thatcher spent an hour at 10 Downing Street with Mr Mabuza, Idasa director Dr Van Zyl Slabbert and former Democratic Party MP Mrs Helen Suzman in talks that were described as friendly and valuable

The meeting will be followed up next week when Mrs Thatcher continues her series of high-level South African contacts by holding private talks with Chief Gatsha Buthelezi

There are rumours, on which her office has not commented, that she will soon be meeting a senior South African cabinet minister, who will bear important news from Pretoria.

The unprecedented spate of meetings with senior South African political figures has created speculation that Mrs Thatcher is close to agreeing to meet the ANC for the first time

She has said nothing in public to indicate a change of heart although her own Foreign Office has repeatedly told her that she is making a mistake.

It is understood that this was also the message of Mr Mabuza, who has indicated his willingness to act as a go-between in an attempt to initiate "talks about talks" between the SA government and the ANC.

Mrs Thatcher has a very high regard for Mr Mabuza and values his unique position as the only homelands chief minister who is respected by the exiled ANC leadership in Lusaka.

Mr Mabuza and his executive flew to Lusaka a year ago for talks with ANC leaders who subsequently accepted that his tough line with Pretoria qualified him as as "integral part of the MDM" and a man they could deal with.

Mrs Suzman said the main tenor of the meeting yesterday was a strong warning from Mrs Thatcher that "she needs all the help she can get from South Africa if she is to fight off the immense demands for new sanctions".

● Britain is ready to stand alone against proposed new financial sanctions to be mooted at the Commonwealth leaders' summit next month, top government officials indicated yesterday.

SEPTEMBER • 29 • 1989

Financial Mail

ECONOMIC POLICY

Seed corn for sanctions

It may have suited the NP before the general election to blame foreign bankers and political opponents for the malaise into which the economy has fallen but the outcome could be unfortunate.

The sanctions lobby is increasingly claiming curbs have worked and that more will bring about the victory over apartheid sensible people would like to see. This gives credibility to those who, if the truth were known, would have none.

The truth is, of course, that SA's economic problems are the consequence of several factors — not least the fall in the price of gold, from about US$800/oz in 1980, and an inflation rate that has been in double digits for close on 20 years.

Government could do little about the first but it is directly responsible for the second which is certainly equally — if not more so — responsible for our economic position. In recent times Pretoria has impeded the application of policy that would have let the economy adjust more easily to the lower gold price. For instance, interest rates were for too long prevented from rising to the levels needed to curb excessive demand.

When foreign bankers refused in 1985 to roll over SA's modest foreign facilities, government adhered to policies that aggravated the capital shortage by prompting a substantial capital flight. The inevitable reduction in savings that inflation encourages simply made worse the capital shortage.

Instead of a bold policy to foster economic growth by removing restraints on the mobility of resources, Pretoria chose the path of restriction. The outcome was a lower rate of growth this year than need have been the case — and a certain decline next year This was certainly not a victory for sanctions. But that is what is being held out abroad.

Fortunately, SA is not high on the political priority list of the US Congress this year. Nor have the various lobbyists who have been trying to intimidate banks into refusing a new debt rescheduling agreement met much success. Indeed, even at the forthcoming Commonwealth Conference those who will attack the provision of credit guarantee facilities for SA importers are unlikely to make a mark.

In a volatile political environment that could change quickly, it is never sensible not to follow policies aimed at sound economic growth. But government has done just that in its response to the capital boycott. It has simply made things worse and played into the hands of those who have little interest in peaceful political reform.

It is difficult to believe even now that government is serious about curbing inflation. Too often government spokesmen compare our economy with other Third-World down-and-outs and argue that our inflation is not too bad.

The *FM* has often pointed out that this comparison is meaningless: we trade with the industrial nations of the world — not Brazil or Mexico. Yet even with their reprehensible economic record these countries maintain positive interest rates — which SA seldom seems to manage for long.

This week in Brazil the overnight interest rate rose to 52,6% a month on expectations of monthly inflation of 35%. That's a real return of 17,6%; maybe we needn't go that far, but it shows that it's possible. ■

Suzman admires Maggie's stand

Star 21/9/89 280

The Star Bureau

LONDON — Mrs Helen Suzman has spoken of her admiration for Mrs Margaret Thatcher and again backed the British premier's anti-sanctions stand.

In an interview with *The Observer*, the former veteran anti-apartheid politician, who met Mrs Thatcher for the fourth time last week, rejected comparisons between the two women. "It's a silly comparison, really," she said.

Although she did not agree with everything Mrs Thatcher did, she admired her "strength of will and the fact that she doesn't falter in the face of difficulties".

Mrs Suzman said she and the Prime Minister were "totally of the same mind" in their opposition to economic sanctions and disinvestment in South Africa.

But, said Mrs Suzman, "she's in power. I've never been in power. That's the difference".

Her anti-sanctions stance had to some extent hurt her relationships with people such as the Mandelas, but she refused to let this worry her.

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'Change by peaceful means now possible'

Bush rejects any further SA sanctions

STAR 280 3/10/89

By David Braun,
The Star Bureau
Washington

President George Bush has come out firmly against the United States adopting further sanctions against South Africa

Further sanctions were not needed, as they would be counter-productive because of steps being taken in the country and the region to bring about change by peaceful means, President Bush told the US Congress yesterday

He sent a report to Congress in terms of the Comprehensive Anti-Apartheid Act (CAAA) of 1986, which requires the President to tell the House of Representatives and Senate the extent to which progress has been made towards ending apartheid

Included are recommendations on which additional measures, if any, should be imposed on South Africa

The Republican Party has meanwhile rejected a bipartisan task force of US congressmen which is supposed to hammer out a mutually acceptable South Africa policy with the Bush Administration, because it regarded it as unrepresentative and too biased in favour of sanctions

The group was set up by the Democratic chairman of the House subcommittee on Africa, Mr Howard Wolpe. Mr Wolpe is personally deeply involved in moves to impose sweeping new sanctions on South Africa

Seven of the 10 Republicans on the group voted in favour of sanctions in 1986, while most of the others are regarded as either weak or susceptible to Mr Wolpe's pressures, Republican sources say

The report, reviewing the year to September, concludes that US economic sanctions under the CAAA have not been successful to date in moving the South African Government towards the Act's goals

Mandate for change

But, it says, recent events, including the election mandate for change claimed by President de Klerk and subsequent Government/opposition co-operation in the holding of peaceful demonstrations, gives some reason for hope that the opportunity for a peaceful end to apartheid has not yet been lost

"The slowing of the South African economy as the result of sanctions has clearly demonstrated that the well-being of the white minority will depend increasingly on reaching a political accommodation with the black majority

'However, the economic slowdown is not without negative effects — political and social Imposing additional sanctions now could be counter-productive Accordingly, no additional sanctions are recommended at this time"

According to the report, South Africa has circumvented sanctions by developing new domestic industries to provide key products, by locating new external suppliers and markets, and by stockpiling key imports and raw materials such as petroleum

One of the sad legacies of trade sanctions was the success of the sophisticated armaments industry, the report adds 'Once a major arms importer, South Africa is now, following 25 years of arms embargoes, one of the world's major arms exporters — a tribute, of sorts, to embargoes"

Grim tug-of-war at



Oh no you don't . a Czech policeman gets a firm German embassy in Prague. On the left of the pi the man on the fence

Days of lip service

STA

The Star Bureau and Political Correspondent

LONDON — General Bantu Holomisa, the Transkei leader who is agitating for his country's reintegration into South Africa, says Transkei's days of paying lip-service to Pretoria are over

In an interview with *The Times*, General Holomisa (34), who is developing links with the ANC, said "There seems to be a realisation that the architects of Verwoerdian apartheid were wrong

"Now there is talk of negotiations to bring blacks into the legislature in South Africa, and I be-

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"We have to
our lip-service

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SA 'reacted aggressively' to trade sanctions, report says

ARGUS 3/10/89

280

From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — South Africa has reacted aggressively and with considerable success to international trade sanctions, a report to Congress has said.

But international pressures have been a major factor in limiting South Africa's economic growth during the past year, the report said.

The report was sent to Congress yesterday in terms of the 1986 Comprehensive Anti-Apartheid Act, which required the President to report every 12 months on progress made by South Africa towards dismantling apartheid and establishing negotiations for a non-racial democracy.

NEW INDUSTRIES

According to the report, South Africa has circumvented sanctions by developing new domestic industries to provide key products, by locating new external suppliers and markets, and by stockpiling key imports and raw materials such as petroleum.

One of the sad legacies of trade sanctions imposed on South Africa was the success of South Africa's sophisticated armaments industry, the report said.

It said recent events, including the September 6 election mandate for change claimed by President F W de Klerk and subsequent government/opposition co-operation in the holding of peaceful demonstrations, gave some reason for hope that the opportunity for a peaceful end to apartheid had not yet been lost.

COUNTER-PRODUCTIVE

The report reached the conclusion: "Further sanctions are not needed at this time and would be counter-productive in view of steps being taken within South Africa and the region about change through peaceful means."

While only the beginnings of possible progress have been observed, the report says, the pattern of political evolution in South Africa merits attention and that the effect of sanctions has been mixed and is difficult to assess.

Meanwhile, a bipartisan task force of congressmen, who is supposed to hammer out a mutually acceptable South African policy with the Bush administration, has been rejected by the Republican Party as being unrepesentative and too biased in favour of sanctions.

Republican leaders are annoyed that the group of 24 members of the House of Representatives, which includes 10 Republicans, was formed without their knowledge.

The group was set up by the Democratic chairman of the House sub-committee on Africa, Mr Howard Wolpe ostensibly at the behest of the Speaker, Mr Tom Foley, who apparently wanted Congress and the administration to draw up a bipartisan policy on South Africa similar to the way the two branches of the government drew up a mutually acceptable policy on Nicaragua.

Republican sources, however, are furious at the composition of the group, which they say is heavily loaded in favour of sanctions. Mr Wolpe is personally deeply involved in moves to impose sweeping new sanctions on South Africa.

'Chance for peaceful end to apartheid not lost'

STAR 9/10/89 280

By DAVID BRAUN, The Star Bureau

President Bush this week rejected proposals for new sanctions on South Africa due to recent developments in the country, saying that the parties involved need time to sort out their positions and reach out to each other in dialogue

WASHINGTON — The submission to Congress by the Bush administration of a progress report on South Africa has come as a disappointment to Democratic Party leaders who have been pushing for further sanctions

The conclusion of the report, which is mandated once a year by the Comprehensive Anti-Apartheid Act of 1986, recommends no additional sanctions against South Afri ca at this stage in view of recent encouraging events

Over the next few months, the report said, the focus of attention should be on events on the ground in South Africa

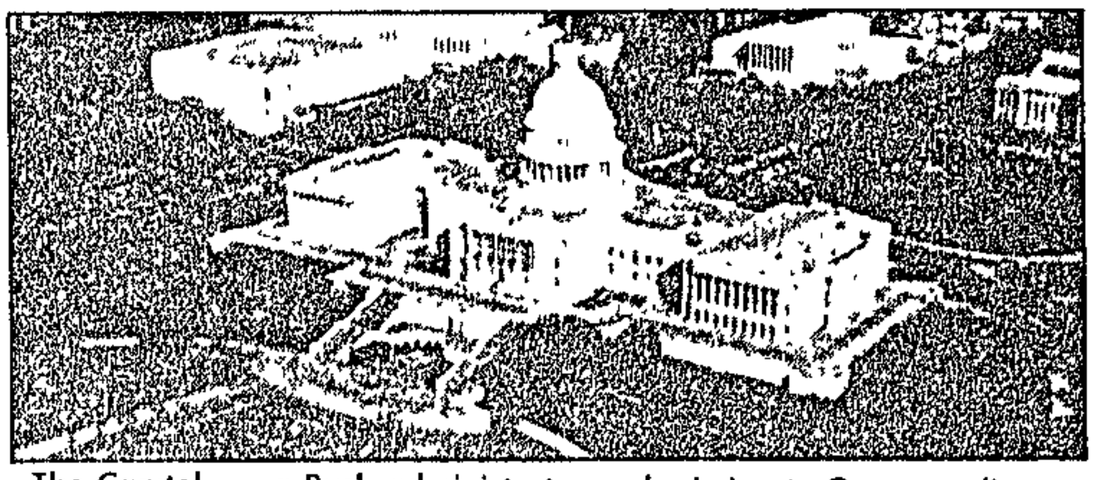
"All the parties need time to sort out their positions and reach out to each other in dialogue. In this context and at this time, further sanctions would be inappropriate and confusing," the report said

No one realistically expected the report to suggest the time was ripe for additional sanctions as the Bush administration has consistently said it was opposed to any further measures.

Nonetheless, certain US legislators hold the view there has not been satisfactory progress in South Africa and there is a strong case in favour of at least a series of financial sanctions, such as prohibiting American banks to extend South Africa's debt repayments

The administration, in the report sent to Congress this week, says imposing additional measures now could be counter-productive in view of steps being taken within South Africa and the region to bring about change through peaceful means

It specifically highlighted the mandate for change claimed by the State President, Mr F W de Klerk, after the September 6 election and subsequent Government and opposition co-operation in the holding of peaceful demonstrations



The Capitol . a Bush administration submission to Congress disappointed Democrats who were seeking new sanctions on South Africa.

Negotiations

The report said there had been no major changes in the present constellation of apartheid laws despite official suggestions that such changes may occur Negotiations with legitimate representatives of the black majority had also not begun

It said politically, economically and socially, apartheid remained intact

However, the last few months had seen encouraging developments which gave some reason to hope that a process of change might be beginning

It said: "Chief among these was the July meeting between then-President Botha and Nelson Mandela and the statements made by President de Klerk since his election to the effect that he had been given a mandate for change

"The President has also asserted that the door is open to dialogue and, contrary to the practice of previous governments, he allowed peaceful political demonstrations to take place in Cape Town and Johannesburg the week following the election

"However, during this same period, detention of political activists again increased and no actual process of dialogue has yet begun

"It is still too early to say whether the first incomplete steps of the new Government will lead to a process of dialogue and an end to the state of emergency"

The South African legal system, as well as the judiciary, continued to allow some recourse from the arbitrary power of the State under its emergency regulations

"However, the combination of the white-controlled police and judiciary basically prejudices the system against non-whites Unfortunately, it is therefore impossible to say that South Africa respects the principle of equal justice for all," the report said

"Certainly, the great pressures, internal and external, on whites to accept a change in their unjustly privileged status are growing But talk of forcing South Africa into negotiations misses the point Negotiations are between willing parties," the report said

It cited the results of the recent election as evidence that whites acknowledge change must come

Despite the current defiance campaign and deep black distrust of the Government, there was movement by blacks towards dialogue.

Historic

The ANC had been developing a negotiating position while conducting consultatons with supporters inside and outside South Africa. Supporters of the Mass Democratic Movement were also debating the subject of negotiations UDF leaders were reportedly ready to meet with the Government.

Groups of whites had travelled to Lusaka and elsewhere to talk to the ANC, and whites and blacks within South Africa had never been totally estranged

The historic meeting between President Botha and Nelson Mandela put the Government in the middle of all this talk about talk.

"There is, therefore, reason to believe the opportunity for a peaceful end to apartheid has not yet been lost," the report concluded

For these reasons, despite the lack of significant progress towards the abolition of apartheid, no additional sanctions were recommended at this time

History in The Star

100 Years Ago

It is high time that Pretoria had a pure water supply. The number of putrid oxen contaminating the water used by a large number of families can hardly be exaggerated.

50 Years Ago

U-boats and increased fares have not deterred South Africans from reserving berths on mailships sailing "on a date to be fixed" for British ports. Bookings are at a steady rate.

25 Years Ago

The Chamber of Mines is embarrassed by the number of people who want to "go down a mine". Seven thousand a year visit mines along the Reef and Free State; 80 percent of them are foreigners.

Kodak film available despite firm's pull-out

280 By Louise Burgers 82

Kodak film is still available in South Africa despite disinvestment by the film giant nearly three years ago and an intensive campaign to close down "back door" suppliers, The Star has established.

The general manager of the photographic division of South African Druggists, Mr Oscar Abramovitz, said the film brand was available at most pharmacies and photographic stores since the pull-out.

"A group of us ex-Kodak people got together and decided to find other ways to continue importing the film. Its part of the whole sanctions busting routine."

Mr Abramovitz said Eastman Kodak in New York was continually trying to close down the rebel suppliers overseas. Star 4/10/89

"They are keeping an eye open all the time and have closed off some of our suppliers, but there are always dealers out there who want to sell."

'Reasonable timetable' outlined

Deadline for big changes June – US

Star 4/10/89.

(280) (389)

The Star Bureau and Political Correspondent

Washington

The Cabinet meets in Pretoria today amid increasing pressure from the United States and Britain to produce tangible evidence of its reform thinking within weeks and months, or their tolerance may change.

Indications of this new US and British influence include:

● The United States government has set a timetable that pressures South Africa into making some gesture this year while giving the Government until the end of its next parliamentary session to demonstrate substantial progress towards dismantling apartheid.

If this timetable is not met, it has indicated it could give in to congressional pressure for additional sanctions.

● British Prime Minister Mrs Margaret Thatcher is looking to South Africa for new ammunition to take to the Commonwealth leaders to justify her continued "no sanctions" stand.

Foreign Minister Mr Pik Botha reacted cautiously to US Assistant Secretary of State Mr Herman Cohen's statement, saying South Africa was not "insensitive" to the views of other governments. But he warned that Pretoria "simply cannot afford to base its reform programme for a future constitution on perspectives from outside".

Reacting to the Cohen speech, Mr Colin Eglin, Democratic Party foreign affairs spokesman, bluntly warned President de Klerk: "Don't waste time. This opportunity may be your last. Quite clearly the international community is expecting much more than words — and in the short term."

Three elements

Mr Cohen set out US policy options towards South Africa when speaking at a hearing of the Senate Foreign Relations Committee yesterday.

He said a reasonable timetable would be by the end of the next parliamentary session. There were three elements expected of the South African Government by June 1990:

● The Government could unban political parties, allow them to operate and hold meetings, lift the state of emergency and allow exiles to return.

● All discriminatory legislation had to be removed. The key laws were the Group Areas Act, the 1913 Land Act, the Population Registration Act and the Separate Amenities Act.

Mr Cohen said he expected much of this work would be done in next year's parliamentary session.

● The third and most important element was the beginning of negotiations — in effect, sitting down at the same table with credible black leaders to talk about a new constitutional order

Mr Cohen said it appeared the De Klerk Government differed from the previous one in that President Botha had set out to dismantle petty apartheid and co-opt black leaders in the apartheid system.

But President de Klerk had rethought the entire situation and was also reacting to signals sent by black leaders that negotiations would be better than confrontation.

US plan to boost SA universities

ARGUS 4/10/89

From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — The United States Government has asked Congress to amend sanctions legislation to allow financial aid to integrated South African universities.

The US Assistant Secretary of State for Africa, Mr Herman Cohen, told the Senate Foreign Relations Committee yesterday that the Bush Administration was committed to expanding its programme of positive measures

The programme was designed to strengthen multiracial resistance to apartheid, build black bargaining power and help blacks prepare themselves for leadership in a post-apartheid democracy

To accomplish this, Mr Cohen said, the Bush Administration intended to increase the R96-million for university scholarships, human rights and community leadership.

He said the administration would seek to upgrade Voice of America transmissions to South Africa

It would also try to provide assistance to non-racial universities in South Africa and stimulate private sector aid for bursaries and training.

Senate Africa Sub-committee chairman Mr Paul Simon told Mr Cohen he would find Congress "amicable" on the question of amending sanctions laws to allow funds for integrated universities.

The law prohibits US assistance for an institution of the South African Government.

● The US Government has given South Africa until the end of its next parliamentary session to achieve substantial progress towards dismantling apartheid, failing which it could give in to Congressional pressures for additional sanctions.

Mr Cohen told the Senate committee that sanctions had played a role in stimulating new thinking within the white power structure

However, because the De Klerk Government had indicated it was prepared to take concrete steps in addressing the need for a political settlement, the Bush Administration had recommended that no new sanctions be considered at present

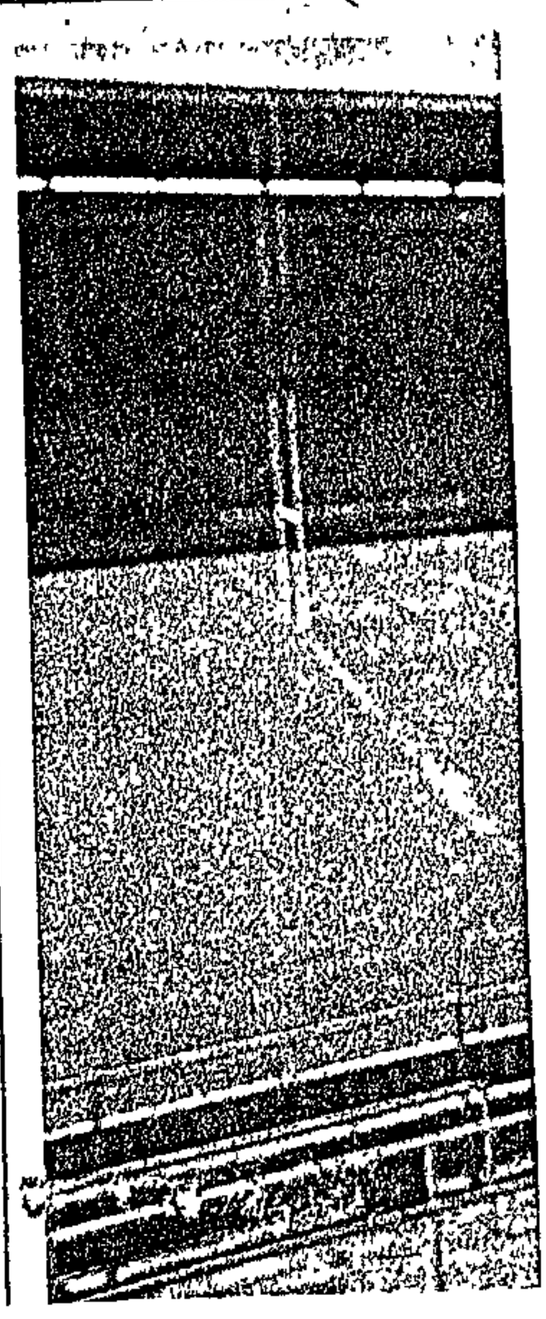
● An African National Congress initiative to get the United Nations to adopt a resolution on the basic principles of negotiations and broad guidelines for a post-apartheid South Africa may be supported by the US and other major Western powers later this year.

Such a resolution could provide the framework for negotiations in South Africa

The US is already discussing the possibility of formulating a resolution for which it could vote with its Western allies and the ANC. It intends to take up the matter with the non-aligned countries and the front-line states

At yesterday's hearings of the Senate Foreign Relations Committee Mr Cohen said the Bush Administration was considering supporting such a resolution He had discussed it with the director of the ANC's department of international affairs, Mr Thabo Mbeki, in Washington on Monday.

He said the UN General Assembly was to hold a special session on apartheid in December and the US Government was giving serious thought to how it could make a positive contribution



Aussie company accused of SA tie

The Star Foreign News Service

MELBOURNE — Australia's anti-apartheid movement has accused the country's biggest company, BHP, of trying to hide its business activities in South Africa.

The movement said today that BHP owned a company called Phoenix Mining Finance which operated in South Africa.

It had not mentioned this at last week's annual general meeting because of the problems that it would have caused.

The company, however, does appear in BHP's report to shareholders. Its activities are not listed but its profit was given as R250 000, down from R2 million the previous year.

BHP tried to play down the issue today, claiming that its inter-ests in South Africa were "mi-nute".

The anti-apartheid movement said that it would continue to press BHP to disclose the exact nature of Phoenix Mining.

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Sanctions Warning

Du Plessis: Consequences of continued sanctions

SANCTIONS have serious implications for social and political reforms as well as for South Africa's economic development, Finance Minister Mr Barend du Plessis told a meeting in West Germany.

Addressing the Munich World Affairs Council last night, Mr Du Plessis was reacting to a warning by US Assistant Secretary of State for Africa, Mr Herman Cohen, that discussions on further economic measures against the country would be held if negotiations towards dismantling apartheid were not under way within nine months.

In a comprenhesive summing-up Mr Du Plessis said South Africa needed a high economic growth rate as a prerequisite for the implementation of social and political reform.

Poverty

"At the present rate of economic growth average living standards are declining, poverty is increasing and unemployment rising."

Although people supporting sanctions included benign benefactors "we fail to understand how you can help anyone by denying him bread to eat, a house to live in or better school and hospital facilities."

● A questionnaire sent to tens of thousands of Americans by South African Ambassador to the US Dr Piet Koornhof attracted considerable media attention yesterday.

More than 40 000 Americans received the questionnaire together with a copy of a Reader's Digest article arguing against US economic sanctions.

Embassy officials said the return rate had been phenomenal, with more than 40 percent replying.

● An international campaign was launched in London yesterday to prevent rescheduling of South Africa's foreign debt, $11-billion of which is due by the end of next year. — Political Staff and The Argus Foreign Service.

● See page 24.

'No need to force SA into talks'

5/10/89

Cape Times, Thursday,

MUNICH. — The Minister of Finance, Mr Barend du Plessis, says there is little point in using South Africa's debt position as a means of forcing the country into "ill-conceived schedules for negotiation".

Mr Du Plessis was reacting to statements by the US Assistant Secretary of State for Africa, Mr Herman Cohen, who warned that discussions on further economic measures against South Africa would be held if negotiations were not started soon.

Mr Du Plessis said: "I strongly reject claims that South Africa needs to be forced into starting negotiations.

"It is also quite inappropriate to lay down schedules and time limitations for negotiations on a matter so complex as designing, negotiating and implementing constitutional reforms in South Africa, and to link access to international financial facilities to progress in this regard," said Mr Du Plessis.

He also castigated "radicals" in South Africa for spreading "blatant untruths" about the reluctance of the government to negotiate and their efforts to encourage further financial pressure on South Africa.

Mr Du Plessis is in Munich, where he addressed a meeting of the Munich World Affairs Council on Tuesday night.

In his review of United States policy on South Africa, Mr Cohen this week told the Senate foreign relations committee that four specific South African laws needed to be repealed. He named them as the Land Act of 1913, the Population Registration Act, the Separate Amenities Act and the Group Areas Act.

He said he hoped the South African government was already working on mechanisms to repeal these laws before the opening of Parliament in February.

He said he hoped Mr F W de Klerk would use his executive powers to deal with issues that did not require parliamentary approval. These would include lifting the state of emergency, releasing political prisoners and unbanning restricted political organisations.

He said the Bush administration also wanted to increase aid to black South Africans, specially in education, and would be asking Congress to approve direct support of South African universities, previously off-limits as government-controlled institutions.

Senator Paul Simon, chairman of the Senate's sub-committee on Africa, said he was happy with the administration's position of "no new sanctions at the present time". He also supported Mr Cohen's call to Congress to lift sanctions against Namibia "immediately after UN certification of the November elections". — Sapa and Own Correspondent

UK policy beacon of sanity — Bicsa boss

TANIA LEVY

SA HAS become a whipping boy for US civil rights problems, racial oppression in Australia and gross breaches of human rights in many other Commonwealth countries, says British Industry Committee on SA (Bicsa) director general Nick Mitchell.

Bicsa represents British companies responsible for 80% of their country's trade with SA.

Speaking in London yesterday, Mitchell said the continued steadfastness of the British government on sanctions had been a beacon of sanity in the past few years.

The SA government knew the country was governed in a way which was totally unacceptable to most civilised people, and knew it must change, he said.

"The declining proportion of whites in SA makes change a certainty and apartheid a dying dog," said Mitchell.

The recent elections were interpreted by the President as a mandate to lead and manage a strategy of change towards clearly defined objectives.

Mitchell said the future of SA ultimately had to be resolved in SA by South Africans.

The business community in SA can and must play a larger role in keeping up the pressure for change.

The international community can help rather than hinder these pressures for change by calling unequivocally for the release of political prisoners, the unbanning of political organisations, the repeal of apartheid laws such as the Group Areas and Separate Amenities Acts and press the urgent need to start a negotiation process with all major players, he said.

The US and Europe should encourage this with minor concessions on sanctions.

"The stakes are enormous, no less the future of a continent. Success could lead to a prosperous, free SA. Failure will lead to a future without hope for more than 100-million people in an economic desert."

SA ad promises more change

LONDON — More fundamental change in SA is imminent, SA's Department of Foreign Affairs (DFA) says in a full page, anti-disinvestment advertisement in yesterday's Daily Telegraph.

Headlined "How to finance the South African revolution," and displaying pictures of products mainly sold by black entrepreneurs, like home-brew beer, snuff, razor blades and various tonics, the advertisement's theme is that disinvestment robs blacks of economic power — their most effective means of negotiation and political leverage.

"To say that disinvestment hurts the people it's meant to help, is to obscure the truth. In reality it's much worse than that. If anything it robs SA blacks of their most effective means of negotiation and political leverage· their economic power."

Quoting Unisa's Bureau of Market Research, the DFA says "Consider that in seven years from now — unless the economy is crippled beyond repair — black spending will represent way over 70% of the GNP."

Black rand

There are 20 000 black-owned backyard shops in townships of Johannesburg and Pretoria that have achieved a combined turnover equal to that of SA's largest supermarket chain.

The advertisement refers to the Black Taxi Association (Sabta) as another example of the power of the emerging "black rand", saying it had in under 10 years become the country's largest private consumer of fuel, motor oil and accessories.

"As a transport company it is 20 times larger than its state-subsidised equivalent, directly providing work for 300 000 people, transporting two-billion passengers a year and supporting a mushrooming informal business sector so large no-one has dared to estimate its size. This is the economics of change. The revolution which is putting apartheid out of business."

By supporting the many SA companies and organisations fighting for a free economy, rather than supporting the systematic destruction of the economy, Daily Telegraph readers would help SA achieve its goal, the DFA says.

This goal was the creation of a free and democratic society for all. — Sapa.

New Zealand considers stronger sanctions

WELLINGTON — Foreign Minister Russell Marshall said yesterday New Zealand was considering stronger economic sanctions against SA because of apartheid.

"I think it is counter-productive to beat other people around the head, but I think it's the right time," Marshall said, adding the cabinet would meet on Monday to discuss the issue. B | Dan 5/10/85

Marshall would not provide details of the measures being considered, but anti-apartheid sources said New Zealand was considering imposing a total trade embargo, excluding essential commodities such as ferrochrome and industrial diamonds.

Any measures would probably be introduced over a two-year period to "give New Zealand enterprise time to adjust to a policy of more rigid sanctions on trade", Marshall said.

(280) (~~320~~)

New Zealand already has mandatory bans on all agricultural imports from SA and on coal, gold, iron and steel. It also prohibits the export to SA of telecommunications and computer equipment, arms and ammunition. Banks have been advised it would be contrary to government policy to lend money to SA.

☐ The New Zealand Dairy Board, sole exporter of dairy products which last year sold products worth NZ$7m to SA, said it did not pass political judgments on its trading partners. — Sapa-AP.

STAR 5/10/89

Sanctions slow reform, says Barend

280

Political Staff

Sanctions have serious implications not only for the economic development of South Africa but also for social and political reforms, Finance Minister Barend du Plessis told a meeting in Munich, West Germany, this week.

He said the country needed a high economic growth rate as an essential prerequisite for the implementation of social and political reform.

"At the present rate of economic growth ... average living standards are declining, poverty is increasing and unemployment rising."

MISCONCEPTION

He said it was a misconception that by destroying the South African economy, political and social changes would be forced in the direction of those supporting sanctions.

Although those people supporting sanctions included benign benefactors, "we fail to understand how you can help anyone by denying him bread".

Mr du Plessis suggested that the majority of those who supported sanctions were radicals who wanted to created social unrest to "seize power for themselves in the subsequent chaos".

SA can pay its debt — Barend

MANDY JEAN WOODS

SA had no difficulty in meeting international interest and dividend or reasonable capital redemption payments, Finance Minister Barend du Plessis said yesterday.

In a statement he said considering the volume and frequency of the debt problems prevailing in the IMF and the World Bank member countries, "SA's problem is relatively insignificant."

He was reacting to reports on Tuesday that US Assistant Secretary of State for Africa Herman Cohen had said he failed to see how pressure could be exerted on SA through further financial sanctions.

Commenting on Cohen's statement that discussions on economic measures against SA would be held if SA did not start negotiations with blacks soon, Du Plessis said he "strongly rejects claims" SA had to be forced into negotiations.

"It is inappropriate to lay down schedules and time limitations for negotiations on a matter so complex as designing, negotiating and implementing constitutional reforms in SA and to link access to international financial facilities to progress in this regard."

□ Sapa-AP reports from New York that 29 people were arrested yesterday for blocking doors at Manufacturers Hanover Trust Co.'s corporate headquarters, where they urged the bank not to give SA more time to pay back loans. After they were asked to leave, they refused and were arrested on a trespassing charge.

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'Economy is black political weapon'

Foreign affairs advert boasts of SA change

LONDON — More fundamental change in South Africa is imminent "and it's going to happen", the Department of Foreign Affairs says in a full page anti-disinvestment advertisement published yesterday in the conservative London *Daily Telegraph*.

Headlined "How to finance the South African revolution", and displaying pictures of products mainly sold by black entrepreneurs — home-brewed beer, snuff, razor blades and various tonics — the advertisement's theme is that disinvestment robs black people of economic power: their most effective means of negotiation and political leverage.

"To say that disinvestment hurts the people it's meant to help, is to obscure the truth. In reality it's much worse.

"If anything it robs South African blacks of their most effective means of negotiation and political leverage: their economic power."

It should be realised that the economy was the people and not the government.

Sourcing statistics to the University of South Africa's Bureau of Market Research, the Department of Foreign Affairs says: "Consider that in seven years from now — unless the economy is crippled beyond repair — black spending will represent way over 70 percent of the gross national product."

There were 20 000 black-owned backyard shops in the townships of Johannesburg and Pretoria that had achieved a combined turnover equal to that of South Africa's largest supermarket chain.

"Even more remarkable is that they've achieved this turnover selling no more than the basic odds and ends you can see scattered over this page."

The advertisement refers to the SA Black Taxi Association (Sabta) as another example of the power of the emerging "black rand", saying it had in under 10 years become the country's largest private consumer of fuel, motor oil and accessories.

"As a transport company it is 20 times larger than its state-subsidised equivalent, directly providing work for 300 000 people, transporting two billion passengers a year and supporting a mushrooming informal business sector so large no one has dared to estimate its size.

"This is the economics of change. The revolution which is putting apartheid out of business."

By supporting the many South African companies and organisations fighting for a free economy, rather than supporting the systematic destruction of the economy, *Daily Telegraph* readers would help South Africa achieve its goal, the Department of Foreign Affairs says.

This goal was the creation of a free and democratic society for all. — Sapa.

High-level technology would have to be ... African and other even eager to tal

American mining man pays tribute to chamber

B1Day 5/10/89

THE supply of gold available is not keeping up with the world's population growth, an American mining executive, Harry Conger, said in Johannesburg yesterday.

Conger, chairman and CE of the Homestake Mining Company of San Fransisco, speaking at a banquet to celebrate the Chamber of Mines's centenary, said he found this a challenge.

"There are a lot more people out there in the world who would enjoy gold and can afford it, but they need some tactful stimulation."

Conger credited the chamber with having established the basis for the current strong promotion of gold by the World Gold Council, which now had the backing of a large majority of gold producers in the US, Australia and Canada. "We should not lose sight of how small the gold market is in dollar terms," he said.

Research

"The total gross revenue of all newly mined gold last year was less than $25bn — the same amount that an American firm raised in 48 hours to buy a cigarette company."

US mining companies had greatly benefited from SA's research into the problems experienced in deep-level mines, and from other research by the Cahmber of Mines Research Organisation, Conger said.

"The studies the chamber has supported on rock mechanics and on how to design mines using this data have been of great assistance to our staff at the Homestake Mine.

"The research on ventilation in hot, deep mines also has been of great help.

"There are many, many other examples of the benefits of your research to the members of the chamber as well as to the rest of us in the mining industry."

Conger said the fact that the chamber had survived and prospered during the political, social and economic turmoil of the past 100 years, was a testimony to its quality and strength.

"It is an organisation which we in the industry outside South Africa hold in high esteem". — Sapa.

Strikers lobby consul

280

Own Correspondent

CAPE TOWN — A delegation of striking National Panasonic workers and representatives of anti-apartheid organisations yesterday met Japanese consular officials in a bid to muster support for the strike.

Members of the delegation said that because of the Japanese government's policy of discouraging Japanese companies from trading or investing in SA, they had turned to the consulate for help. The workers are all members of the Electrical and Allied Workers Trade Union of SA (Eawtusa) B1Day 5/10/89

Vice-consul K Nakajawa undertook to report the meeting to the Japanese embassy in Pretoria, but said diplomatic staff were unable to intervene.

About 190 workers at National Panasonic's Parow plant have been on a legal strike in support of wage and other demands since August 24.

The union expected a reply by next Thursday, the Eawtusa spokesman said.

National Panasonic manufacturing manager M S Tiffin could not be reached for comment

OCTOBER • 6 • 1989

Financial Mail

280 FMAIL 6/10/89.

SANCTIONS

Drawing the dragon's teeth

Sanctions against SA are rapidly becoming a non-issue. Those who have a vested interest in the anti-apartheid movement — often because they are unable to earn a living any other way — are simply failing to capture public imagination and sustain a dubious argument.

The simple fact is that there is not a great deal more that can be done that won't also penalise those countries which have already imposed sanctions. The US Congress has other things on its mind and, in any event, the feeling in Washington is that peace in Angola, the election in Namibia and the advent of President F W de Klerk are all very encouraging. President George Bush came out firmly on Tuesday against any further sanctions.

Swapo is preoccupied with winning its election and it, like the ANC, is facing some harsh economic reality: the disinclination of the Scandinavians, especially the Norwegians, to keep them abroad in the diplomatic style to which they have become accustomed.

The Russians and some Eastern Europeans have made clear their desire for trade links with SA, quite quickly. Disillusionment with the Third World is not confined to Western bankers.

The balance of payments is still in surplus, despite trade sanctions. Clearly, what markets have been lost in the US have been largely replaced elsewhere.

As no trade statistics are available from Pretoria, the exact location of our new trading partners is not easily discernible. But even a cursory glance at airline bookings will show substantial increases in business travel to the Far East and Eastern Europe.

The peripatetic clergymen and their born-again team of sanctions advocates have now changed tack. They are trying to persuade anyone who will listen that sanctions are working. They claim our economic malaise and the outcome of the recent election was a direct result.

They do not care to dwell on the decline in the gold price or the fact that, with a NP government in power and Barend du Plessis in the Finance Ministry, who the hell needed sanctions?

The new targets of the sanctions advocates are the foreign bankers who, after a general panic in 1985, decided to demand payment of their roll-over credits. This was refused and a debt repayment plan was negotiated with provisions for later reschedulings. A former Nedbanker from the Cape and reborn Anglican has been trying to intimidate the bankers who are party to the reschedulings into putting a political motive on to new "demands" that their credits be repaid instantly.

He apparently read a statement along these lines into the Congressional record recently. Rumour has it that the Archbishop of Canterbury, Robert Runcie, prevailed on the International Monetary Fund MD Michel Camdessus to see him. And it appears that any bank in Europe or America with the remotest SA contact has had him knocking at the door. He has been more protracted than convincing, with more jargon to mind than substance.

Part of this new banking initiative is to have the question of UK export credits to SA customers made a controversial issue at the forthcoming Commonwealth Conference. No doubt the Third World will rant, but the British are not about to give in.

Indications given to the *FM* from bankers are that they are not going to make demands that will endanger their repayments or be influenced by moralists who do not comprehend their responsibilities to shareholders. Or who believe that these should be subsidiary to the impoverishment of South Africans.

The problem in 1985 was that they feared for the security of their loans. Since then, they have seen much to persuade them that SA is more politically stable than many nations which are much bigger debtors.

About half the US debt has become long-term and the rest will remain as short-term credits. SA is unlikely to press for this to be rescheduled, as it might indicate that it has little faith in its own reform process.

The advocates of the capital boycott lost their opportunity in 1985. The banks in panic delivered a bodyblow to the economy, far worse than could have been achieved by trade sanctions. The impact, while diminishing, will continue for many years. The important point is that, having been delivered once, the blow can't be repeated.

Besides, the whole campaign for sanctions and a capital boycott is illogical. Clergymen like Desmond Tutu complain about institutional violence and the agony of blacks and then seek to make these worse through impoverishment.

The object must be to provoke the impoverished to violent revolution. Is that not implicit in the statement that blacks have suffered so much that more suffering won't matter?

Trade unionists — Cyril Ramaphosa, Jay Naidoo, and others — said in a Commonwealth statement that they support similar measures to "stimulate unemployment." Is that what they tell their members before they go into wage negotiations with mine employees and approach the Industrial Court to have sacked members reinstated . . . that they want to stimulate unemployment? If they don't, their credibility is in serious question.

The fact is that ordinary folk abroad who are against apartheid but are also against institutionalised terrorism cannot be fooled indefinitely by this sort of contradiction. They have begun to suspect motives. ■

There is no doubt that there will be a lot of selling on the first day. It will be important to have longer-term investors who will mop up these shares. However, there is some dissension about the longer-term outlook.

A broker says he would rather buy Highveld on the same yield, as it has a high rand hedge element and — because of its substantial income from vanadium exports — is less dependent on steel. Iscor is coming to the market at what appears to be the peak of its cycle, though there is no certainty that the cycle of demand in the Nineties will echo that of the Seventies and Eighties.

Iscor's prospectus forecasts steel sales volumes, mainly exports, will increase by 5,8% in the year to end-June 1990 and that the joint venture seamless tube plant should start showing returns before the end of that year.

The following year it should produce 25 000 t, with an import replacement value of R60m. The tin-free steel line, with a capacity of 120 000 t, is due to be commissioned towards June 1991 and should generate additional turnover of R68m in a full year. 1990/1991 is also expected to see the start-up of an electro-galvanising line, forecast to add R50m to turnover. An expansion in stainless steel production is possible later (see ***Fox***).

Labour productivity, up an average 4% a year compound for the past 11 years, should rise, but improvement possible with the same plant is limited, says MD Willem van Wyk. An important aspect will be the increasing move towards manufactured products, especially for export, rather than unworked steel.

One reason for the 37% improvement in attributable income in the year to end-June was the rise in dollar prices of steel products. Iscor thus benefited from higher prices and the falling rand, but international prices began levelling off after the third quarter of 1988 and demand is forecast to grow worldwide by only about 2% a year in volume terms.

However, the secretary-general of the International Iron & Steel Institute says in the institute's latest annual report, released this week, that Western consumption of steel is at levels almost equal to the 1973 peak and that 1990 will see only a slight downturn of 7 Mt. The institute forecasts average growth at 1,4% a year.

Iscor is more optimistic. It says that the strength of the D-mark and yen means that steel from these countries has become less competitive and that they will continue to push for higher dollar prices. Iscor expects to benefit from this pressure and from further falls in the rand/dollar rate.

Almost all institutional investors and brokers mention the cyclical nature of steelmaking — including those who say they will top up allocations by buying in the market Iscor revised some of its reporting and accounting policies to conform with the accepted accounting practices of companies listed on the JSE, especially with regard to historic cost accounting and Fifo. But revised figures are available from 1985 only, so do not reflect the worst period of recession in the steel markets which followed the boom of 1973.

The 10-year review given in the 1988 annual report, based on current cost accounting, shows massive pre-tax losses in 1979, 1982 and 1983 Despite consolidation and reconstruction, even revised figures show a drop in pre- and post-tax income in 1987. This, says GM finance Eric van der Merwe, was due to a drop in local demand (for which exports did not immediately compensate), the stronger rand and operational problems at the Vanderbijlpark works.

In the past five years, the bottom line was assisted by falling net financing costs, which dropped from R164m in 1985 to R45m last year This will change in the next few years, due to the planned capital expenditure programme. Van der Merwe says borrowings are forecast to rise this financial year by about R125m to R918m, and gross interest should increase from R110m to R175m. Payment of dividends and taxes will reduce cash balances — R586m at year-end and, according to Van der Merwe, up to R700m now — and interest earned.

Tax payments leapt from R90m in 1988 to R327m last year, bringing the rate to 28%. Van Wyk says it should fall again, as benefits of capital spending projects are felt. Spending was forecast at R682m last year and is expected to reach about R1,1bn a year by 1991.

Important factor

An important factor in financing is cash flow, projected to reach R1,5bn this year, up from R1,3bn in the year to end-June 1989. Obviously asset management is important: that debtors rose 34% from end-June 1988 to end-June 1989, while turnover increased by a considerably lower 23%, seems to suggest that there should be an improvement. But Van der Merwe says the year-end figure does not correctly reflect the situation. Sales in June increased by more than 40% against June 1988 and the average recovery period was 38 days in 1989 compared with 36 days in 1988

Largely self-sufficient

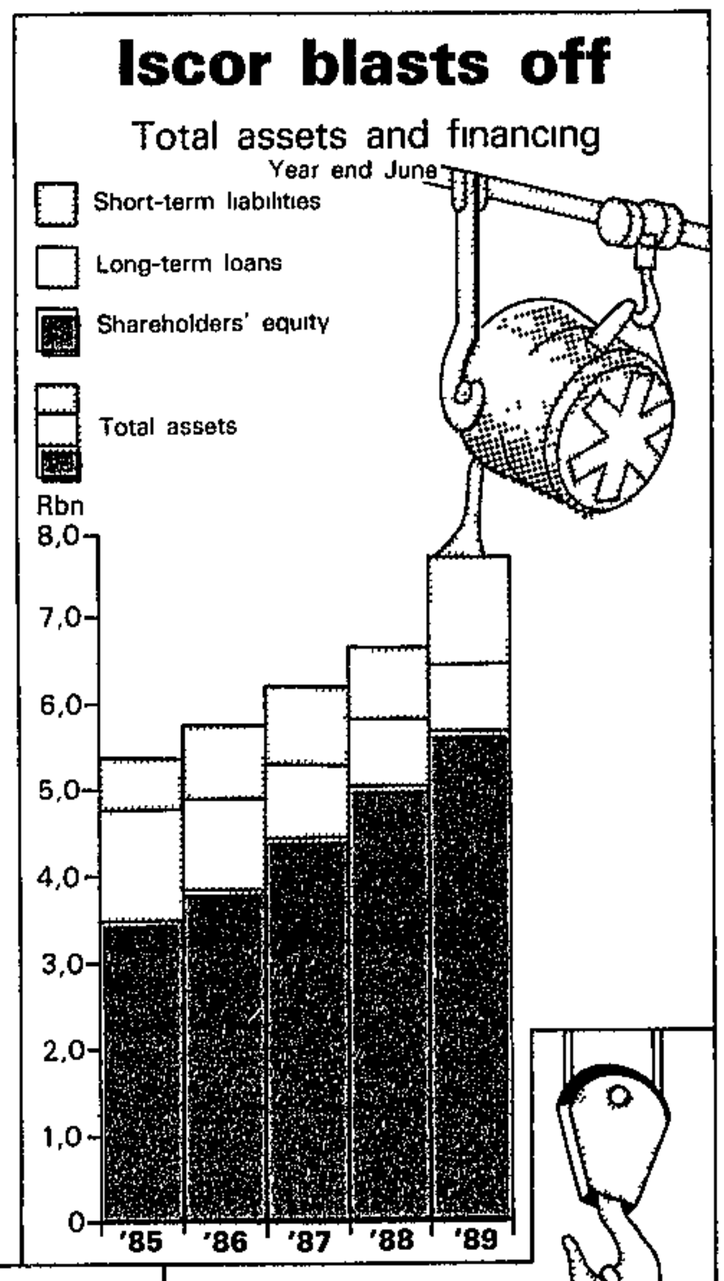
Van Wyk says one of Iscor's strengths is that it is largely self-sufficient in raw materials. It mines its own ore and coal, as well as fluxing material, 80% of tin requirements and a large proportion of zinc needs. It has four steelmaking works.

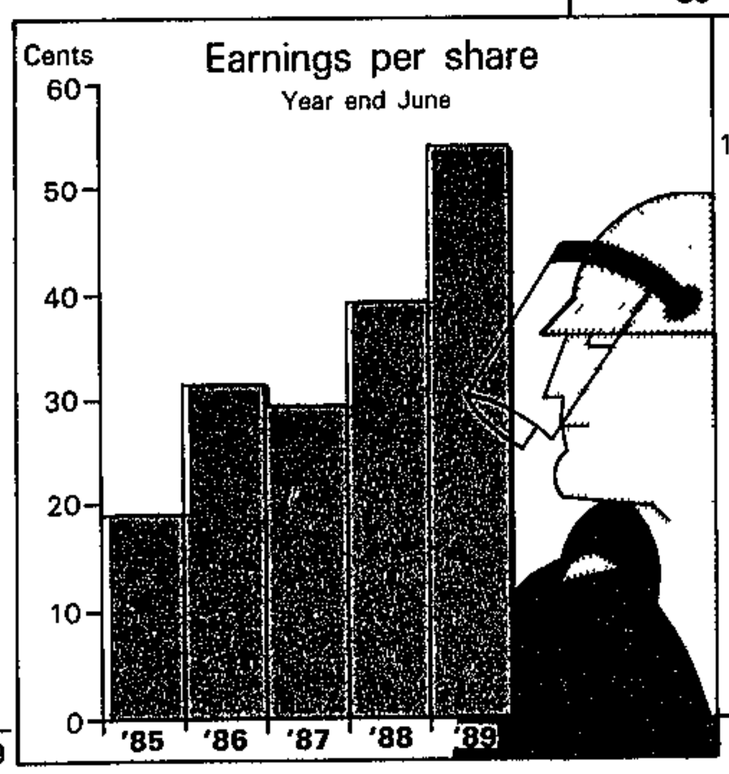
But is Iscor a long-term investment? For many institutions the answer is probably yes. With large cash flows constantly pouring in, they are hard pressed to find investments in which they can place sufficient cash. Though some institutions may have been retaining cash for Iscor, there is no need for them to sell other shares.

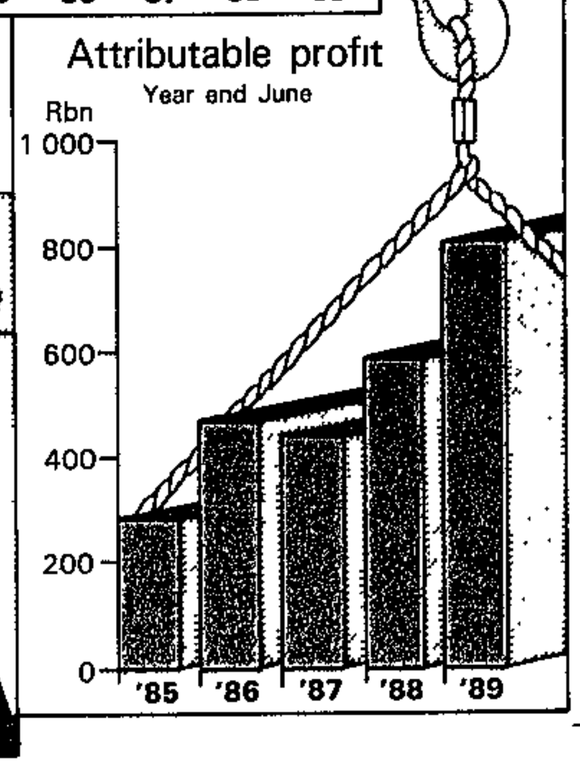
Reservations voiced by private investors and portfolio managers are that they believe the peak of the steel cycle has been reached and there is no indication that Iscor will indeed ride out declining demand abroad as well as locally without EPS being affected.

There is, however, no question that the share is worth buying at the issue price, which places it on a forward earnings yield of 26,3% and dividend yield of 8,8% (policy is to maintain a three times cover).

Pat Kenney







SANCTIONS (280) FMail 6/10/89

Apple's comeback misleads

The lowering by helicopter of a 4,5 m replica of Apple Computer's famous bitten-apple logo to a plinth in Woodmead office park in Sandton last week was applauded by a crowd that included DP parliamentary leader Zach de Beer. The ceremony heralded the return to SA of the innovative range of PCs officially denied to the market when the US company quit the country in a blaze of publicity four years ago.

The SABC made much of the event and suggested in radio and TV broadcasts that Apple, the US's largest vendor of microcomputers, had re-invested in SA out of good business sense and appreciation of the progress made towards political reform.

In fact Apple has never invested in SA. Before its decision to cease supplying SA it was represented here by an agent. The *FM* has also established that the company has signed no new agreement to supply products to any SA company. Telephone calls to Apple Computer in the US and Paris (the firm's European headquarters, via which SA used to be served) failed to elicit any indication of a change in policy. The SABC announcement certainly came as a surprise to Apple's local attorney, Chris Job, of Pretoria-based John & Kernick, who has a brief to protect Apple's intellectual property rights in SA. Job tells the *FM* he has received no information from Apple about any change in its attitude towards SA.

Was it all a hoax and is SA being forced to soldier on without the products of the computer company which is widely regarded as having started the microcomputer revolution? No. While Apple does not supply SA any number of middlemen have been prepared to and it is probably beyond Apple's ability to stop them. A similar situation exists with the supply of systems from Digital Equipment Corp and Sun Microsystems, neither of which is represented in SA.

Apple's market share, declining when the company severed links, dropped sharply after the withdrawal but a number of independent supply and support companies sprang up to fill the void left by the closure of official SA Apple distributor, Siltek subsidiary Base 2, and sales of Macintosh PCs have increased steadily. Of these independent companies, privately owned Strider Group appears to have been the most successful. Its sale of 400 Macintoshes to insurer Auto & General (*Technology*, May 19) is believed to have been the biggest for this equipment in SA.

It was the official opening of the group's new headquarters by the DP's De Beer that prompted the confusion over Apple's return to SA. Strider MD Gerry Aab told the gathering the availability of Apple products in SA via the Strider group was a solidly established fact.

"Obviously the Americans are reticent about their specific future moves but we have reached a point where some form of statement has to be made about the exciting news that Apple Macintoshes and software will now be openly and fully available and backed by Strider We have been appointed the official supplier in SA of over 20 Apple-related products. More are being signed up each week."

Significantly, the products for which the group has obtained official agency in SA are from third-party suppliers and not from Apple, Aab says. The companies include such important names as Supermac Technologies, CE Software and CMS Hard Drives. The group is also in the process of setting up a local dealer network and has already signed up Viol & Erasmus in Johannesburg, De Beer & Asociates in Pretoria and Executive Computers in Durban, among others

If Apple is not trading directly with SA then how could Aab appear in a TV interview talking about the company's evident approval of reform in SA? The SABC spliced together pieces of conversation relating to different topics, he says, so that his statement on the availability of Apple products in SA was followed by remarks about reform which did not relate to that company.

"I specifically told the SABC that I was not representing Apple," he says, "nor did I say that Apple was re-investing in SA. The essence of our announcement is that Apple products are back in SA de facto, as opposed to Apple Computer resuming trading directly with SA "

Aab stresses that his company, which recently acquired 50% of Fintech subsidiary FutureWave Technology, is opposed to apartheid, operates a strictly non-discriminatory staffing policy and refuses to supply apartheid-enforcing agencies.

While Apple itself may be secretly pleased with the increased business in SA — one estimate puts sales at above R25m this year — it is minuscule in global terms and the publicity given to the company's purported return to SA cannot but be unwelcome. The computer industry is a favourite target of anti-apartheid campaigners and the last thing Apple needs is to be hassled with boycotts, sit-ins, petitions and possibly even loss of business with organisations committed to sanctions as a method of bringing about political change.

Aab's prediction that Apple will resume trading officially within a year seems farfetched But even if Apple were considering softening its stance on SA, the furore that can be expected in the wake of the SABC's broadcasts may well make them think again.

For the growing body of Macintosh users in SA the news is not all bad They should at least be able to look forward to a better level of support than they have had up to now. ■

Sanctions

FROM PAGE 1

terms of the US political system.

Mr Cohen said "When I told them we would come back and talk to Congress (after the parliamentary session) it was not with the idea that we would be looking for total change by then, but that we would be looking for progress.

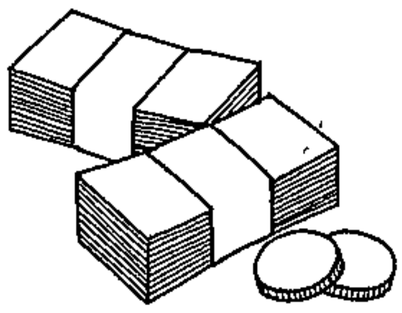
"Finally, when we are looking at the time to review the situation, we are not going to be looking at discussing what new sanctions to impose. I am looking to agree with Congress that significant developments have occurred so that we could discuss the lifting of sanctions"

Mr Cohen pointed out that Senator Paul Simon, the chairman of the Senate Foreign Relations Africa subcommittee, had said that if South Africa performed well, the US should look at lifting sanctions.

He said his own comments to the Foreign Relations Committee had demonstrated his confidence that Pretoria would make progress in terms of its own statements.

Asked why, at this week's hearings, he had listed so many laws he expected to be lifted in next year's parliamentary session, Mr Cohen said he had mentioned areas he expected the South African Government to look at.

"No-one expects apartheid to be totally dismantled by the end of the parliamentary session, and I did not say that. I was talking about signs of sincerity and good progress."



■ MONEY TALK

By Jacob Mokana

US pullout a blow to SA

ECONOMIC pressure on South Africa by the American government was once again in the news this week.

It is interesting to have a look at the success achieved so far in the major campaign to force American companies to withdraw from South Africa.

Figures published by the authoritative *Fortune* magazine show that it has been an unqualified success.

Of the 326 American companies in South Africa seven years ago, only about 130 remain.

Caltex is the largest employer among the "survivors".

It is also the last US oil company in the country and a major target for activist groups.

Meanwhile Mobil, which sold out recently to the local Gencor mining group, admitted in the US that a major reason for its withdrawal is the so-called Rangel Amendment, a law that prevents US companies from deducting taxes paid in South Africa.

What this means is that American companies pay double tax, which does not make it financially viable to stay in South Africa.

An interesting side effect is that some of the American companies have been making excellent profits over many years. These profits are now flowing into the pockets of local investors.

In many instances, IBM is a good example, the companies have been sold to the local staff.

An interesting question which crops up now that America's ability to pressurise South Africa through their companies and through loans is diminishing, is whether US companies could return here if the new De Klerk government fulfils its promises of reform.

Indications are that very few would bother to return to South Africa – or even to Africa. The main reason is profitability.

With the opening up of Eastern Europe and the boom in the Far East, Europe and parts of South America, it has become more profitable to invest capital and manpower in those countries

US businesses prefer to move into rapidly growing and stable countries, such as Thailand, than into an area perceived to be politically unstable

A large proportion of US companies that left South Africa cited as reasons growing instability, coupled with political infighting among South Africans

South Africa is a very small market in American and world terms, and people in top management in the US are simply not interested in spending non-profitable time on local problems

At best they will continue to allow locals to hold agencies for the products.

New sanctions 'unlikely'

Argus 9/10/87 (280)

The Argus Foreign Service

LONDON. — The Commonwealth heads of government conference next week will not push for further sanctions against South Africa, the organisation's secretary-general, Sir Shridath Ramphal, believes.

The ebullient Mr Ramphal is a fierce critic of the South African government, but in an interview with the Financial Times, he said: "At Kuala Lumpur South Africa will be prominent, but I don't think it will be dominant, and I don't think it will be the subject of quarrels.

"I don't think there will be a push for further sanctions now.

"I believe that most Commonwealth countries will say there may well be a case for enlarged sanctions in the future. That will depend a great deal on what happens in South Africa. Bob Hawke (the Australian Prime Minister) will say it is necessary to sustain the pressure on South Africa and, in particular, to recognise that there is a window of opportunity of pressure that arises next year in the form of the rescheduling of the South African debt."

Mr Ramphal said the debt rescheduling was a major opportunity for the international community to say to President De Klerk that he will not be able to count on any favours if he does not set into motion an "irreversible" reform process.

"That is not even sanctions," he said. "That is saying: 'Don't come to us for help unless you have taken substantial steps to end apartheid and to discuss the future of your country with leaders of the black community."

Mr Ramphal, reflecting on the bitter fighting over sanctions against South Africa at the 1987 Commonwelath conference in Vancouver, said he would try to take the sting out of the issue in Kuala Lumpur.

Always the news-getter

"South Africa will always be the news-getter. Even if we spent only 10 minutes on South Africa it's going to be replayed in the media as if it occupied a whole day."

Mr Ramphal, however, disagrees strongly with British Prime Minister Mrs Thatcher's assertion that comprehensive sanctions would harm mainly the black community of South Africa.

He maintains that no distinction should be made between government and voluntary private sector sanctions, because they complement each other.

"I don't think that private sanctions would ever have taken place without public action, without official sanctions and without the force of public opinion."

He accepts that some businesses pulled out of South Africa for business rather than moral reasons, but says the business climate itself is a reflection of the debates on South Africa between governments and the lead given by the US Congress.

New US pressure if SA fails to change

WASHINGTON. — President George Bush will face pressure to stiffen US economic sanctions against South Africa if the new Pretoria government fails to begin dismantling apartheid in the next few months, congressional aides say.

The Bush administration believes the government of President F W de Klerk is showing more openness to change than its predecessor and wants to see a series of major reforms by the end of South Africa's parliamentary session next June

But key members of the Democrat-controlled Congress may argue for a US response by as early as February.

"The State Department's idea that we're going to wait until June, then we're going to see, is a non-starter in both the House and Senate," a House aide said.

A Senate foreign policy aide said: "People are unwilling to wait forever. The clock really is ticking."

Congress took the lead in 1986 when it imposed sanctions against South Africa over the veto of then-president Mr Ronald Reagan. Last year the House voted for more stringent sanctions but the bill died in the Senate.

Increase pressure

Assistant Secretary of State Mr Herman Cohen acknowledged last week that sanctions may have helped change Pretoria's thinking and listed actions which the new government there must take to make good on its promises.

Mr Cohen said the administration did not want new sanctions to be considered "at the present time" — an indication that the administration might be ready to work with Congress to increase pressure on South Africa if it did not make significant progress on dismantling apartheid.

His stance was in line with Mr Bush's stated willingness to work with Congress on a wide range of issues, in contrast to Mr Reagan's confrontational approach and opposition to sanctions.

But Senator Edward Kennedy, a Democrat and a sponsor of last year's sanctions bill, accused the Bush administration of dragging its feet.

"For nearly nine months we have been ready and willing to move forward against apartheid under the leadership of President Bush," Kennedy said at last week's Foreign Relations Committee hearing. "But there has been no leadership."

Discriminatory laws

Mr Cohen's list set out a nine-month timetable for South African reforms, in three parts. The first would create a climate for progress by allowing political parties to operate, allowing exiles to return and lifting the state of emergency.

The second, he said, would be to remove discriminatory laws, including those which restrict where people can buy a house or land and require registration of a child's race.

The third and most important phase would be the start of negotiations with "credible black leaders to talk about the future of South Africa and (a) new constitutional order".

Mr Cohen said he was satisfied with the rhetoric of the De Klerk government, but said it remained to be seen whether it would be matched by actions.

Congressional critics said similar rhetoric had been heard before but had not led to real change, though some steps have been made in relaxing racial laws.

Ms Pauline Baker, an Africa expert with the Carnegie Endowment for International Peace and a former Foreign Relations Committee staff member, said there might be a "kinder, gentler apartheid" but so far no steps had been made towards fundamental change. — Sapa-Reuter

Barend calls for information campaign to fight sanctions

STAR (28p) 9/10/89

By Alan Dunn,
Political Correspondent

Finance Minister Barend du Plessis has returned from the US and Europe peeved at anti-apartheid groups' efforts to intensify the sanctions and debt squeeze against South Africa.

Bankers understood the situation, he said, but were being subjected to pressure from a variety of quarters including church groups who were campaigning on false data.

"They are being fed incorrect information on which they base their own information and conclusions," Mr du Plessis said in an interview after his return yesterday. He had attended the annual International Monetary Fund conference in the US and visited other financial centres.

The sources of this information had to be found and their agendas determined, he said. They had to be convinced to change their minds or get their information right.

On present efforts to roll over South Africa's foreign debt, Mr du Plessis said the issue had in spite of recent efforts, not been politicised. The Governor of the Reserve Bank, Dr Chris Stals, was handling it on the technical side.

In general, however, he felt South Africa was very well understood by the banks and others with interests in the country.

He was confident that by June next year, Dr Stals and his team would reach "some conclusion" on the issue.

Anti-apartheid forces have for a year or so been concentrating on targeting South Africa's hefty foreign debt and its efforts to extend its repayment terms, to hurt the Government.

No easing of the capital flow was in sight in the short term, Mr du Plessis said.

South Africa was under the same pressures as before to make structural adjustments to the economy to reduce its dependence on imports.

About 100 countries in the IMF were doing the same, Mr du Plessis said, but they had access to international markets. "We have to squarely face up to the nasty implications," he said.

South Africa presently needed 67 percent of its annual export earnings to meet its international debt. Comparable Western countries needed 320 percent.

The Republic was underborrowed, he said, and should not be a capital exporting country. It should be given normal access to world facilities to restore the ability to grow at a much higher rate. It could virtually double the growth rate if the capital outflow was stopped.

Politically, South Africa had to "get negotiations going" to boost confidence domestically and overseas. Once this was underway, Mr du Plessis said he thought foreign perceptions would change:

"But I don't imply money will come flowing in...if only we can stop it flowing out."

Commonwealth sanctions pressure fades – for now

STAR (280) 10/10/89

THE STAR BUREAU

The Secretary-General of the Commonwealth Heads of Government, Sir Shridath Ramphal, does not forsee a push for new sanctions at the Kuala Lumpur conference. This should mean less pressure on British Prime Minister Mrs Margaret Thatcher.



Mrs Thatcher with members of the Commonwealth Eminent Persons Group which reported on its "Mission to South Africa" two years ago. The intense pressure then for increased sanctions appears to have eased.

LONDON — The Commonwealth Heads of Government conference next week would not push for further sanctions against South Africa, said the organisation's Secretary-General, Sir Shridath Ramphal.

The ebullient Sir Shridath is a fierce critic of the South African Government, but in an interview with the *Financial Times*, he said: "At Kuala Lumpur South Africa will be prominent, but I don't think it will be dominant, and I don't think it will be the subject of quarrels.

"I don't think there will be a push for further sanctions now.

"I believe that most Commonwealth countries will say that there may well be a case for enlarged sanctions in the future. That will depend a great deal on what happens in South Africa. Bob Hawke (the Australian Prime Minister) will say it is very necessary to sustain the pressure on South Africa and, in particular, to recognise that there is a window of opportunity of pressure that arises next year in the form of the rescheduling of the South African debt."

Sir Shridath said the debt rescheduling was a major opportunity for the international community to say to Mr F W de Klerk that he would not be able to count on any favours if he did not set into motion an "irreversible" reform process.

End apartheid

"That is not even sanctions," he said. "That is saying. Don't come to us for help unless you have taken substantial steps to end apartheid and to discuss the future of your country with leaders of the black community."

Sir Shridath, reflecting on the bitter fighting over sanctions against South Africa at the 1987 Commonwealth conference in Vancouver, said he would try and take the sting out of the issue in Kuala Lumpur.

"South Africa will always be the news-getter. Even if we spent only 10 minutes on South Africa, its going to be replayed in the media as if it occupied a whole day."

However, he disagreed strongly with British Premier Mrs Margaret Thatcher's assertion that comprehensive sanctions would harm mainly the black community of South Africa.

He maintained that no distinction should be made between Government and voluntary private sector sanctions, because they complemented each other.

"I don't think that private sanctions would ever have taken place without public action, without official sanctions and without the force of public opinion."

He accepted that some businesses pulled out of South Africa for business rather than moral reasons, but said the business climate itself was a reflection of the debates on South Africa between governments and the lead given by the US Congress.

Critics accuse

Sir Shridath's stewardship of the Commonwealth has been criticised for, among other things, not being even-handed on issues such as South Africa. His critics accuse him of lambasting the Republic — and Britain for its failure to impose comprehensive sanctions — while simultaneously ignoring the shortcomings of some Commonwealth countries like Zambia, Kenya, Malawi and Tanzania.

Such accusations incense him: "When you accuse me of double standards, point me to another South Africa in the Commonwealth or anything remotely like it. We did have one. We had Idi Amin (formerly President of Uganda) and I did speak up and urged the Commonwealth to speak up. It wasn't easy. Uganda was a sitting member."

Buthelezi in EEC appeal to Thatcher

Cape Times 11/10/87 280

JOHANNESBURG. — KwaZulu's Chief Minister and Inkatha president, Chief Mangosuthu Buthelezi, asked the British government to help curb European Economic Community desperation with South Africa which was making it harder to end apartheid peacefully.

Chief Buthelezi said yesterday in a statement that the vast majority of South African blacks admired Prime Minister Mrs Margaret Thatcher's approach to reform in South Africa.

Addressing a lunch in Blackpool, where the ruling Conservatives were holding their annual general conference, he said leaders in Mozambique and Zambia had spoken encouragingly about Mr F W de Klerk, and he was also impressed with the way the new State President's style differed from that of his predecessors, he said.

PAC's top men for 'Club' summit

The Star's Africa News Service

The Pan Africanist Congress (PAC) is to send a top-level delegation to the Commonwealth summit in Malaysia, the African News Organisation (Ano) has reported from Dar es Salaam.

The PAC's delegation will be led by Mr Joe Mkwanazi, PAC administrative secretary.

Other members will include Mr Ahmed Gora Ebrahim, secretary for foreign affairs, and Mr Neville Legg, the movement's representative to Australasia and the Pacific.

Sanctions will be one of the main topics on the Commonwealth summit agenda.

'SA needs honest broker'

The Argus Foreign Service

BLACKPOOL — Kwazulu Chief Minister Mangosuthu Buthelezi has assured himself a seat at the negotiating table by telling the conference of the British Conservative Party that Britain should lead an international settlement for South Africa

Chief Buthelezi also appealed to Mrs Thatcher to continue her opposition to economic sanctions at the Commonwealth conference and for Britain to inhibit European Economic Community funding of "those who seek to support revolutionary violence" in South Africa

Speaking at a "fringe meeting" attended by about 350 delegates, Chief Buthelezi said the prospect of negotiations to dismantle apartheid and establish a just society in South Africa had never been greater

And, he said, Britain was in the best position among the world's leading nations to be an "honest broker" in South Africa

The situation, he said, needed Mrs Thatcher's finesse "Bludgeoning and penalising South Africa through sanctions programmes and accumulative isolation should now be judged as internationally crude"

Chief Buthelezi dismissed as "political propaganda" the suggestion that black South Africans are pro-sanctions "Nothing could be further from the truth Blacks vote with their feet every day in support of the appeals Mrs Thatcher is making to the Commonwealth and internationally"

He said there was now a "broader situation developing" in which the solution of South Africa's problems would be that much easier

Evidence

He said there was convincing evidence that the superpowers would no longer use Southern Africa as an arena for East-West conflict, that the Nkomati Accord would be revitalised and that relations with frontline states would improve

In addition, progress towards implementing Resolution 435 and the promised de-escalation of the Angolan war were "proof that in the broader Southern Africa scene political sanity is beginning to dictate that war and revolution are wasteful and inefficient in solving problems"

Economic advancement and the scrapping of several contentious laws had been meaningful to millions of black South Africans, and institutional sub-strata like banking, mining, commerce, industry and the universities were taking urgent steps towards change

And, Chief Buthelezi said, the South African government was now attempting to manage political instability rather than supress it "The next phase is to negotiate out of it."

He also said he had no doubt that the President, Mr F W de Klerk, would attempt to put the politics of negotiation on track.



Staff from the Imperial Hotel smile as British Prime Minister Margaret Thatcher arrives. She is staying at the hotel for the duration of the Conservative Party conference in Blackpool.

Another slide by pound puts pressure on UK

LONDON — Pressure on the British government to reconsider its strong opposition to full membership of the European monetary system has mounted after the authorities failed to arrest another slide in the pound

Deepening concern over the government's monetary policies and a gloomy stock market forecast compounded nervousness in financial markets yesterday by sending London share prices into rapid retreat The FT-SE 100 index closed 28,2 points down at 2 218,8

The Bank of England stepped into the currency markets three times as the pound continued its slide below three marks — once seen as a level which would attract critical support from the government

Selling pressure also sent sterling briefly below 2,95 marks for the first time since August 1987 By the London close, the pound was 2 pfennigs weaker at 2,9537 marks Against the dollar it lost 1,9 cents to finish at $1,5585

So nervous were the markets that the disappearance of Mr Nigel Lawson, the Chancellor of the Exchequer, from the conference of the ruling Conservative Party in Blackpool obliged the Treasury to issue a statement that he was writing his speech at home

Sterling lost ground against the dollar after the US central bank, the Federal Reserve, signalled that it was not about to reduce its interest rates — The Independent news service

Rushdie threat appeal

FRANKFURT — World publishers attending the Frankfurt Book Fair appealed to Iran to drop its death threat against author Salman Rushdie over his novel *The Satanic Verses* — Sapa-Reuter

Zimbabwe to veto ivory ban

The Argus Foreign Service

LAUSANNE — The bid to save the African elephant hit trouble at the first hurdle here when Zimbabwe announced it would veto any blanket ban on ivory trade

Zimbabwean Wildlife Service director Dr Rowan Martin flatly rejected claims that the species was threatened with extinction when he addressed the meeting yesterday of the Convention of International Trade in Endangered Species

Zimbabwe is leading a group of Southern Africa countries, including South Africa and Botswana, against the proposal to outlaw trade in any elephant product

The group claims that elephant herds in its countries have been increased by careful culling This has allowed Zimbabwe to put the profit from ivory trading back into conservation

Dr Martin said several countries had growing elephant populations and he was "staggered" by Tanzania's claims that 1 000 elephants were lost to poachers each month "I find it difficult to understand how no brakes can be put on a process like that," he said

Noriega announces 'war la

PANAMA CITY. — A week after a failed coup against strongman General Manuel Noriega, the Panamanian government has announced emergency "war laws" it says are needed to confront United States aggression

Earlier yesterday, a Panaexcept a certificate stating he had died of asphyxiation

Captain Lorenzo, 37, of the military intelligence unit G-2, was one of 37 soldiers listed as detained after the aborted coup.

The emergency laws an-

our counti to by the t ment," an said

It added salaries – further nual one servants

ANC and PAC call for intensified sanctions

(280) The Star's Africa News Service (

LUSAKA — The African National Congress (ANC) and the Pan Africanist Congress (PAC) have both called for an intensification of the sanctions campaign against South Africa despite the Government's decision to release eight political prisoners.

In a statement released here, the ANC described the release of the eight prisoners as "an important victory brought about by the struggle of the South African people and the international community".

The ANC said that for negotiations to take place the South African Government should meet the provisions of the "Harare Declaration" which calls for the release of all political prisoners, the unbanning of all organisation and ending the state of emergency.

"It is of vital importance that at this critical moment, the international community, including the forthcoming Commonwealth summit and the general assembly of the United Nations, should impose more sanctions to bring about a speedy end to the apartheid system," the statement said.

The PAC, in a statement released in Dar es Salaam, said the release of the eight prisoners could not be "a source for jubilation" because it was not an indication of Pretoria's change of heart but simply a strategy to ward off intensified economic sanctions".

Sisulus are unsure about freedom date

Star 11/10/89

By Stan Hlophe

The Sisulu family are in the dark about when the ANC leader Mr Walter Sisulu and seven fellow prisoners will be freed.

This emerged in an interview yesterday with a family spokesman after the family returned from Cape Town, where it had visited Mr Sisulu in Pollsmoor Prison.

Mrs Albertina Sisulu, wife of the former ANC general secretary, was among the family members who spent three days with him.

The eight who the State President Mr F W de Klerk announced would be unconditionally released are: Mr Sisulu, (77), his fellow Rivonia trialists, Mr Ahmed Kathrada (60), Mr Elias Motsoaledi (65), Mr Kgalabi Jafta Masemola (61), Mr Andrew Mlangeni (63), Mr Raymond Mhlaba (68), Mr Wilton Mkwayi (65) and the ailing Mr Oscar Mphetha (80).

Cohen policy aims at sidestepping a sanctions war

SIMON BARBER

US ASSISTANT Secretary of State for Africa Herman Cohen has been sharply criticised for his testimony to the Senate Foreign Relations Committee last week in which he enunciated a timetable of steps the Bush administration would like to see Pretoria take before the end of the next parliamentary session in June. To what extent is the criticism justified?

The timetable, though that is perhaps too loaded a word for it, is optimistic in the extreme and appears to be based on a curiously shallow analysis of how change works. It is very close to the ANC's position on negotiations as published by the OAU last August.

There is no mention of the Law Commission and its proposed bill of rights (a topic, I am told, that has thus far scarcely featured in the Bush administration's policy planning).

It may also be said to have put F W de Klerk in the intolerable position of seeming to bow to an alien agenda if, of his own volition, he proceeds in anything like the manner the assistant secretary suggests.

Perhaps most troubling, Cohen may have unwittingly invited prevarication from those in the ANC and the mass democratic movement who feel the time is not yet ripe for any kind of negotiation and who would like the outside world to impose more sanctions on the theory that the government is now acting from a position of weakness and further external pressure will weaken it further.

Cohen believes his remarks have been misconstrued. Nonetheless, there is no getting round the fact that, in response to questioning by Senator Paul Sarbanes, a Democrat, and Senator Mitch McConnell, a Republican, he did lay out a fairly specific programme of action for the SA government. He does himself a disservice if he does not see why his remarks might be so interpreted.

He thought "it would be reasonable to expect" De Klerk to use his executive authority to lift the state of emergency, release political prisoners and unban organisations — or "at least (do) some of these things" — by Parliament's opening in February. By the time it closed in June, he hoped to see the repeal of discriminatory legislation.

He cited three laws: the Land Act of 1913, the Population Registration Act and the Separate Amenities Act. There can be no dispute that he said this; it is in the record.

The tenor and context of his remarks should not be overlooked, however. He voiced neither threat nor even frustration. On the contrary, he indicated he put considerable faith in De Klerk. More to the point, he seemed to mean it.

McConnell pressed him to say how the administration would react if Pretoria did not move so swiftly. He replied: "Well, I would like to assume that they will," adding:

"Okay, but taking your hypothesis, I would say we would do two things. First of all, we should consult around this table again, this committee and myself, and perhaps at higher levels, as to how we analyse the situation, what we think the next steps should be...

"Secondly, we would also consult with the other major trading partners. We know that when De Klerk did his travelling around to many other countries, he was told that time is very short and he must act.

"So if, after the next parliamentary session, there is very little to show for it, I think we would want to consult with (the trading partners), especially the British, the Germans, the French and the Japanese."

In short, the Bush administration would do a lot of "consulting". Nowhere was there any mention of what such consultation might lead to in terms of additional sanctions, nor was Cohen attempting to put De Klerk any more under the gun than the State President already knows himself to be.



COHEN ... sharply criticised

If anything, the threat of external action was marginally diminished. Previously, congressional Democrats have given Pretoria six months — until March or thereabouts — to do what Cohen seemed to be asking of it.

The rhetorical deadline has now been deferred to the end of June. As long as the government continues on its present "promising" course, there is no reason why the deadline should not slide further.

Attention should be paid to the rest of Cohen's testimony as well as to the administration's annual report on SA's progress towards meeting the goals set by the Comprehensive Anti-Apartheid Act. Both make it clear the current administration likes sanctions no better than its predecessor.

Indeed, the only major difference is the degree of tact with which it says so. Where the Reagan team drew a line in the sand, Bush seeks to state his policy in such a way that opposition to further boycotts and embargoes will not be regarded as the policy's central, overriding dogma. The distinction is critical to understanding what the new crowd is about.

For example, the Reagan administration would likely have reacted to the financial sanctions fad with scorn.

Cohen, by contrast, first flattered the sanctioneers for their concern, then gently pointed out that since most US banks had already rescheduled their loans — at least $1,7bn of the $2,4bn owed had been converted under the 10-year exit option — it was difficult to see what "leverage" such proposals offered, especially since the debtor could always call the shots. In other words, he did not set out by declaring philosophical war.

Intended as a definitive summary of the nine-month Bush policy review, the new CAAA report carefully avoids aping the line now favoured by the Commonwealth and others that sanctions have worked. Neither does it try to rub anybody's nose in their failure.

It merely, and factually, concludes that what is happening in SA is too complex to be subject to any simplistic cause-and-effect analysis. Yes, most whites do seem to be reassessing their options in light of growing economic hardship, but sanctions are not the only cause of that hardship, nor are the results of sanctions uniformly salutary.

Viewed in aggregate, sanctions and other "market" pressures "have not been without effect, but" — and this is one of the report's seminal clauses — "it is difficult to be certain how much of this change is due to sanctions or how further sanctions now would alter the mix of incentives, disincentives, fears, hopes and concerns that are in play among South Africans".

That being the case, "it seems better for the moment to allow South Africans the opportunity to negotiate their own solutions".

Some have been disturbed by the use of words like "now" and "for the moment". Yes, they contain an implied threat, but that it is not the only reason they are in the text.

Had it not used them, the administration would be inviting the theological dispute it is determined to avoid. As much as a warning, the terms are artfully designed to distract attention from the report's bottom line (again discreetly put) that talk of "forcing" negotiations misses the point. "Negotiations are between willing parties."

This is the position Cohen and the administration are trying to protect. They do not believe in using sanctions to force Pretoria to the negotiating table.

More importantly, however, they do not want that belief to land them in a bitter political fight with Congress.

'No Commonwealth sanctions push'

LONDON — Commonwealth Secretary-General Sir Shridath Ramphal said yesterday there would not be a push for further sanctions against SA at the heads of government meeting in Kuala Lumpur next week.

Sir Shridath told the Financial Times that although SA would always be the "news getter" at Commonwealth summits, it would not be the subject of quarrels in Kuala Lumpur.

He added that he believed most Commonwealth countries would say there could be a case for enlarged sanctions against SA in the future.

But, that would depend on what happened in SA.

On SA's upcoming debt rescheduling negotiations, he said: "That is a major opportunity to say to Mr de Klerk that if he doesn't use the time now to translate his promises into reality and to make that process irreversible, he will not be able to count on any favours from the international community."

MIKE ROBERTSON

SANCTIONS 280

Getting to know you

This week's meeting between President F W de Klerk and church leaders Allan Boesak, Frank Chikane and Archbishop Desmond Tutu (who requested it) "will determine our attitude to the State President's intentions and our views on the attitude the international community should adopt in dealing with his government," the clerics say.

FWdeK 19/10/89

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With an eye on the Commonwealth heads of government meeting in Kuala Lumpur this month, which Boesak will attend, and Chikane's trip to Canada next week, the churchmen wanted to see De Klerk "to establish whether he is serious about dismantling apartheid and entering negotiations to bring about a truly democratic SA."

They are concerned De Klerk has recently been responding to statements from Washington and London but not to the demands of the people as expressed during the defiance campaign and in the series of marches that have been sweeping the country.

"This convinces us that De Klerk has no real understanding of the true nature of the political challenge which he faces from our community."

Boesak told BBC radio over the weekend he did not want someone at the Commonwealth meeting to get up and tell him what De Klerk intended doing. After their meeting Boesak should have something on authority. But whether it answers the specific questions they put to the President must be doubtful. For instance, they wanted to know from De Klerk personally:



Boesak . . . weighing up De Klerk's intentions

☐ "His response to the demands of our people" (among them ending the emergency, releasing political prisoners and unbanning political organisations);
☐ "Whether he persists in his refusal to talk to the ANC; and
☐ "What concrete steps he intends to take within the next six months to abolish apartheid and introduce a nonracial democracy."

It will therefore be interesting to see whether Boesak calls for intensified trade and financial pressure on SA, in line with the Commonwealth commissioned report on sanctions compiled by pro-sanctioneer Joe Hanlon (*Current Affairs* August 11). The clerics said in their statement before meeting De Klerk: "We believe we should bring pressure on De Klerk to persuade him to respond positively to our people's demands."

De Klerk has of course already met the leaders of SA's most important trading nations and made a favourable impression. They've decided to give him about six months in which to substantiate that impression by making concrete changes. This, it is thought by Washington, would create a climate for starting the most important (and difficult) next step — negotiations with credible black leaders.

It is, however, difficult to see that De Klerk will have given away too much at a meeting with extra-parliamentary leaders — even if, as they say, they were acting merely as facilitators and without a mandate from any organisation. ■

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Block 13/10/89

Survey shows who retains SA holdings

SIMON BARBER

WASHINGTON — The Investor Responsibility Research Centre's latest survey shows that 440 non-US nationals have direct investments in SA, 124 more have non-equity ties such as licensing and distribution agreements, and 130 have disinvested since 1984.

The pace of disinvestment has declined this year. At least 26 multinationals, including US giants Mobil and Goodyear, have pulled out since January 1, compared with 55 in 1988 and 96 in 1987.

Active

280

West German companies have paid the least heed to disinvestment pressures. Since 1984 24 have left — only two following suit this year — and 137 remain. The top four, Volkswagen, Daimler-Benz, Philipp Holzmann and BMW between them employ 20 400.

Britain leads the league with 172 firms still active in SA, including largest single employer Lonrho with "at least" 10 030 employees in 70 subsidiaries. Since 1984 76 British companies have departed, 12 of them in 1989.

Of the 131 US firms retaining direct investments, none are among the top 20 employers.

UK on disinvestment march

ST Times 15/10/89 (280)

Jim Srodes: Washington

WHILE most of the focus on the anti-South African disinvestment movement has been generated in the United States, it appears that British corporations are at least matching American firms in the rate at which they are pulling out of the RSA.

According to data just compiled by the Investor Responsibility Research Centre, a Washington-based think tank on corporate investment patterns, the number of British companies has declined by 6% this year from 1988 levels, matching the rate of disinvestment by US companies over the same period.

"Since 1988, the number of US companies with investments or employees in South Africa has declined from 140 to 131; their British counterparts have declined in number from 184 to 172," the IRRC reports in a survey on disinvestment to be published next week

The 172 British firms still active in SA give it the largest presence of the total foreign multinational community. The report identifies 440 non-US multinationals that have direct investment or employees in South Africa.

Of that total the 172 British and 137 West German firms that are active compare with 131 US companies that still have direct investment or workers in South Africa.

Of the 26 multinationals that have pulled out of SA so far in 1989 there have been 12 British firms and two West German sell-outs of the 17 non-American leavers. During the same period nine US companies have disinvested.

The IRRC report notes that the largest US employer in South Africa is the International Paper Co, with 2 184 employees. By comparison the top non-US foreign employers (with 50% or more equity investment) were listed by the report as follows:

Lonrho Plc (10 030 employees), Royal Dutch Petroleum (9 485), Volkswagen (8 370), General Electric Co (8 330), Unilever (7 463), Nestle (6 290), The BOC Group (6 180), Daimler-Benz (5 726), Siemens (5 224), BAT Industries (4 780), T and N (4 733), Northern Engineering Industries (4 567), British Petroleum (4 150), Philips International (4 000), Philipp Holzmann (3 830), The Plessey Co (3 749), Great Universal Stores (3 323), Cadbury Schweppes (2 851), Babcock International Group (2 655) and BMW (2 500).

Increase sanctions — Kaunda

ZAMBIAN President Kenneth Kaunda, dismissing South Africa's tentative moves towards easing apartheid, has called for a tightening of trade sanctions to force change.

"No one should deceive us that, because one or two things have happened, we should relent on economic sanctions," he said at Friday's launch of a United Nations report entitled *South African destabilising: the economic cost of Frontline resistance to apartheid.*

President FW de Klerk has promised to reform the apartheid system.

His announcement of the release of eight prominent political prisoners has been seen as a move aimed at backing up his promises of reform.

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SA, power-scrap will top agenda

Own Correspondent

LONDON — Attempts to put the financial squeeze on SA and an unseemly tussle over the post of Commonwealth secretary-general could disturb the clubby calm of the Commonwealth summit meeting opening in Kuala Lumpur on Wednesday.

UK Prime Minister Margaret Thatcher will find herself alone in opposing sanctions against SA, although the Commonwealth secretariat does fear that the SA issue blinds the public to the more harmonious aspects of its work.

The host country, Malaysia, will also have to broker an agreement on who should succeed Sir Shridath Ramphal, the colourful and ebullient Guyanese, as secretary-general. The two candidates are his deputy, Chief Emeka Anyaoku of Nigeria, and Malcolm Fraser, former conservative Prime Minister of Australia.

On previous occasions a consensus has emerged before the summit as to the right candidate and his rival has sportingly withdrawn. This time, Anyaoku and Fraser go to Kuala Lumpur with each claiming he has more support than the other.

There being no provision for voting at Commonwealth meetings, the Malaysians will have to take soundings to see which of the two is ahead. The Malaysian Prime Minister Mahathir Mohamed may have to call a secret ballot to resolve the issue. Like some of her counterparts, Thatcher is refusing to show her hand until she gets to Kuala Lumpur.

Other questions high on the agenda of the six-day biennial meeting are environmental degradation and the fight against drug trafficking.

The Commonwealth will also welcome back Pakistan, which left the organisation 17 years ago.

On sanctions, the division between Thatcher and her 48 Commonwealth counterparts remains as sharp as ever. She will be confronted with a report by an eight-nation, foreign ministers' committee set up in Vancouver, which recommends that the Commonwealth apply financial sanctions against SA as it seeks to reschedule about 40% of its $20bn foreign debt.

The measures agreed by the committee, under the chairmanship of Canada, include asking banks to press for rescheduling arrangements which do not extend beyond one year at a time; persuading countries to restrict new lending to SA; and urging central banks that, in making provisions for loan losses, SA will be treated no more favourably than heavily indebted countries.

Environment

Britain finds these recommendations inappropriate when changes are taking place in both SA and the region as a whole.

On the environment, Mahathir is expected to push for a strong statement in support of measures taken by the UN.

Of particular concern to the Commonwealth are the harmful effects of poverty on the environment, through such factors as over-population and slash and burn agriculture, and the threat which global warming poses to low-lying member states such as Bangladesh.

In their fight against drug-trafficking, member states hope to strengthen the legal co-operation in seizing criminal assets agreed by their law ministers in Harare in 1986. — Sunday Telegraph.

Line-up for Hanekom's post



Premier Margaret Thatcher does not want sanctions against South Africa.



Labour Party leader Neil Kinnock wants sanctions against South Africa.

Campaign grows to increase sanctions against South Africa

Sowetan 17/10/89

LONDON - The campaign to increase sanctions against South Africa is being stepped up here on the eve of the Commonwealth Heads of Government conference.

By CHRIS WHITFIELD
Sowetan Foreign Staff

At the forefront of the campaign is the Southern Africa Coalition, which placed a full-page advertisement in *The Times* on Monday urging British Premier Mrs Margaret Thatcher to support a package of Commonwealth sanctions.

The coalition describes itself as a "short-term initiative bringing together more than 80 organisations to work for a fundamental change in British policy toward South Africa."

Its members include bodies as diverse as local Justice and Peace Commissions, trade unions, the Anti-Apartheid Movement, Oxfam and major church denominations

Coalition

The coalition's efforts to pressure Thatcher into a change of heart on sanctions have included a postcard campaign, in which thousands of supporters wrote to the Prime Minister

It intends putting pressure on banks not to reschedule South Africa's debt

Selected economic sanctions such as bans on imports of South African gold and coal have also been encouraged

The organisations' advertisement in *The Times* is in the form of a petition headlined "A call to Britain and the Commonwealth".

It reads "We, the undersigned, are fundamentally opposed to apartheid

"We urge Commonwealth Heads of Government meeting in Kuala Lumpur on 18th October to agree to strengthen the Commonwealth Programme of sanctions against South Africa and in particular call upon Thatcher to agree that Britain should fully support an effective package of Commonwealth sanctions"

Leaders

More than 1 500 names are listed on the page The include the leaders of all the opposition parties

Mr Neil Kinnock of the Labour Party, Dr David Owen of the Social Democratic Party and Mr Paddy Ashdown of the Liberal Democrats

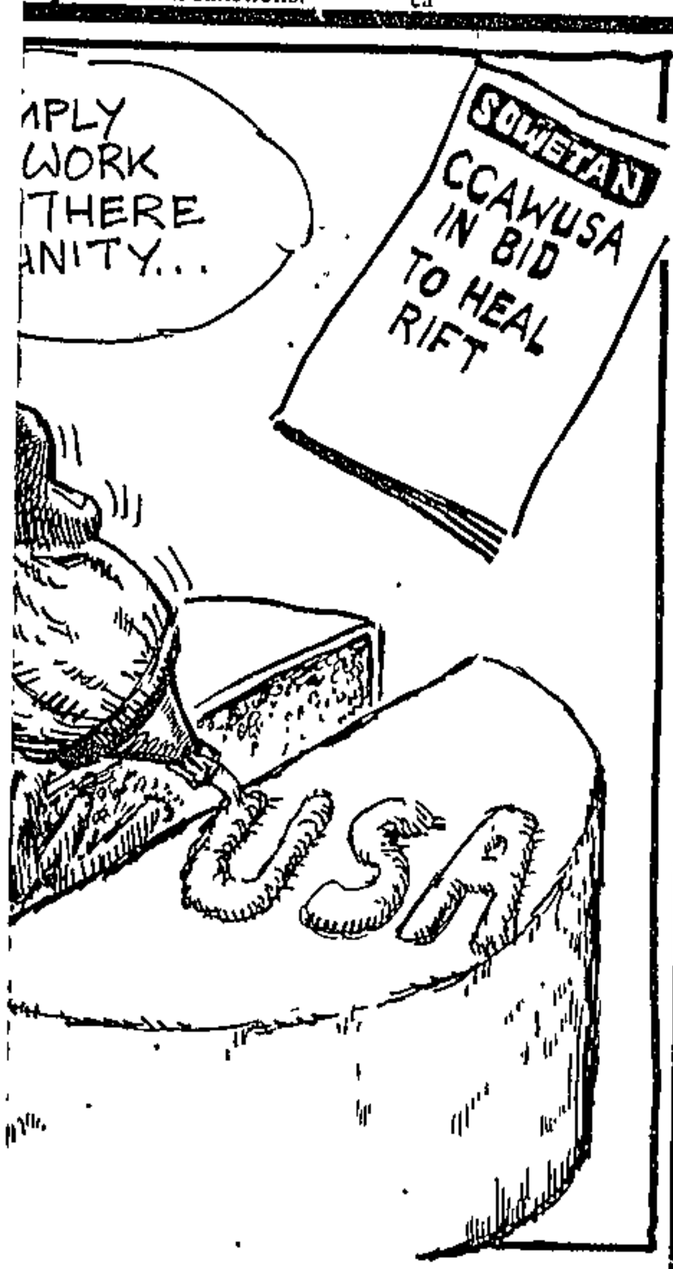
The list includes a sprinkling of former South Africans, including former editor Donald Woods and his wife, Wendy, and actor Anthony Sher

Several church leaders from a variety of denominations signed the list

The Southern Africa Coalition is chaired by the Bishop of Coventry, the Rt Rev Simon Barrington-Ward, who visited South Africa in September.

The organisation's sanctions drive is expected to last about six months

The British-based Southern Africa Coalition urges the Commonwealth Heads of Government meeting in Kuala Lumpur on October 18 to agree to strengthen the Commonwealth programme of sanctions against South Africa and in particular calls upon Thatcher to agree that Britain should fully support an effective package of Commonwealth sanctions.



FOCUS

Political comment in this issue by Aggrey Klaaste and Joe Thlotloe Sub-editing, headlines and posters by Sydney Matlhaku All of 61 Commando Road, Industria West, Johannesburg

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SA's 'executive' exports still in demand in Canada

THE Canadian government's best efforts to loosen ties with SA have done little to stem the tide of one of the most significant imports from the country — senior business executives.

Encouraged by familiar business practices, a common language and a similar culture, if not by the climate, waves of white South Africans have made corporate Canada a favoured destination. And in remarkably short order, they have cut a swathe through the tight-knit ranks of the Canadian business establishment.

Executives born in SA or who have spent much of their lives there are at the helm of companies as diverse as Brascan Ltd, Trizec Corp, Royal Trustco Ltd, First City Capital Markets, TCC Beverages Ltd, Corona Corp, BMW Canada Inc, Volkswagen Canada Inc and Mr Jax Fashions.

Ottawa drew the line last month when it refused an immigration permit for SA's Gerald Prosalendis, hired as business editor of the Vancouver Sun. The Vancouver-New Westminster Newspaper Guild objected that suitably qualified Canadians were available for the job.

Sensitive

The case is not typical. David Nichols, president of Loblaws, turned to SA to recruit private label food specialists to manage the President's Choice and Loblaws line of grocery products.

The concentration of South Africans, for example, in the Edper Enterprises group of companies and at international accounting firms, is a sensitive subject. Many of them are hesitant to discuss either Canadian or SA politics.

The most notable concentration is found in chartered accountancy firms. Ex-South Africans are to be found among the top ranks at Onex Corp, Paradigm Consulting Inc, Maple Leaf Mills Ltd, Hees International Bancorp Inc, Teck Corp, Loblaw Companies Ltd, Scotia Mc Leod Inc, Nesbitt Thomson Deacon Inc, Merrill Lynch Canada Inc, and McCarthy Securities Ltd. The Financial Post's editorial staff has three SA émigrés.

The migration of SA business people to Canada has taken place in distinct waves. One of the biggest was in 1977/78, in the wake of violent upheavals in Soweto and stricter military service requirements for white school leavers.

DEIRDRE McMURDY
Toronto Financial Post

Derrick Novis, a tax partner at Peat Marwick, says: "When you stop noticing the incredible beauty of the place and the problems become more obvious, it's time to leave,"

Alan Burns, an SA-born executive search expert with Toronto-based Burns Kincaid and Associates, says the geographical and political isolation makes SA managers more aware of the outside world and the need to develop markets and contact there.

Burns says that successful managers in SA are stifled by international sanctions, encouraging them to search for opportunities like those available in Canada.

There are currently about 30 000 South African expatriates in the Toronto area, with several thousand more in Vancouver.

Many of them say the big adjustments in coming to Canada were not professional ones. Maple Leaf Mills chief financial officer Lewis Rose says: "The business climate is not that diferent here — it's closer to the British than the US model."

"South Africans can get their minds around Canada — it's not as overwhelming as the US," Burns says. "You get the cut and thrust of the US without the drugs and violence in society."

Accountants coming from SA need to write only three exams — in tax, ethics and law — to qualify to practise in Canada.

But Burns says one of the toughest professional adjustments entailed in a move to Canada is to "get used to being a smaller fish in a bigger pond".

A distinguishing mark of transplanted South Africans is their drive to succeed in Canada. Strong self-discipline is often cited by the ex-South Africans themselves as the reason for their success.

An executive in the Edper Enterprises group observes that "SA has such a tension-filled climate that you expect to have to try harder — everthing there is more of a struggle". By contrast, he says, "Canada is peaceful and pleasant".

Nesbitt Thomson securities firm senior vice-president and director Charlie Moses says. "South Africans take a non-nonsense approach to things — they tend to be very disciplined and they have spent a lot less time having fun when they arrive here."

Rose concurs: "Discipline in SA is very important. It's all school uniforms, rules and regulations, even in public schools."

The serious approach is reflected in the attitude towards education. "In SA, it is much more difficult to go to university — there are no student-loan programmes and a natural selection process comes into play," Moses says. "Here, university is regarded much more as an opportunity to have a ball."

Leadership

He says SA society is "less socialist in its approach" and its intensely entrepreneurical climate spawns a "dominant will to succeed".

South Africans also learn at any early age to assume leadership. "They are never scared to take charge, to take control," Burns says. But he adds that the generalised experience of many SA managers differs from the more specialist demands of North American business.

The will to succeed stems partly from a desire to recreate the affleunce left behind, in the form of swimming pools, luxury cars and servants. Currency controls prevent many emigrants from taking their wealth with them when they leave, and the trappings of a good life are much more expensive in Canada.

Many South Africans avoid wearing their national origins on their sleeves, to the point of feeling embarrassed if they are addressed in Afrikaans.

Freezing winters — and the lack of ready access to sandy beaches — are also frequently cited as the main drawback to life in Canada.

After that, the difficult adjustments include getting used to new sports activities and Canadians' more reserved social customs.

Sisulu, Boesak differ on sanctions, reform

JOHANNESBURG. — Former ANC secretary-general Mr Walter Sisulu and UDF patron Dr Allan Boesak disagree on sanctions and South Africa's programme of reform.

In an interview yesterday, Mr Sisulu said he did not agree with Dr Boesak that further sanctions should be suspended and that South Africa should be given six months to implement its programme of reform.

"The pressure must be sustained . . . there must be no chance for the government to retreat and reorganise its strategy of delay," said Mr Sisulu.

Dr Boesak, in Malaysia to monitor the Commonwealth conference, told a Cape Times correspondent in Kuala Lumpur that South Africa should be given six months' grace. He said a committee would be set up to monitor reform steps and if there has not been enough progress by April, the push for financial sanctions would go ahead.

Archbishop Desmond Tutu said in Cape Town last night that he agreed with Dr Boesak's strategy, but felt that pressure on the government should continue.

A spokesman for the archbishop said the archbishop felt that preparatory work done for financial sanctions and a cut in direct air links should continue.

He hoped, however, that in the next six months President F W de Klerk takes enough steps towards getting negotiations going for those sanctions not to be implemented.

Mr Sisulu said he felt no bitterness about his imprisonment. "The only thing bitterness generates is a waste of energy.

"If the struggle is to succeed we must look to the future not the past and consider what is happening in the present. For my own part bitterness will not play a part in our negotiations."

He said: "One man one vote is fundamental to the demands of the people, and we would not be willing to accept anything less than that."

In Kuala Lumpur, the ANC yesterday urged Commonwealth leaders to step up pressure on South Africa.

But some leaders attending the summit suggested Mr De Klerk should be given time to implement plans for political change. — Sapa-Reuter

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ulu urges no let-up in sanctions pressure against SA

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that". He added: "We have to stop thinking in terms of race and to start thinking in terms of people."

Sisulu said he felt no bitterness after his imprisonment, and for his part, bitterness would play no part in negotiations with government.

ADELE BALETA reports that in Sisulu's first interview with an SA daily newspaper yesterday, he said the question of negotiations with government would be decided by the ANC leadership in Lusaka.

Sisulu, 77, was joined by fellow Rivonia trialist Ahmed Kathrada, 60.

Both men looked fit and healthy as they sat side by side in the modest lounge of Sisulu's home in Orlando West.

They reiterated a climate for negotiations could be created only after ANC demands had been met. The same applied to the lifting of sanctions against SA.

After the interview, the two men left the house with members of the mass democratic movement and Elias Motsoaledi and Wilton Mkwayi — among the seven released ANC leaders — for a nearby hall where they held discussions.

● Business Day's interview with Sisulu: Page 14
● Comment: Page 14

Riot police, who arrived in five vehicles, watched as a large group of school pupils gathered outside the Sisulu house and sang freedom songs.

Police left when the leaders emerged from the hall after their meeting.

Earlier, German embassy representative Klaus Bonneman and his wife met Sisulu. Bonneman said he had come to congratulate Sisulu on his release and to wish him all the best in his future work.

A postman delivered a batch of telegrams from all over the world addressed to Sisulu.

□ IAN HOBBS reports from London that the ANC policy on negotiation with SA, which was given unanimous approval by the OAU in Harare in August, was drafted in consultation with the external and internal leaders.

The ANC's exiled leadership, which also expects unanimous support from the Commonwealth for its policy on negotiation with Pretoria, is emphatic that it makes no key policy decisions without close consultation with the internal movement. The leaders claim consultation over the years has gone into the prison cells of leaders like Sisulu and Nelson Mandela.

'Western Cape vulnerable to sanctions

Staff Reporter

THE Western Cape was particularly vulnerable to sanctions because it depended on a number of industries which would be severely affected if they were effectively applied to South Africa.

This view was expressed by the Mayor of Cape Town, Mr Gordon Oliver, when he welcomed farmers to the 85th congress of the South African Agricultural Union in Sea Point last night.

Mr Oliver said Cape Town depended on agriculture for its prosperity.

The deciduous fruit industry alone generated more than R900 million in export earnings and employed more than 250 000 people, who in turn supported more than 750 000 people in the Western Cape. Cape Town's status as an export port for agricultural produce was critical to the local economy.

MORAL ISSUE

The mayor said the impending Commonwealth conference in Malaysia had brought the vulnerabilty of the Cape sharply into focus.

The issue of sanctions was also a moral one.

"It is an insane assumption to believe that sanctions will destroy apartheid. In fact it is economic qualities and growth that has been the chief subverter of apartheid in recent years," Mr Oliver said.

He praised Mrs Margaret Thatcher for resisting excessively punitive measures against South Africa and particularly for steering the European Community clear of a ban on agricultural imports from the Republic.

"She did the Western Cape a great service in the process," he said.

He warned that mandatory sanctions would destroy any chance of meaningful economic and technological co-operation between South Africa and the rest of Africa, which would be detrimental to everyone.

Sanctions do work - Moses

SANCTIONS do work, and black workers are willing to suffer in the short term to see the demise of apartheid, Mr Moses Mayekiso, the general secretary of Numsa and executive of Cosatu said on Tuesday night.

By ISMAIL LAGARDIEN

Speaking at the launch of a new book *Sanctions Against Apartheid* edited by Mr Michael Orkin, the director of the Community Agency for Social Enquiry (Case), Mayekiso echoed the words of Steve Biko 12 years ago that the argument is often made that loss of foreign investment would hurt blacks most.

Biko is quoted in the book as saying: "It would undoubtedly hurt blacks in the short run, because many of them stand to lose their jobs, but it should be understood in Europe and North America that foreign investment supports the present economic system of political injustice. If Washington wants to contribute to the development of a just society in South Africa, it must discourage investment in South Africa."

Mayekiso told a group of journalists, academics and diplomats that sanctions work despite arguments to the contrary.

"The imperialists and their agents say that black people will suffer if sanctions are applied. At present there are 5 million people unemployed, and that's a conservative figure... Yes sanction would hurt, but apartheid kills.

"Black people and workers would be prepared to suffer for a good way to get rid of apartheid and open up the road to freedom," Mayekiso said.

The trade unionists are in touch with the black workers and know what they want.

They have suffered for years while bosses have shuffled and reshuffled their business arbitrarily often resulting in loss of employment for many black workers.

"Therefore the purpose of sanctions for us, is not to create unemployment and misery, but to rescue us from the unemployment, poverty and misery already facing us.

"It is the result of the policies of the apartheid regime and the investment of big capital that caused the unemployment and poverty we now face."

It is the regime which is the menace and which should be removed. Independent studies by the unionists have shown that "this regime would be devastated by comprehensive mandatory sanctions. We therefore support such sanctions and caution against implementing selective sanctions without consultation."

An international decision in this regard will also break the political logjam in the county.

The book which will be released early next year argues the case in favour of sanctions against apartheid and comprises 21 chapters by experts from all over the world.

19/10/89 Sowetan (28)

Surprise SA debt schedule stumps sanctions lobby



Chief Emeka Anyaoku

Chief vows to keep up fight

The Argus Foreign Service

KUALA LUMPUR. — The incoming Commonwealth Secretary General, Nigeria's Chief Emeka Anyaoku, has vowed not to let the fight against apartheid falter.

And he said the Commonwealth under his stewardship would continue exerting sanctions pressure until real change was seen in South Africa.

Mr Anyaoku said the South African system "challenges the basic values of the Commonwealth.

"I will be untiring in my pursuit of the Commonwealth objective on South Africa (which is) the elimination of apartheid and the institution in its place of a democratic, united, non-racial South Africa."

"Until there is real change, the Commonwealth will not relax the pressure on South Africa."

Mr Anyaoku, who takes over from the equally outspoken Sir Sonny Ramphal, defeated former Australian Prime Minister Malcolm Fraser in a poll here yesterday.

By PETER FABRICIUS
Political Correspondent

SOUTH Africa has thwarted the Commonwealth sanctions lobby by reaching agreement with its major international creditors to roll over R21 billion of its R54 billion foreign debt.

The "Third Interim Arrangements" announced by Reserve Bank Governor Dr Chris Stals stipulate that the R21 billion, which was to be repaid by June 30, will be rolled over for 42 months In that period about R4 billion will be repaid in eight six-monthly instalments.

Dr Stals said last night the arrangements had been concluded after extensive negotiations with major foreign creditors during the past two months.

Uncertainty gone

Democratic Party finance spokesman Mr Harry Schwarz welcomed the new deal. He said that though it was important that financial sanctions — the "trump card" of the sanctions lobby — had been neutralised for three years, the main benefit was that uncertainty about credit was out of the way.

"We can now plan our economy I don't think repaying 20 percent over three years is too steep I think we can still grow reasonably well."

Dr Stals's announcement came as the Commonwealth heads of government were meeting in Kuala Lumpur, Malaysia, to debate the issue of economic sanctions against South Africa

He declined to comment on the political implications of the arrangement, but financial sources said it was a vote of confidence by international bankers in South Africa's creditworthiness.

The Financial Times reports that Mr Abdul Minty, attending the Commonwealth summit on behalf of the Anti-Apartheid Movement, said the agreement changed the whole situation.

The South African announcement was clearly intended to provoke the Commonwealth. It meant banks had decided to extend a lifeline to the apartheid system, he said.

In recent months, the anti-apartheid movement worldwide has focused its efforts on preventing a rescheduling of the South Africa's debt, believing that such financial sanctions were its most powerful weapon against Pretoria.

Anti-apartheid lobbyists have pressed commercial banks holding debt covered by the country's 1985 debt standstill to refuse to renew the current rescheduling agreement, which expires in June.

The banks have been under pressure to agree, if at all, to annual reschedulings only.

Over the hump

This would have caused significant disruption for Pretoria and allowed the anti-apartheid campaigners political leverage over South Africa during the crucial 1990-1991 period, when the country also has substantial repayments to make on debt not covered by the standstill agreement.

The new agreement will allow South Africa to get over the debt hump of the next two years, after which repayments will decline substantially.

Britain's Anti-Apartheid Movement said last night: "It's a real setback because the banks were uniquely placed to put pressure on Pretoria to speed up the process of change."



VEILED LISTENER . . . Pakistan Prime Minister Mrs Benazir Bhutto adjusts her veil as she listens to opening speeches at the Commonwelth heads-of-government meeting yesterday. Picture: REUTER

Thatcher isolated on SA sanctions

CBA Times 19/10/89 280

KUALA LUMPUR. — Mrs Margaret Thatcher told a summit meeting of the 49-nation Commonwealth yesterday that imposing sanctions against South Africa now would be "utterly irresponsible".

Mrs Thatcher said President F W de Klerk had made a "major step forward" by releasing eight black nationalist leaders, allowing peaceful demonstrations and being willing to "consult all shades of opinion".

"We are most likely to achieve our aim by giving encouragement, not by trying to behave as if nothing significant has happened," she said.

Mrs Thatcher has opposed sanctions on the grounds that they harm blacks as well as whites.

At the grandly staged opening ceremony, Mrs Thatcher was made forcefully aware of how her stand against South African sanctions remains the major point of contention in the Commonwealth.

Her isolation on the issue was further underscored when a succession of speakers publicly repudiated her belief that the changes now under way in South Africa were not the result of outside pressure. Six speakers praised the role which limited sanctions have played in forcing reform upon Pretoria.

The opening speeches also reflected differences on whether to press for tougher sanctions against South Africa now, or give Mr De Klerk a six-month moratorium to implement promised reforms.

Mrs Thatcher was also upstaged by another woman prime minister — Mrs Benazir Bhutto of Pakistan, who brought her country back to the Commonwealth after an absence of 17 years. She said: "It is a momentous event for us to return."

In opening speeches, Malayasian Prime Minister Dr Mahathir Mohamad called for stronger sanctions against South Africa, while Canada's Prime Minister Mr Brian Mulroney urged that existing measures be maintained.

"Concern for the effects of sanctions on blacks is misplaced," said Dr Mahathir. "Consequently, sanctions must not only continue, but must be escalated. Investments and financial flows to racist South Africa must be completely stopped."

Debates on the deterioration of the global environment and international drug trafficking were also scheduled to dominate the informal agenda.

Dr Mahathir, in his opening speech, blamed developed countries for the world's environmental problems.

"It is the developed countries which have most assailed our environment (with) nuclear testing, excessive use of fossil fuels, private transportation, release of chloro-fluoro-carbons into the atmosphere, massive wastage of paper and toxic chemical disposal."

● In another development, the Commonwealth leaders elected Chief Emeka Anyaoku of Nigeria as the new secretary-general, replacing Guyanan Sir Shridath Ramphal, whose third five-year term expires next June.

● The summit is today expected at a closed session to consider adopting a plan of tough financial sanctions aimed at exploiting South Africa's foreign debt problem. — Sapa-AP, Own Correspondent

Spotlight on SA at talks in Malaysia

KUALA LUMPUR. — Three specially prepared reports will focus a spotlight on South and Southern Africa at the Commonwealth summit which began here yesterday.

The publication "Apartheid Terrorism — The Destabilisation", one of three written by Phyllis Johnson and David Martin for the summit, describes in detail South Africa's "destabilisation of the frontline states" over the past 10 years.

Two other reports are: "South Africa, the Sanctions Report" and "Banking on Apartheid — the Financial Links Report". — Sapa

Boesak: Keep up pressure on SA

KUALA LUMPUR. — UDF patron Dr Allan Boesak attacked Britain yesterday for opposing sanctions and said he had urged Commonwealth leaders here to keep up pressure on South Africa.

"In South Africa there is a beginning of change, but it is only a beginning," Dr Boesak told a news conference after yesterday's opening summit session. He said the change was one of climate rather than substance

"The South African government should not be given any kind of comfort at this time.

"What is necessary is to keep the pressure on as much as possible"

Dr Boesak said he was very happy with the results of his meetings with Australian and Canadian prime ministers Mr Bob Hawke and Mr Brian Mulroney.

But he was not invited to meet Mrs Margaret Thatcher or any of her officials and was sharply critical of Britain's role in opposing sanctions.

"Britain has earned the name of one of the staunchest allies of the apartheid government in South Africa," he said.

Dr Boesak said he wanted the Commonwealth to persuade banks not to reschedule South African debt, describing this as "a pressure point to be acted on as soon as possible".

He also wanted the Commonwealth to review Mr De F W Klerk's record next April to see if he would fulfil promises to end apartheid. — Sapa-Reuter

Debt rescheduling 'inhuman' — ANC

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Cape Times 20/10/86

LUSAKA. — The African National Congress yesterday condemned international banks for rescheduling part of South Africa's $20-billion (about R50bn) foreign debt, saying it was an act of "inhumanity".

The ANC also called for tougher global economic sanctions against South Africa.

Reports from Johannesburg reached the Commonwealth summit conference in the Malaysian capital of Kuala Lumpur this week that South Africa had rescheduled $8bn of its overseas debts.

The announcement, the ANC said in a statement here, was clearly a deliberate move to influence the Commonwealth in favour of Pretoria. "The ANC condemns this move as an act of inhumanity and as a means of helping to perpetuate the evil system of apartheid."

The ANC said the banks' decision confirmed Third World fears that "international capital regards profit as more important than human rights".

"When the time comes," the statement added, "the South African people will not be unmindful of the role of banks in making profit out of the misery of our people."

The ANC urged the international community, and Commonwealth leaders in particular, to condemn the banks concerned and also to "take steps to intensify sanctions against apartheid on all fronts".

— Sapa-AP

Sanctions: Thatcher hits out at Commonwealth

Cpy Times 20/10/85

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Own Correspondent

KUALA LUMPUR.—British Prime Minister Mrs Margaret Thatcher rounded on her Commonwealth critics yesterday with an aggressive defence of her stand on South African sanctions, as the issue which has left Britain isolated at three previous summits finally came to the boil here.

In an explosive 20-minute speech, she accused the rest of the Commonwealth of being "stuck in a time warp" for seeking to step up pressure on South Africa when changes were taking place there.

If anything, the recent release of political prisoners by President F W de Klerk and Pretoria's apparent willingness to pursue further reforms, has widened the gulf between Mrs Thatcher and her 48 Commonwealth counterparts. She believes that the process of reform in South Africa should be encouraged and not hindered.

However, the rest of the Commonwealth contends that Pretoria has been willing to move only because of external pressure and that the time has come to turn the screw.



LEADERS AT WORK ... Mrs Maragaret Thatcher and Australian PM Mr Bob Hawke before their working breakfast in Kuala Lumpur yesterday.

Picture: REUTER

Hawke and Thatcher clash on SA sanctions

KUALA LUMPUR. — Australian Prime Minister Mr Bob Hawke called yesterday for tougher financial pressures on South Africa to force the government into dismantling apartheid.

Stung by South Africa's successful rescheduling of billions of dollars of foreign debt, Mr Hawke urged leaders of 47 countries attending the Commonwealth summit to unite behind intensified sanctions.

But Britain's Mrs Margaret Thatcher, the lone opponent of sanctions, charged that "this meeting is trying to magnify suffering".

After a blast of criticism for her unwavering stand over four years, Mrs Thatcher argued that the new government of President F W de Klerk was committed to change and should be encouraged.

She also said beefed-up measures would harm black South Africans the most.

Mr Hawke's plan would maintain all existing sanctions and develop new forms of financial pressure by calling on banks and financial institutions to reduce the maximum credit term to 20 days. He also proposed that governments make trade credits harder to obtain.

These moves "have been calculated not to bring South Africa to its knees" but to induce political reform, Mr Hawke said.

He suggested that six months was ample time for Mr De Klerk to show his sincerity by freeing all political prisoners, abolishing the state of emergency and halting the executions of political dissidents.

Mr Hawke and other leaders deplored the unexpected rescheduling announced in Pretoria by Reserve Bank Governor Dr Chris Stals. The three-and-a-half-year plan applies to the repayment of a $20 billion (R54bn) debt. Dr Stals said two months of talks with creditor banks resulted in the new pact.

"We regret that it happened this early," said Canadian Foreign Minister Mr Joe Clark, chairman of the Commonwealth's Committee on South Africa. "It's obvious the announcement was timed to coincide with the week-long summit."

The agreement came as a blow to the 2 000 delegates who had been calling on international bankers to refuse to reschedule South Africa's debt as a lever to force the dismantling of apartheid. They had hoped banks would tighten the terms of repayment, particularly on $8 billion that would have fallen due on June 30.

"The bankers are bloodsuckers," said President Kenneth Kaunda of Zambia. "If they don't support our efforts, they are fuelling the racist regime."

Earlier yesterday, Dr Kaunda said that more than 1,5 million people had died in the "grinding contemporary holocaust" resulting from South Africa's military and economic actions against neighbouring countries determined to end apartheid.

Unveiling a report prepared for the meeting and called "Apartheid Terrorism", Dr Kaunda accused Mrs Thatcher of being "utterly irresponsible". — UPI

Intensify the struggle — ANC

ADELE BALETA

THE ANC has committed itself to an intensification of the struggle in SA and the imposition of sanctions.

This was laid down in an ANC national executive committee policy statement released in London last night in reponse to the SA government's recently stated terms for negotiations with the ANC.

The committee said there was no reason for the ANC to be diverted from the "road of struggle for the creation of a united, non-racial and democratic SA.

"We call on the international community to intensify the struggle for the all-round isolation of the racist regime, including the imposition of all-round economic sanctions.

While welcoming the recent release of ANC leaders in SA, the organisation called for the intensification of the mass defiance campaign and the escalation of the ANC's politico-military offensive.

The committee said SA anti-apartheid forces should give President F W de Klerk no respite. "This is the time for us to go on the offensive, to intensify the struggle in all its forms.

"We are at one with the assessment and guidance given by our leaders who we are certain will assume their rightful leadership role and promote the advancement of our liberation struggle."

It said their experience and maturity would lend a new quality to the "burgeoning revolt".

The committee said the ANC called on the people to rally around their leaders and unite in action for the:

- ☐ unconditional release of Nelson Mandela and the hundreds of people imprisoned for taking part in the struggle;
- ☐ unconditional release of all political detainees;
- ☐ end of all political executions;
- ☐ expulsion of the SADF from the townships;
- ☐ ending of the state of emergency; and
- ☐ unbanning of all people's organisations.

BUSINESS

Apple spells out conditions for SA reinvestment

BDaily 20/10/87 ROBERT GENTLE

LONDON — Apple Computer, which disinvested from SA in 1985, said yesterday it would consider returning to SA if political change there was "significant".

Speaking from the company's European HQ in Paris, which used to serve the SA market, spokeswoman Marie-Dominique Picasso said: "We would reconsider our position, but only at the highest level. Change would have to be significant."

For now, however, Apple remained committed to its policy of disinvestment "in protest against the apartheid regime and policies still practised in that country today".

Apple was reacting to suggestions in the SA print and TV media earlier this month that the company was about to launch a comeback because of growing demand in SA for its sophisticated equipment, particularly the Macintosh PC.

In May, the SA insurer Auto & General bought 400 Macintoshes from the privately owned Strider Group in what is thought to have been the largest deal of its kind.

Strider MD Gerry Aab, who opened a new HQ in Sandton earlier this month in a blaze of publicity, spoke in the Financial Mail of a *de facto* market for Apple computer equipment.

Unauthorised

Making the point that he did not represent Apple, nor was Apple reinvesting in SA, he predicted the US company would officially resume trading within a year.

Asked to comment on this, Picasso said: "Any Apple products currently being sold in South Africa were brought into the country through unauthorised channels.

"We feel it is not in the best interests of individuals to purchase Apple products through unauthorised resellers who are unable to provide qualified support."

Apple did not know how its products were finding their way into SA, she added, and was "investigating" this.

Informed sources close to Apple in Paris said that while the company was probably delighted at the demand for its products in SA, it would not risk the adverse publicity of a premature return.

Maggie lashes Commonwealth over SA

B1 Day 20/10/89

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● THATCHER

KUALA LUMPUR — British Prime Minister Margaret Thatcher rounded on her Commonwealth critics yesterday to defend her stand on SA sanctions, as the issue finally came to the boil

In an explosive 20-minute speech, she accused the rest of the Commonwealth of being "stuck in a time warp" for seeking to step up pressure on SA at a time when changes were taking place there

She said the process of reform should be encouraged and not hindered by sanctions.

As the debate got under way, Thatcher had to listen to what delegation officials described as "a quite disgraceful amount of abuse".

The prime minister's temper was further tried when Australian Prime Minister

Own Correspondent

Bob Hawke unveiled a five-point plan for increasing pressure on Pretoria

It included a framework for bringing SA to the negotiating table with the ANC, maintaining all sanctions, enforcing tougher credit conditions and setting up an independent agency to monitor sanctions.

Thatcher, retaliating, cited the example of a UK firm in SA shut down after US sanctions, putting 1 100 blacks out of work

"I don't know who is meant to feel good about that but I certainly don't," she said.

"The UK will have nothing to do with extra sanctions." — Daily Telegraph.

● See Page 7



● HAWKE

Clash over sanctions on SA

From KEVIN JACOBS

WINDHOEK — Australia yesterday called for tougher sanctions against South Africa, but Foreign Minister Mr Pik Botha said SA would not be pressured into any kind of deadline.

A plan by Australian Prime Minister Mr Bob Hawke to the Commonwealth conference in Kuala Lumpur would maintain existing sanctions and develop new forms of financial pressure by calling on banks and financial institutions to reduce the maximum credit term to 20 days.

Mr Hawke set a six-month deadline for President F W de Klerk to show his sincerity by freeing all political prisoners, abolishing the state of emergency and halting political executions.

Mrs Margaret Thatcher was the only opponent of sanctions at the summit. In an explosive 20-minute speech she accused the rest of the Commonwealth of being "stuck in a time warp" for seeking to step up pressure on South Africa when changes were taking place.

She said the recent release of political prisoners and the process of reform in South Africa should be encouraged and not hindered.

Yesterday Mr Botha dismissed the proposed Commonwealth sanctions measures as irrelevant demands by undemocratic states.

"The South African government is not prepared to be pressured into any kind of time schedule," he said. "We realise it is urgent to move ahead with negotiations, but South Africans themselves will decide their future and their timescales.

"It is becoming more and more irrelevant to us what conferences like this decide — consisting of countries many of whom have never seen an election in their whole lives, many of whom don't have an independent judicial system and many who have a state-controlled press."

Mr Botha said South Africa was not insensitive to well-meant criticism by governments or foreign opinion and insisted South Africa was taking up the challenge of change.

● Hawke, Thatcher clash on sanctions — Page 7



Zambian President Kenneth Kaunda makes a point while addressing a news conference before opening the Commonwealth summit debate in Kuala Lumpur on SA. In his speech he condemned international banks for rescheduling SA's debt. Picture REUTER

Hawke seeks harsh sanctions

KUALA LUMPUR — Australia put forward a five-point plan to tighten the economic screw on SA to the Commonwealth summit yesterday, but ran headlong into opposition from British PM Margaret Thatcher.

Australian PM Bob Hawke's plan "to extend and intensify financial sanctions", submitted during an extensive debate on southern Africa, was swiftly attacked by Thatcher as a recipe for increasing poverty.

"Sanctions only work by punishing the poor," a senior British official reported Thatcher as telling the meeting.

Hawke's plan would endorse the "Harare Declaration" approved by the Organisation of African Unity (OAU) last August, which sets out a blueprint for negotiations.

Demands

His plan would go further than existing Commonwealth policy, implicitly endorsing the OAU call for a transitional government in SA.

It also reaffirms long-standing Commonwealth demands such as the release of political prisoners, including Nelson Mandela, lifting the state of emergency, and ending the ban on the ANC and other movements.

De Klerk would be required to take legislative action to abolish apartheid laws when the SA parliament meets early next year.

The debate on SA began a few hours after Pretoria punched a large hole in the Commonwealth's list of potential sanctions by announcing an $8bn debt rescheduling agreement with foreign commercial banks.

President Kenneth Kaunda of Zambia described the bankers as "bloodsuckers" and President Robert Mugabe of Zimbabwe said he was "disgusted"...

Canadian and Australian leaders put a more optimistic spin on the news, saying it would not solve SA's chronic economic problems and that the terms of the accord were tough.

Under Hawke's plan, governments would be asked not to underwrite trade deals with SA except through export guarantee credits.

The Australian plan would keep alive an eight-nation committee of foreign ministers on SA set up two years ago, and establish a permanent research unit to monitor developments on a regular basis.

It would explore the possibility of developing a major International Monetary Fund financial package for SA that would depend on "structural political reform of a kind that could reasonably guarantee economic stability".

Officials said the Hawke plan was much tougher than expected and took the meeting by surprise.

Thatcher said Britain would have nothing to do with extra sanctions, but she did not propose easing existing sanctions.

Spokesman Patsy Robertson said a majority favoured giving De Klerk six months to fulfil his promises of reform.

Earlier, Zambia's President Kenneth Kaunda told journalists that on sanctions: "We will not move Mrs Thatcher and she will not move us." He said the subject was as divisive as it had ever been.

He saw De Klerk as an honest, sincere man but added: "Personally, I don't give this regime more than three years."

Frontline states also opposed giving SA anything that might resemble a breathing space.

□ Britain has also poured cold water on a proposed Commonwealth fund to help poorer nations join a world programme to save the environment.

"There is a sticking point about the fund. Britain does not want it," a Commonwealth official said yesterday.

"It is quite clear that to cope properly with the environmental challenge, more money is going to have to be spent," the official said.

Burden

Commonwealth officials said Britain was reluctant to fork out more money to the Commonwealth secretariat.

Malaysia has drafted a 10-point "Langkawi Declaration" calling on rich and poor nations to equally share the burden of tackling problems of pollution and climatic change.

The declaration, due to be adopted during a leaders' weekend retreat on the northern resort island of Langkawi, calls for a fund to help poor nations take part in international environmental programmes.

In 1988/89 Britain contributed more than £10m to Commonwealth programmes and to maintenance of the secretariat.

The leaders are set to tackle the environmental and world pollution issues tomorrow, the third day of the week-long biennial summit. — Sapa-Reuter.

SANCTIONS HURT, BUT APARTHEID KILLS

W. Mail 20-26/10/89

In the same speech, Mayekiso spells out a union stand on sanctions in the era of negotiations

SOME say sanctions do not work: they do work — they forced SA forces, defeated by Fapla, out of Angola, and ushered in independence in Namibia and the possibility of negotiations in South Africa.

The imperialists and their agents say the black people will suffer if sanctions are applied. This is false. At present there are more than five million capable people unemployed. Yes, sanctions would hurt but apartheid kills.

For us the purpose of sanctions was not to create unemployment and misery but to rescue us from the unemployment, poverty and misery that already faced the majority of people. It was and is the policies of the apartheid regime and the investment policies of big capital that have caused the massive unemployment and poverty that we now face. To correct these problems we have to start by removing the apartheid regime.

Initial research and our own impressions confirmed the view that this economy would be devastated by comprehensive mandatory sanctions. We, therefore, supported such sanctions and cautioned against implementing selective sanctions without consultation internally.

We supported such sanctions not because we wanted to devastate the economy but because we believed that an international decision in this direction would break the political log jam. We expected big capital to pressure a regime that would be nervous of trying to govern in such a serious situation.

In my view our analysis was essentially correct. It is surely no mere coincidence that Sisulu and others are released days before Thatcher goes to defend the apartheid regime in Malaysia. If De Klerk had done nothing then tougher sanctions were inevitable.

Clearly if sanctions can assist in removing the apartheid regime then they will have helped in the essential first step in correcting the economy. However, just as important is that removing the apartheid regime will not in itself remove our economic problems. The wounds of apartheid are much deeper than that.

We will have to struggle even harder against the free enterprise thinking of privatisation and deregulation which are recipes for a divided society — a few rich and most poor. In this struggle we cannot expect any support from sanctions.

Does this mean that sanctions have been in vain for the working class and the mass of our people living in poverty?

The answer is that sanctions have not been in vain if they remove apartheid. The struggle to restructure the economy and natural wealth of South Africa to the benefit of all its people is a struggle to be fought by those people with little support from elsewhere. But at least sanctions should help remove apartheid. If sanctions were to be halted now then they would not even contribute to that necessary goal.

Apartheid is far from dead in South Africa. De Klerk's government is far from accepting democratic elections in South Africa. They will only listen to power, not words. Now is the time to intensify sanctions to cut short the social and economic agony of apartheid.

Many people internally in South Africa are now saying that we are marching to liberation. Some of our leaders have been released and the people have unbanned the ANC. Many people believe that De Klerk has given up power and that he is a fair man and it is only a matter of time until we are able to negotiate the handover of power to the majority.

This is clearly wrong. The state still has immense power. Although the economy has weaknesses, it still is a very powerful economy. The imperialists have shown De Klerk that he must negotiate now, while he still has power, so that he can negotiate a settlement which will safeguard the interests of imperialism and its local representatives.

De Klerk and imperialism have been forced to this position mainly through:

- The determination and resistance of the people of South Africa and especially of the organised workers and the youth.
- The campaign for sanctions which has put immense pressure on the economy. Financial sanctions and uncertainty in particular have been a tremendous pressure.

Moses Mayekiso is general secretary of the National Union of Metalworkers, and a Cosatu executive member. These extracts are from his keynote address this week at the launch of the book, *Sanctions Against Apartheid*, edited by Mark Orkin, published by David Philip.

STATE THEATRE

Abe Berry

UK isolated over sanctions issue

Cape Times 21/10/89 280

KUALA LUMPUR. — Britain opposed sanctions against Pretoria because a broken-backed economy would be of no use to a democratic, post-apartheid South Africa, Foreign Secretary Mr John Major said yesterday.

Asked about Britain's isolated position over South Africa at the Commonwealth summit meeting, Mr Major said he did not accept the view of other Commonwealth nations that sanctions were forcing change in South Africa.

"We don't accept the premise upon which that judgment is based," he told reporters.

"There have been changes over the last few weeks, several welcome changes," Mr Major said, but indicated they had been brought about by internal factors.

Asked how effective financial pressure on South Africa could be, he said: "I don't think it's effective."

Britain's support will be excluded from a joint statement that includes sanctions against South Africa as Commonwealth leaders move to a private meeting place this weekend to finalise the statement.

The draft statement was prepared shortly before midnight on Thursday by a special committee of Commonwealth foreign ministers including Mr Major.

The committee was set up by the Commonwealth Heads of Government Meeting here.

Mrs Thatcher will now consider the draft statement during a private session at the Malaysian island retreat of Langkawi.

The final Langkawi declaration will be issued on Tuesday and is certain to include Australia's five-point plan to put pressure on Pretoria and some other measures aimed at bringing about the end of apartheid.

With the sanctions plan having virtually the total support of the Commonwealth, the issue yesterday was how far foreign ministers could persuade Britain to be included in the Southern African strategy.

● Britain, meanwhile, has locked horns with India over a proposed fund to protect the environment, Commonwealth sources said yesterday.

Mrs Thatcher has rejected a proposal for a fund to help poor nations in the 49-member group take part in international environmental programmes, they said.

● And reports from Paris say Zairean President Mobutu Sese Seko on Thursday urged the international community to encourage President F W de Klerk.

Mr Mobutu, once a harsh critic of South Africa, said: "In my humble opinion, Mr De Klerk is well-intentioned. Everyone may encourage him to pursue the course he has taken and that is what I am doing." — Sapa-Reuter and Own Correspondent

C'wealth moves on SA



SHORT RESPITE . . . Mrs Margaret Thatcher and her husband Denis are taken by rishaw to their cabin at the Pelangi Beach Resort on Langkawi Island, Malaysia /esterday.

Picture REUTER

Commonwealth obsessed by SA

W/E ARGUS 21/10/89

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SOUTH Africa has no official delegation here, no status other than pariah — but the Commonwealth remains obsessed with her.

Blistering attacks on apartheid and calls for an increase in sanctions pressure have dominated the debate since Commonwealth leaders gathered in the city's Puta World Trade Centre on Wednesday.

Only Britain has stood against the tide. As usual Mrs Margaret Thatcher has been blunt and unequivocal: no new sanctions and those now in place to be relaxed should President De Klerk progress with substantive reform

Britain's new Foreign Secretary John Major had a baptism of fire as he argued his government's case this week at a special meeting of foreign ministers hostile to the Thatcher "softly-softly" approach.

He argued against most of the contents of a five-point plan proposed by Australian Premier Bob Hawke. The Hawke strategy includes backing the African National Congress's Harare Declaration on negotiations and raising the financial pressure on Pretoria

Mr Major is also understood to have opposed a plan to give Mr De Klerk six months to get on with reform.

COMMONWEALTH countries like to be seen to be united, so the draft Kuala Lumpur Declaration that emerges from the committee's deliberations is likely to be less stringent than the Hawke plan.

Nevertheless, Mrs Thatcher is expected to clash again with her Commonwealth colleagues when they discuss the draft at their weekend retreat on the island of Langkawi

The Commonwealth Secretariat has been emphasising that this is not a "one-issue" conference but it can hardly be considered otherwise.

The first indication of the dominance of the South African question came from the Malaysian Prime Minister, Dr Mahathir Mohamad. He opened the conference with a call "not to be deluded into believing that the small changes we are seeing in South Africa are due to a sudden flowering of humanitarian feelings".



Britain's Prime Minister Margaret Thatcher and Australian Prime Minister Robert Hawke pose for an early morning photo session before their working breakfast earlier this week.

From SUE LEEMAN, Weekend Argus Foreign Service ■ Kuala Lumpur

"Sanctions must not only continue but must be escalated"

That set the tone for the rest of the discussion. Some conceded there was a new breath of change — wind of change would hardly describe it, they said — but all emphasised there was still no justification for relaxing sanctions

AS the debate swirled around the subject, the Foreign Ministers' Committee on South Africa — established four years ago to advise on Commonwealth initiatives to end apartheid — handed in a pivotal report, which suggested four main objectives.

- To establish an independent monitoring mechanism to provide "objective information" on South Africa's international financial relations
- To confront and counter the efforts of South African censorship and propaganda
- To act in concert to tighten and extend the United Nations arms embargo, including a prohibition of the import of arms from South Africa.
- To organise action against individual nations which have not introduced sanctions similar to the Commonwealth's — a suggestion of some concern to Britain.

These preoccupations clearly were close to the heart of Mr Hawke as he put together his plan.

- Support for the Harare Declaration, which laid out the terms under which the ANC would negotiate with Pretoria.
- No change to existing sanctions
- New financial measures, including asking financial institutions to shorten maximum short-term credit deadlines

There is also a plan to ask the International Monetary Fund about putting together a supportive financial package for South Africa, contingent on real reform — a suggestion seen by some as a sop to Mrs Thatcher.

- To establish an independent monitoring agency to report on South Africa's links with the international financial community
- To keep the Committee of Foreign Ministers which monitors change inside South Africa.

Under the deadline proposal, Mr De Klerk would be told he had six months to push reformist legislation through and come up with a plan for negotiations with credible leaders.

All this was on the table as the Foreign Ministers' Committee and the co-opted members, John Major and Malaysian Foreign Minister Abo Hassan Omar, met this week.

Among the other conference subjects was the report by a Commonwealth mission to Namibia in which it said it could not guarantee that next month's elections would be free and fair because of the continuing intimidation.

Call for action against SA

Sowetan 20/10/89

SA PRESS ASSOCIATION

THE National Medical and Dental Association of South Africa (Namda) and the Health Department of the African National Congress ended a three-day meeting in Harare yesterday with a call for United action against South Africa by health organisations and the Mass Democratic Movement.

A joint statement issued by Namda and the ANC at the end of the meeting said the struggle for an equitable health system in South Africa could not be isolated from the struggle for national liberation, the National News Agency *Ziana* reports.

"We recognise the leadership of the African National Congress of South Africa in this struggle," the statement said.

It also reaffirmed "the central role of Namda in organising doctors and dentists for an equitable health system in South Africa" and urged all organisations involved in the struggle against apartheid to intensify the struggle on all fronts.

Isolated

Apartheid health structures and the supporters of these structures should be isolated, while at the same time support should be given to health to health professionals and organisations actively committed to the eradication of apartheid, it said.

General political questions as well as specific health issues were discussed during the meeting, includinjg the implications of negotiations with Pretoria.

"In this regard (negotiations) the Organisation of African Unity's Harare Declaration should be the focus of discussion inside the country," the statement said.

The declaration was originally drafted by the ANC and has been adopted by the OAU and the 102-member non-aligned movement.

Forty Namda delegates from all over South Africa, including Namda president, Diliza Mji and South African Academy of Family Practice vice-president, Stanly Levenstein, travelled to Zimbabwe to take part in the meeting here with 20 ANC officials.

The ANC team included national executive committee members, Mr Henry Makgoti and Mr Steve Tshwete.

The statement said delegates rejected military conscription, supported the demands of the End Conscription Campaign and gave qualified support to community health services.

Commonwealth anger over UK statement

Argus 23/10/89

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From SUE LEEMAN
The Argus Foreign Service

KUALA LUMPUR (MALAYSIA) — Commonwealth countries are angry with Britain over a statement not to tighten sanctions against South Africa.

Commonwealth leaders, with the notable exception of Britain, have agreed to tighten sanctions by developing new forms of financial pressure and strengthening the arms embargo.

But in something of a surprise move, Britain backed a clause in the 26-point Kuala Lumpur Declaration, stating that "this is not the time to consider any relaxation of existing sanctions"

Then it shook Commonwealth officials by issuing its own statement on the Kuala Lumpur document. Britain objects to four of the 26 points in the document, which has been passed unanimously and in its entirety by the rest of the Commonwealth.



Mrs Thatcher

The British statement was a clear-cut reaffirmation of Britain's long-held view that sanctions had been "largely fruitless" and that change should be rewarded by the lifting of some sanctions

Observers said this appeared to contradict Britain's agreement that current sanctions should remain in place, but British Foreign Secretary John Major said the British statement "simply sets our our reservations" about the declaration.

Britain's unilateral and somewhat last minute move — delegations were not told before the statement was released to the Press — has angered others in the Commonwealth.

The step was described by one of the most senior Commonwealth spokesmen as "utterly despicable" after Mrs Thatcher's acceptance, with recognised objections, of the declaration.

She said the matter may well be raised during the remainder of the summit, which ends tomorrow.

Britain objected principally to the move to tighten existing sanctions, but it also refused to back a statement that sanctions have been instrumental in influencing the South African Government's policy-making.

It said no to the formation of an independent agency to review and report on South Africa's financial links with international financial institutions.

Finally, it objected to a decision to retain the Commonwealth Foreign Ministers' Committee on South Africa to monitor change over the next six months.

Significantly, on Namibia, it supported a call for the "early reintegration of Walvis Bay into Namibia into accordance with Security Council Resolution 432".

The Kuala Lumpur Declaration was welcomed by the ANC, a spokesman for the organisation said.

JOHANNESBURG. — Anglican Archbishop Desmond Tutu flew from Jan Smuts Airport on Saturday on his way to Egypt via Zurich in his capacity as president of the All-African Council of Churches.

Archbishop Tutu will be visiting Egypt, Sudan, Ethiopia and other countries in North Africa and will be returning to South Africa on November 1.

"This is the second trip the archbishop has made to Africa in his capacity as president of the council," Canon Winston Ndungane, the provincial executive secretary of the Anglican Church, said on Saturday night.

Tutu off to North Africa

He said the archbishop had flown Swiss Air from Jan Smuts to Zurich on the first leg of his journey that will take his to North Africa.

Earlier on Saturday Archbishop Tutu paid a social call on the Sisulus to personally welcome Mr Walter Sisulu home after his 26 years as a political prisoner.

He also wished Mrs Albertina Sisulu a happy birthday. — Sapa

Sanctions only weapon — Tutu

CAPE Times 23/10/89

280

JOHANNESBURG. — Archbishop Desmond Tutu said last night blacks did not want to use violence to force change in South Africa and sanctions were the only available weapon at their disposal.

He said this in a SATV debate with the Church of England's Bishop Frank Retief.

Bishop Retief said sanctions were an immoral act. "I can't understand how Christians can fight evil with evil.

"I think the sanctions lobby are doing just that — taking the food out of the mouths of babies and the shoes off children's feet and the roofs from the heads of families."

Archbishop Tutu said that after representations to government, demonstrations and campaigns, there was only pressure left.

He pointed out he had gone to the ANC in Lusaka to ask them to change their strategies and see what the government did.

He said it was important for a Christian to express himself in concrete actions and not just by praying and going to church. — Sapa

Tutu backs sanctions in SABC TV debate

Star 23/11/89

By Kevin Udemans

Black South Africans who rejected violence had little option but to lobby for sanctions to bring about political change, Archbishop Desmond Tutu said on "Network" last night.

Speaking in a rare SABC television appearance, Archbishop Tutu was debating the role of religion in politics with Bishop Frank Retief of the Church of England.

Archbishop Tutu was asked how he reconciled his stand on sanctions with the Christian principle of "love thy neighbour".

He replied: "How does your Government manage to uproot 3,5 million people and dump them as if they were rubbish? How do you have an Alexandra township where your Government chooses to throw people where they know is no food?

"We don't want to use violence; we do not have the vote. So we look for a non-violent strategy for bringing about change."

IMMORAL

Bishop Retief said while he realised sanctions were an expression of outrage against an unjust system he felt sanctions were immoral.

"The Bible clearly says we are not to defraud our neighbour or take the food out of his mouth or rob him of his wages. I think the sanctions lobby is doing just that. We should look for an alternative way."

Archbishop Tutu replied: "What other way? Our people have gone on deputations to Government and held demonstrations and non-violence defiance campaigns at which we have been saying we don't want to drive the white man into the sea."

Summit gives SA six months

CM 7-15
23/10/89
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KUALA LUMPUR — With Britain the lone dissenter, leaders of the 49-nation Commonwealth yesterday gave South Africa six months to deliver on reform promises or face new reprisals

They also called for tighter financial pressures now on the South African government

Mrs Margaret Thatcher, rejecting key provisions of a Commonwealth summit declaration on South Africa, charged that US and Commonwealth embargoes had strengthened white extremism in South Africa

But Mrs Thatcher went along with the declaration's stipulation that current embargoes should not be relaxed

Mrs Thatcher credited President F W de Klerk, with making "important and positive changes".

But Canadian External Affairs Secretary Mr Joe Clark, head of a 10-nation foreign ministers committee that drew up the declaration, said "nobody is buying" that Mr De Klerk had shifted away from apartheid

"The onus of action is upon the government of South Africa," Mr Clark told a news conference. "It is reasonable for them to begin to deliver on that action before the end of their first six months."

The 12-page declaration sets no formal deadline or specific conditions Mr De Klerk must fulfill to avoid new reprisals

But it says the committee of nine foreign ministers, headed by Canada — Britain refuses to join — would meet again next April.

Monitors

The committee monitors sanctions and suggests new ones

Mr Clark said the summit leaders believed Mr De Klerk should quickly release Mr Nelson Mandela, legalise the ANC and cease executions in politically inspired crimes.

Britain objected to the re-appointment of the committee, to a decision to set up a new body to scrutinise South Africa's international financial links and to the calls for more financial pressures and a strengthening of a UN arms embargo

Mrs Thatcher also dissented from a paragraph in the declaration that said sanctions had helped force South Africa's government to promise reform.

She contends internal pressures, diplomatic isolation and the economic unworkability of apartheid are forcing change.

The summit declaration gave muted acknowledgment to changes in South Africa.

It said there was a "possibility that significant changes in approach on the part of the South African regime ... may yet prove to be within reach".

Mrs Thatcher in her dissenting statement described the moves as "important and positive changes".

"Britain believes the Commonwealth should concentrate now on encouraging change (rather) than on further punishment," she said.

The ANC, which had wanted new sanctions, welcomed the declaration

In Pretoria, Foreign Minister Mr Pik Botha said in a statement sanctions could only delay the negotiation process

He also rejected attempts to prescribe a deadline for fundamental change in the country. — Sapa

Let us put our case forward on sanctions — FW

Star 23/10/89

By Peter Fabricius,
Political Correspondent

BLOEMFONTEIN — President de Klerk last night proposed that a representative delegation of South African leaders should put the case against sanctions to the Commonwealth.

Opening the Free State National Party congress, he referred to the weekend decision by Commonwealth heads of government to give South Africa six months to introduce further reforms before imposing tough new sanctions.

Mr de Klerk strongly rejected the arguments by the Commonwealth leaders, excluding British Prime Minister Mrs Margaret Thatcher, that sanctions had brought changes in South Africa.

"Far from having had a positive impact on political change and movement towards negotiation, sanctions have had the opposite effect," he said.

Mr de Klerk said the South African Government had been given a mandate to negotiate a new constitution which would give full political rights to all.

"International encouragement would help this process and further sanctions would harm it by causing further tension and conflict.

Tutu's call at Cairo talks

CAIRO. — Archbishop Desmond Tutu called here yesterday for tighter sanctions against Pretoria unless reforms were introduced.

After meeting the Minister of State for Foreign Affairs, Mr Boutros Ghali, Archbishop Tutu said he would urge President Hosni Mubarak, current chairman of the Organisation of African Unity, to "persuade the international community to maintain the present set of pressures and sanctions".

The Anglican archbishop said his talks with Mr Ghali had focused on efforts to end civil wars in Sudan and Ethiopia and "the very crucial issue" of South Africa.

Archbishop Tutu, on an offical visit in his capacity as president of the All Africa Council of Churches, was due to hold talks with Palestine Liberation Organisation chairman Mr Yasser Arafat in Cairo.

He said he had asked for the meeting to discuss Middle East peace efforts and human rights violations against Palestinians living under Israeli occupation. — Sapa-Reuter

'Villain' Maggie unrepentant

CAN THIS 24/10/89 280

From PHILIP JOHNSTON of the Daily Telegraph

KUALA LUMPUR. — An unrepentant Mrs Margaret Thatcher leaves for home today cast as the villain of another acrimonious Commonwealth summit following her unilateral repudiation of an agreed stance on South Africa

Although the British Prime Minister forcefully defended her right to state Britain's differences with the rest of the Commonwealth, she came under fierce attack here yesterday for issuing an independent text critical of the official declaration

Mr Robert Mugabe, president of Zimbabwe — who will host the next summit in two years' time — said Mrs Thatcher's action was "despicable and unacceptable" and that Britain was a friend of apartheid.

Two prime ministers, Mr Bob Hawke of Australia and Mr Brian Mulroney of Canada, confronted Mrs Thatcher during the first conference session yesterday and demanded she explain why Britain had issued a separate statement on Southern Africa

During a brief and frosty exchange, Mrs Thatcher said no explanation whatsover was called for.

She was "astounded" that anyone should object to Britain amplifying its reservations with the agreed declaration — which all the heads of government signed during their weekend retreat

Other Commonwealth leaders were taken totally by surprise when the British delegation issued a five-page statement on Sunday night putting forward an alternative prospectus for encouraging reform in South Africa

Only hours earlier, Mrs Thatcher had signed the official declaration after a perfunctory 30-minute discussion.



CRITICAL .. Canadian Prime Minister Mr Brian Mulroney (right) was one of those outspokenly critical of Mrs Margaret Thatcher's stance on sanctions. With him is his Secretary of State for External Affairs Mr Joe Clark.
Picture REUTER

In the communiqué — drawn up by a team of 10 foreign ministers, including Foreign Secretary Mr John Major — the Commonwealth agreed to maintain sanctions against South Africa until there was evidence of "clear and irreversible change"

Britain refused to endorse four specific points, including a call for tighter financial sanctions on Pretoria. But Mrs Thatcher, who felt the declaration did not make clear Britain's reasons for dissent, decided to issue a separate statement calling for a more positive approach.

When the talks began yesterday, Mr Hawke said Britain had "complicated" the Commonwealth's position.

"Imagine my surprise when the document that had been agreed on and then issued was repudiated by one delegation," he added.

Mr Mulroney said the British action was "strange conduct". He said all the countries had compromised in order to secure harmony and "you don't sign at five and repudiate at six".

But as Mrs Thatcher hit back, emphasising her right in a democratic institution to have her say, the Malaysian chairman, Dr Mahathir Mohamad, moved on to other business.

An apparent willingness to let the matter rest was swiftly upset by Mr Mugabe, who used a press conference to launch a bitter attack on Mrs Thatcher for "torpedoing" the Commonwealth's position.

He said it was "a funny aspect of democracy" that, after views had been aired and all parties had committed themselves to a joint position, one delegation then produced a separate document running counter to the agreed declaration.

"No one would accept that kind of thing," Mr Mugabe added. "I am sure Britain is doing this because Britain feels she is the Commonwealth — which she is not."

He alleged Mrs Thatcher's action was a "deliberate" attempt to tell the people of South Africa that "Britain is a supporter of apartheid".

It has also been a difficult blooding for Mr Major, who succeeded Sir Geoffrey Howe at the Foreign Office in July and was attending his first big international conference.

British sources were swift to dismiss suggestions of a rift between Mrs Thatcher and the Foreign Secretary over the drafting of the declaration

Thatcher claims to be 'in step with the people of SA'



Malaysian Prime Minister Dr Mahatir Mohamad ... chairman of the Commonwealth conference.



Commonwealth Secretary-General "Sonny" Ramphal.



Canadian Prime Minister Brian Mulroney .... slammed Thatcher for breaking agreement.

Sanctions turnabout

280
Sweetan
25/10/89

Commonwealth leaders are heading out of the Malaysian capital, Kuala Lumpur, after a turbulent summit where they received a classic Thatcher lecture on the error of their sanctions ways. SUE LEEMAN reports.

FOCUS

KUALA LUMPUR - The headlines could have applied to any of the Commonwealth's more recent summits. Mrs Thatcher was at loggerheads with her peers again over sanctions.

If Commonwealth heads had hoped to subdue the tough-talking British leader here with accusations of disloyalty and breaking rank following her surprise issue of a British postscript to the joint Kuala Lumpur statement on South Africa, they were out of luck.

Thatcher, as is her habit, turned around and gave them a piece of her mind.

Then, with almost reckless zeal, she told a Press conference that it was not she who was out of step on sanctions, but the other 48 members of the Commonwealth "I am in step with the people of South Africa," she said.

It was the kind of approach which has so angered other leaders here, and at previous summits in Vancouver and Nassau.

Document

Loyalty and unanimity are highly prized in the Commonwealth family, and Thatcher was accused both of being a turncoat and of grandstanding for her own electoral benefit.

It had taken 17 hours for a special adhoc committee of foreign ministers, including British Foreign Secretary John Major, to bash their way through the rhetoric of the early conference debates and come up with a draft Kuala Lumpur document that was acceptable to all governments.

Thatcher herself proposed that the draft agreement be passed: she was seconded with great alacrity by Canadian Prime Minister Brian Mulroney

Objections

Britain objected to four of the clauses - principally moves to tighten financial sanctions and maintain the Commonwealth Foreign Ministers' Committee on Southern Africa to monitor events over the next six months - but this was clearly stated in the text of the document.

And other leaders were pleased when she did not object to a clause calling for all existing sanctions to remain in place

So Commonwealth heads were outraged when Thatcher put in what they considered a *prima donna* performance by issuing a separate statement of her own explaining, she said, the reasons for Britain's objections.

The statement was a clear-cut reaffirmation of Britain's view that sanctions further the oppression of the underprivileged - and that some sanctions should be lifted as change unfolds in South Africa.

The British government has repeatedly expressed its optimism that reform is imminent - other countries note changes but say the pressure must be continued as a spur to Mr F W de Klerk.

Thatcher faced the Press yesterday to explain her explanations. Unflustered by some hostile questions, she calmly announced that the Kuala Lumpur meeting, rows over sanctions notwithstanding, had been a "tea party" compared with the conflict at the Nassau summit four years ago.

And she accused other leaders of lacking the political will to ignore economic considerations and impose sanctions Most, she said, agreed with sanctions on paper, but failed to translate this into action.

Mandatory

If they had really wanted to impose comprehensive mandatory measures through the Kuala Lumpur document, she indicated, they could have done so.

The fact that they hadn't she took as a sign that "they agreed with me".

For her Commonwealth colleagues, this was just too much. Mulroney said he objected to being accused of not implementing sanctions, dishing out figures to show that "Canada's trade with South Africa is only a fraction of one percent of its total foreign trade".

Earlier he had slammed Mrs Thatcher for "making an agreement at five and repudiating it at six".

Consensus

Malaysian Prime Minister Dr Mahathir Mohamad was less outspoken at his closing Press conference, as befits a chairman of a meeting such as this.

But both he and Commonwealth Secretary-General Sir "Sonny" Ramphal stressed that the Kuala Lumpur statement, sanctions and all, was the position of 48 out of 49 Commonwealth nations.

Britain had agreed to most of the clauses, they pointed out - and that was enough of a consensus for anyone.

US rejects UK's stand on sanctions

Own Correspondent

WASHINGTON — The US Secretary of State, Mr James Baker, yesterday refused to support Mrs Margaret Thatcher's embattled stand against South African sanctions.

Mrs Thatcher made her lone stand against sanctions at the Commonwealth summit in Kuala Lumpur this week.

Mr Baker's action is seen as another sign that the special relationship between Washington and London on Southern Africa policy is over.

Asked whether the US supported Mrs Thatcher's action, Mr Baker said that he preferred "not to choose sides".

In contrast to Mrs Thatcher's firm stand on economic sanctions, Mr Baker said guardedly that he thought it would be "inappropriate now to move forward" with further measures.

Strains between the US and Britain over South Africa have been growing since President George Bush took office at the start of the year.

Mrs Thatcher is said to have been particularly peeved by Mr Bush's refusal to join her in seeing President F W de Klerk before he became State President.

Foreign Office officials voiced uneasiness over State Department suggestions earlier this year that the US might support some form of sanctions resolution at the UN in expectation of a British veto.

Another source of irritation is the fact that the administration has so far shied away from contributing to the Urban Foundation's recently launched black housing venture even though it has received government backing from Britain, West Germany and Switzerland.

drawn in the (London) Sunday article between the work we one here and pure hypothesis."

raped at their homes during the same period (34 rapes as opposed to 14 for the older citzens).

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Kennedy bid to hit gold boomerangs

S1 Times 29/10/87

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By PATRICIA CHENEY
Washington

FURTHER sanctions directed at the South African gold industry would be extremely difficult to enforce, would hit many Americans and may even result in a price rise that could boost the SA economy, according to a US government study released this weekend.

The study, by the General Accounting Office, was commissioned by Senator Edward Kennedy who is looking for evidence to support tighter controls on the import of SA gold.

Instead, it could mean the death knell of further Congressional gold sanctions.

While it makes no recommendations, the report does analyse the feasibility and likely outcome of three measures that the sanctions lobby has proposed to strike at the heart of South Africa's economy:

● Banning imports of jewellery containing South African gold would be both difficult and expensive to enforce.

Despite the development of a test (costing R250 to R500 per sample) to pinpoint the origin of gold, metals combined with gold in jewellery could render the tests ineffective.

In addition, the report noted that most imported jewellery in the US comes from Italy and is made from gold bought on the world market and refined in Switzerland.

For these manufacturers to provide certification that their jewellery contained no SA gold, the Swiss would have to refine SA-free gold separately, greatly increasing the price.

That increased cost would then be passed on to American retailers and consumers.

And even if it were possible to effectively impose such an import ban, the report concluded that South Africa could probably find other markets.

● Releasing gold from central bank reserves in the US and other countries might increase rather than decrease the price of the mineral because many investors would probably snap up the cheap gold in the hoping of making a killing in the future.

● Banning the import of "tainted" jewellery while selling off gold reserves to offset a price rise might not lead to South Africa losing gold sales because countries not participating would be likely to sell their non-SA gold reserves for US export and replenish their supply with new South African gold production.

Warning

● Forcing US investors to sell off all their SA goldmining shares might depress the share price of SA mining stocks and "help to chill the business climate in South Africa, "but it would cost the investors nearly R3-billion to divest".

The report also cautioned that even if gold restrictions had a real impact on mining along the Reef, it might lead to the closing of mines that would be impossible to reopen in the post-apartheid era.

SA industry urged to stake European claim

S/Times 29/10/89

280

By Don Robertson

SOUTH African industrialists are urged to establish closer links with the 12 European countries which will form a huge trading bloc in 1992.

The Federated Chamber of Industries says it is vital for SA to protect its markets in Europe.

Executive director Ron Haywood says SA businesses should establish a presence in the EEC.

It can be done either by establishing a new business, forming strategic alliances, entering into joint ventures, merging with existing operations or establishing trade relations. However, the financing of these projects could be a problem.

Language

It will be necessary for each business to identify niche markets in terms of products and countries by recognising which companies can be approached. This can be done through the departments of trade in each country.

Language, location and manufacturing facilities will have to be studied and the question of possible double-tax will need investigation.

Mr Haywood says that if a company is established in Europe by 1992, the country of origin for funding will be of no importance. If SA is under increased sanctions, its businesses will still be able to trade in Europe.

Politics will also play a large role in SA's relations with Europe and it will be more difficult for people such as Margaret Thatcher to "go it alone" on this country's behalf

When the new European market takes shape, its exports will represent 20% of world trade compared with the 15% of America and Japan's 9%.

Other benefits will include increases in gross domestic product, reduced inflation and the creation of between 2-million and 4-million jobs.

It will be achieved by the removal of frontier and technical barriers, fuller exploitation of economies of scale and gains from intensified competition.

Transport of goods will take place at almost twice the existing speed because of the elimination of border posts and controls.

There are also likely to be fewer companies as a result of mergers and this could affect multinationals in SA.

Strict

FCI chief economist Roelof Botha says because of these factors all companies which do not have a foothold in Europe will suffer a decline in competitiveness

Of concern is the fact that SA's exports to Europe have been falling for many years, although off a low base.

However, exports to non-EEC nations have remained at between 25% and 30% of total exports to Europe and could be increased.

Because of the rand's decline, SA's competitiveness in Europe has improved by 1,3% annually for the past eight years. The result is that SA exports with a high labour content may be well placed to enter or expand in Europe. The advantage, however, could be temporary.

Mr Botha says. "SA will continue to experience strict monetary policy with signs of a general economic slowdown already evident.

"The probability, therefore, of declining import volumes coupled with a rand exchange rate which is fundamentally stronger than the the actual rate, will tend to stabilise the rand in the months ahead and price differentials will erode the competiveness of exporters."

END POVERTY BY CAUSING IT!

ANOTHER of those huge newspaper advertisements, signed by thousands, is calling for "a fundamental change in British policy towards South Africa" — namely that Mrs Thatcher should jolly well support sanctions.

Some of the signatories, such as Neil Kinnock, are important in their own right and others because they represent very important organisations — Glenys Kinnock is described as something called "Chair One World", which certainly sounds just about as important as any human being could be.

Other signatories include "Huddersfield Women Against Apartheid", "Wells Hungry For Change Group", something called "One Village The World Shop" and finally, and most delightfully, "The Friends of the Dream".

Quite how all these "Friends of the Dream" hope to convince Mrs Thatcher that she has made a ghastly mistake in opposing sanctions is not clear but, among the horrors of contemporary life in South Africa they list, is the fact that "poverty created by restrictions, removals and the homelands policy affects increasing numbers of South Africans".

Presumably one of the "restrictions" which has gone to increasing the level of poverty in South Africa is the sanctions policy itself — indeed its whole purpose is to increase "poverty" in the hope of forcing political change S/Times 29/10/89.

It certainly takes a high degree of logic to take out an advertisement urging the British Government to follow a policy which is intended to produce poverty in South Africa and then cite that same poverty as showing the need for even more of the policy!

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Peter Simple of the Daily Telegraph

GOLD

SA gold near sanctions proof, finds Kennedy-inspired study

By DAVID BRAUN,
The Argus Foreign Service

WASHINGTON. — South Africa's gold is the country's one export that is probably sanction-proof.

This reassuring news for the world's largest gold producer comes courtesy of the United States Congress, which recently commissioned an in-depth probe into the feasibility of imposing sanctions on South Africa's gold and diamond exports.

The irony of the findings of the Congressional General Accounting Office (GAO) investigation is that it was ordered by Senator Edward Kennedy, who had hoped to hear how South Africa's major export commodities could be boycotted.

The GAO issued an interim report at the weekend that found sanctions on South African gold might be more difficult than sanctions on other products, but it might not be impossible.

Likely impossible

The report then went on to detail many reasons why such sanctions would in fact be more likely to be impossible to implement or even be counter productive in that they could drive the price of gold up, and earn South Africa more foreign exchange.

The GAO has not yet made any findings on the feasibility of sanctions on South African diamonds.

The GAO report said in spite of its falling market share, South Africa still mined 35 percent (621 metric tons) of the 1 796 metric tons of gold produced worldwide in 1988. This large share however does not translate into much South African influence over the world price, according to industry analysts and economists

The price of gold is primarily determined by the demand for it as an investment asset rather than the supply of new production Any attempt by South Africa to withold supplies from the market to increase the price would eventually cause private investors and central banks to sell gold from their large stocks, thus pushing the price back down.

Central bank stocks are 20 times greater than annual world gold production and private investment holdings are 30 to 36 times as great. The world's gold stocks are therefore equal to more than 150 years' South African production.

The GAO said policy makers who wanted to impose further sanctions on South Afrcan gold should consider several major issues.

First, because gold is more easily smuggled than most commodities owing to its high value relative to its weight, and because gold from all countries appears the same, enforcing sanctions on gold might be more difficult than for other commodities.

It is possible to determine where gold bullion was mined by physical and chemical testing and, as in other situations, enforcement of sanctions might be helped by leads on illegal imports supplied by informants.

While the predominant view of market participants is that there is no test to determine gold's origin, a research chemist at the US National Institute of Standards and technology has successfully determined the origin of gold by a test that analyses trace metals in gold. According to the chemist, the test might be used to identify South African gold for sanctions enforcement.

However, according to the chemist, it might be more difficult to use the test effectively to determine the country of origin of jewellry. Metals combined with gold in jewellry manufacturing might render the tests ineffective.

To enforce sanctons on jewellry, enforcement authorities would need to rely on leads generated from documentation accompanying jewellry imports and tips from informants.

Second, even if there were no smuggling and some other nations began to adopt a ban on imports of bullion, South Africa could sell its gold to many alternative markets. Countries with large reserves could sell their stockpiles while restocking with new South African gold.

Third, any sanction on the largest gold producer, in a market where psycholigical or speculative influences are powerful, might cause enough uncertainty to cause unintended price increases helpful to South Africa.

CMH Times 30/10/89

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Sanctions on SA gold not feasible — US study

Own Correspondent

WASHINGTON. — Sanctions on South African gold are not feasible, United States congressional investigators have concluded in a major independent study prepared at the request of Senator Edward Kennedy.

Senator Kennedy sought to suppress the finding, delaying release of the report and issuing a press statement last Friday.

He claimed that the study, conducted by the General Accounting Office (GAO) over nine months and in three continents, supported his call for a ban on jewellery containing South Africa gold because this could readily be determined by chemical tests

The researchers, however, reported that while one US Commerce Department chemist had told them it was possible to determine the origin of newly mined bullion — at a cost of up to $240 (R634) per sample tested — through "trace element fingerprinting", sourcing the alloyed gold in jewellery by such tests would be considerably "more difficult".

In commissioning a study of South African sanctions' impact last year, Senator Kennedy specifically ordered researchers not to question any black South Africans on the subject.

In its latest report, the GAO poured cold water on all gold-sanction strategies thus far suggested.

The senator, who initially tried to issue his statement while further holding up release of the report, did not mentioning this.

Even in the extreme and highly improbable, case of a multilateral ban, the study concluded that the "more likely" outcome was a surge in the value of South Africa's easily smuggled exports as the "increase in speculative demand" outran the the theoretical decrease in demand for the South African metal.

Furthermore, if sanctions did indeed have the desired result, and mines had to be closed, the researchers warned that this could have serious implications for a post-apartheid economy because shafts would collapse if left untended.

Reactivating them would either be impossible or at best cost "hundreds of millions of dollars".

A ban on jewellery containing South African gold would not only be virtually unenforceable, its principal target would not be South Africa but Italy — source of 58% of the $1,8-billion worth of jewellery the US imported in 1988 — and on the Swiss refiners who supply the Italian industry.

Sanctions have hit as hard as a halving of the gold price

CHRIS VAN WYK, CE of Bankorp, discloses the findings of a study into the multiplier effects of sanctions

MANY South Africans and most international observers, including possibly the sanctioneers themselves, would seem to underestimate the full impact of sanctions on the SA economy. In particular, the impact on living standards and employment levels of black South Africans is seldom fully revealed.

The main reason is to be found in the indirect multiplier effects of sanctions on the entire economy. They are far greater than the directly measurable and more visible effects on specifically targeted industries and sectors.

Estimating the full effects of sanctions requires a working knowledge of the macro-economy and of the forward and backward linkages operating within it. The SA economy responds significantly to any exogenous factor impinging upon the balance of payments (BoP), which in turn exerts a major influence on the entire economy.

Sanctions attack the BoP and hence create multiplier effects similar to the effect of a change in the gold price. When the gold price falls sharply, the BoP tends to move from surplus into deficit. This triggers a rise in interest rates and a declining exchange rate, which in turn raises the rate of inflation.

Higher inflation cuts into personal incomes, and this combines with high interest rates to reduce consumer spending. Higher interest rates and lower consumer spending tend to reduce business profits. This spreads to the rate of wage and salary increases, reinforcing the downswing in spending. Lower consumer spending reduces production in most industrial sectors, with stagnating employment and possibly retrenchments.

Fixed investment spending is cut back in response to lower production and sales as well as high interest rates, further limiting economic expansion and employment opportunities. And the economic downswing erodes the tax base, forcing government to tighten fiscal policy by either cutting expenditure or raising tax rates. This depresses the economy even further.

In the end everyone suffers from the indirect macro-effects of a lower gold price. Worst affected are the quarter of a million young people entering the labour market annually.

In the same manner the damage inflicted by sanctions spreads far wider than the targeted industries.

The full impact of sanctions and disinvestment has been quantified by TrustBank's economics division, using a computer-based econometric model specifically designed to incorporate indirect multiplier and linkage effects.

These econometric calculations show a cumulative foreign exchange loss of about R40bn, due to sanctions and disinvestment measures since 1985. This comprises a net capital outflow of about R30bn, plus a loss of export earnings of about R10bn due to trade sanctions, plus about R10bn lost in potential capital inflows in the absence of sanctions, less a saving of R10bn on the servicing cost of the foregone foreign capital.

The impact on the total economy is similar to what SA would have experienced had the gold price averaged $200 an ounce instead of $400 over the past five years. Interest rates have been higher, the rand lower, inflation higher, wages and salaries lower — and growth, employment and spending levels much lower.

The macro-multiplier effect of the total foreign exchange loss of R40bn has been a total production loss of about R80bn and a total spending or "standard-of-living" loss of about R100bn. At the moment, real consumer spending is about 15% lower than it could have been, and the country's GDP at least 10% lower than without sanctions.

Employment is about half a million lower than it could otherwise have been, not so much because jobs have been lost, but because so many more new jobs could have been created in a scenario of higher overall growth. And 80% of new job-seekers are black people. The harshest burden of sanctions has fallen on them.

The effects of disinvestment are more difficult to quantify. Since September 1985, when the financial rand was reinstated, no net disinvestment could occur. Because disinvestment does not entail a net loss of reserves, it does not have a major multiplier effect throughout the economy, as does the repayment of foreign debt.

Disinvestment has a negative short-term psychological impact, and a negative long-term impact on technology and skills transfers, as well as on the interaction between SA business and international business corporations. It does not create drastic unemployment, but reduces many social development and community programmes sponsored by multinationals.

Besides the quantifiable short-term economic damage inflicted by sanctions and disinvestment, there are various unquantifiable effects. The most significant over the past few years has been that essential investments and expenditures for long-term development have had to be severely pruned and some postponed in a "survival" economy.

The SA economy responded to the immediate threat of sanctions and disinvestment by directing resources increasingly toward short-term survival. This applies equally to the public and private sectors.

Essential public spending on long-term investments such as education and training, infrastructure and social and health facilities had to be curtailed. In many instances expenditure on short-term necessities, such as maintaining law and order in the face of rising unemployment, and evading sanctions, had to be given priority.

We cannot measure the adverse effect of constrained public investment spending on the quality of education, on the productivity of the labour force, or on the standard of accommodation of elderly people 20 years down the line. But it will be significant.

In the private sector, fixed investment spending was severely curtailed in 1985-87, partly as a result of increased political and economic uncertainties arising from sanctions; partly as a result of additional short-term spending required to set up alternative export routes and to penetrate new export markets in the face of sanctions.

Particularly serious was the declining investment in new export-directed industries, which has only recently been reversed. This has impaired SA's ability to reach its full export potential in the late 1980s.

Sanctions have also had adverse secondary socio-economic and socio-political effects. In particular, impoverishment and unemployment arising from sanctions have radicalised many young blacks to the left, and many white voters to the right. The moderate centre has been weakened, making a political settlement much more difficult.

The sanctioneers have been successful in inflicting economic and financial pain on this country and all its inhabitants. What must be realised, however, is that the economic "success" of sanctions is the very reason for their political failure.

Through impoverishing and radicalising the nation, sanctions have raised the chances of political confrontation at the expense of political reconciliation in the 1990s. If this is the aim of the sanctioneers, then we must confirm that continued and expanded financial and trade sanctions are indeed a perfect recipe for poverty, radicalism, violence and revolution in SA — for turning SA into just another hopeless country.

Econometric calculations show that a continuation of existing trade and financial sanctions throughout the 1990s would render a million more black people jobless, and 2-million more financially destitute, than would be the case if sanctions were terminated and foreign capital flowed back into SA.

There have been some "positive spinoffs" — we have been forced to take hard and long overdue decisions, to redouble our export efforts, to apply monetary and fiscal discipline, to deregulate the economy. The increasing participation of blacks in home ownership and business activity is dealing a mortal blow to socialist ideology among the black middle class.

Economic considerations began to assume their rightful place in government decision-making, along with conversion and commitment to concepts such as tax reform and privatisation.

These "positive spinoffs" were more by accident than design, and do not remotely compensate for the economic damage wrought by sanctions and disinvestment.

☐ This is an edited extract from an address by Van Wyk yesterday at the Vaal Triangle Technikon's symposium on SA and the International Community.

'Sanctions have cost R40bn'

CAPE TIMES 3/11/89

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SA sanctions: Irked Malaysia stalls UK on R4,2bn arms deal

Own Correspondent

LONDON. — Malaysia is stalling on the signing of a £1-billion (R4,2bn) arms package with Britain because of Downing Street's refusal to impose economic sanctions against South Africa, reports Jane's Defence Weekly.

The signing of the first contract of the package, described as a memorandum of understanding, was expected at last month's Commonwealth heads of government meeting in Malaysia.

Quoting "well-placed sources" in Britain and Malaysia, Jane's said the delay was due to anger at Britain's position on economic sanctions against SA, as well as difficult negotiations over financial terms.

The first contract, yet to be formally confirmed, is thought to be a £145-million deal with GEC Marconi for the supply of an air defence command and control system involving Martello mobile radars.

Despite the delay in signing all the contracts, British defence contractors have won significant concessions on the countertrade/offset aspects of the deal, Jane's said.

The deal is also believed to include contracts for the supply of Tornado fighter-bombers, an Oberon-class submarine for training, and artillery.

VANDERBIJL PARK. — The chief executive of Bankorp, Dr Chris van Wyk, said yesterday that sanctions and disinvestment had cost South Africa about R40 billion since 1985.

Speaking at a symposium here on South Africa and the international community, Dr Van Wyk said this comprised a net capital outflow of about R30 billion, plus about R10 billion loss of export earnings due to trade sanctions.

The magnitude of the impact became clear when one examined the macro-multiplier effect of the total foreign exchange loss. This amounted to a total "standard of living" loss of about R100 billion.

Dr Van Wyk said another effect was that unemployment was about half-a-million higher than it would have been, resulting in adverse secondary socio-economic and socio-political side-effects.

However, despite the vast economic damage caused by sanctions and disinvestment, there had been positive spin-offs.

These included long overdue adjustments to the public and private sectors, adherence to strict foreign debt repayment schedules and the application of monetary and fiscal discipline.

These largely accidental side-effects meant that South Africa was entering the 1990s much leaner and fitter than at the beginning of the 1980s.

Dr Van Wyk said that if South Africa could solve its internal problems to the satisfaction of all concerned parties and if sanctions and disinvestment could be terminated within two years, the 1990s would be a decade of growth and rising prosperity never witnessed in South Africa before. — Sapa

Sanctions will cost West more

Star 3/11/89

By DAVID BRAUN,
The Star Bureau

WASHINGTON — If Western powers increased their punitive measures against South Africa, they may have to compensate for Zimbabwe's losses by dramatically increasing trade and assistance to the country.

This is the finding of a 50-page study of Zimbabwe's political and business risk situation by a New York-based international consulting firm.

The company, Political Risk Services, publishes regular analyses of the risk assessment in 85 strategic countries.

In its latest report on Zimbabwe, the firm says the country is still riding the crest of an economic recovery that began in 1987, and the climate for business has improved steadily since recovery began. Rising world prices for metals, high agricultural output, and a depreciating currency were cited as the key factors.

The report said President Robert Mugabe had benefited from the economic improvement and in spite of opposition from both within and outside his Zanu party, he had an 85 percent chance of remaining in power for the next 18 months, and a 60 percent chance of holding office for the next five years.

Recovery had, however, not eliminated serious weaknesses in the economy. The most critical was the rapid growth of the population. In addition, the birth rate remained high, and the economy was unable to absorb young jobseekers. Official unemployment was 25 percent in mid 1989.

The budget deficit declined slightly in 1988, but remained too high, at around 9 percent of GDP. Zimbabweans were among the most highly taxed people in the world, and taxation absorbed 43 percent of national product.

According to the report, Zimbabwe has had little success in attracting new foreign investment. Only about $50 million (R135 million) had come to the country since independence in 1980.

The turmoil in South Africa greatly affected Zimbabwe's economy. Despite efforts to diversify, South Africa remained one of the country's largest trading partners.

Diamonds escape the Kennedy ban

By PATRICIA CHENEY
Washington

DIAMONDS, they say, are a girl's best friend and they're also seductive enough to persuade Kennedy family intimates and top Democrats to abandon their pro-sanctions stance.

According to an account in the weekly Legal Times, no fewer than three former aides to various Kennedys, one personal friend and a fifth top Democrat are largely responsible for diamonds staying off the list of banned South African imports,

They include Theodore Sorensen, former speechwriter to President John F Kennedy, William Vanden Heuvel, special assistant to the late Senator Robert Kennedy, Milton Gwirtzman, a one-time Kennedy campaign aide, Donald McHenry, President Jimmy Carter's ambassador to the UN, and Maurice Tempelsman, longtime boyfriend of Jacqueline Kennedy Onassis.

The driving force behind the group is Tempelsman, whose diamond importing company, Lazare Kaplan International, depends on De Beers for more than half of its supply.

Both Sorensen and Tempelsman denied lobbying against diamond sanctions but, according to sources on Capitol Hill, it was Sorensen who last year wrote a loophole into a proposed ban that would allow the import of any uncut diamonds of unknown origin.

Since De Beers does not label its gems by country of origin, its US business would automatically have been protected by the loophole.

Sorensen, as vice-chairman of the Democratic national platform committee in 1988, presided over support for sweeping sanctions contained in the party's presidential platform.

Putting the case for KwaZulu, Natal

5/10/89 STAR (280)

By John Spira

Sanctions and disinvestment are emotional issues in KwaZulu and Natal and continuing sources of division within the black community.

This is one of many views expressed in a supplement to the lastest London-based *Euromoney* magazine.

The supplement was sponsored by Allied Group, Barlow Rand, Eskom, GFSA, United, FNB, Old Mutual, Trust Bank, Premier Group, the cities of Durban and Pietermaritzburg and the KwaZulu Finance Investment Corporation.

It points out that Natal is an export-based economy looking for markets to earn foreign exchange. "At the same time, countries around the world are calling for tighter sanctions against South Africa until it dismantles apartheid."

In an attempt to place KwaZulu in perspective, *Euromoney* cites the following statistics: "Although KwaZulu's contribution regionally is small, it represents 54,2 percent of the aggregate contribution to South Africa from the six self-governing states.

"KwaZulu is estimated to be the second-fastest growing region after the PWV area."

The region has recorded a real growth rate over a 10-year period of 3,6 percent a year. And the magazine believes that while the core industrial areas will continue to be important, the rest of the region is expected to play an increasing role in the economy.

"Manufacturing, communication, transport and industry will remain reasonably buoyant provided the government maintains its pledge on reform.

ASSETS

"Mining and agriculture will remain small scale, although locally it is hoped that increasing emphasis will be placed on the role it has to offer. Tourism is probably the greatest asset and a valuable source of foreign exchange for the country as a whole.

Chief Buthelezi is quoted as follows: "The KwaZulu Natal area could become South Africa's equivalent of the Ruhr Valley. Ample land, coal and water resources already exist in close proximity to deep water harbours, burgeoning agriculture and a market population that rivals that of France.

"A large and energetic workforce numbering more than three million provides another reason for investment and growth."

Euromoney points to the region's widespread poverty resulting from migrant labour to the industrial areas and Durban.

"The core economy of Natal continues to grow, which has resulted in 80 percent of KwaZulu's economically-active population seeking opportunities outside tribal land."

It says the region's blend of Third and First World characteristics is a constant reminder of how poor many of its inhabitants are. "Nowhere is this more evident than in the townships that surround the metropolis of Durban and the capital city of Pietermaritzburg.

POVERTY

"Poverty is endemic. There is a growing disparity between the lifestyles of blacks and whites, and between urban and rural dwellers. "The basics such as water and electricity are often absent in the townships and rural communities."

The magazine stresses that KwaZulu Natal has moved faster than the rest of the country in seeking a negotiated settlement on power sharing, suggesting that the Indaba addressed the problem of how to govern both Natal and KwaZulu 'jointly and fairly'.

While new foreign investment in the region had been limited since 1985, the business community and government officials such as Chief Buthelezi actively marketed the region, hoping to stimulate interest among overseas investors.

Euromoney concludes: "Natal KwaZulu's main problem and a stumbling block to the rapid development it needs is that the region is in South Africa."

that there will be peaceful elections in Namibia and that they will be open, free and fair." He added it was no longer neces-

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washigher compared with industrial companies and, unlike these companies, gold mines could not use the tax base of one venture to develop another.

Heavy new sanctions punted

280 B.Day 6/11/89

GRETA STEYN

AN IMMEDIATE and complete ban on imports of SA non-strategic minerals, agricultural products and manufactured goods would be easy to implement and would hit SA "in the wallet", according to a new sanctions probe.

The book — SA: The Sanctions Report — has just been published in London and is based on a study done for the Commonwealth by an independent group of experts.

A vital ingredient of the package proposed is a total ban on purchases of SA non-strategic minerals. This would affect 15% of the country's export earnings. Most of SA's mineral exports could be replaced immediately, or very quickly, and no-one had to be dependent on SA for coal, iron ore, base metals (copper, lead, tin, zinc, nickel and aluminium), uranium and non-metallic minerals (stone, asbestos, etc.)

With these commodities, SA was vulnerable on two counts — not only was there an over-supply, but because bulk commodities were shipped in large volumes they were difficult to disguise — and hence to "sanctions-bust". Three groups of minerals could easily be banned immediately:

☐ Base metals — about 4% of SA's exports in 1987;

☐ Iron ore — about 1%; and,

☐ Non-metallic minerals (except andalusite) — 2%.

"They are not strategic in any way, SA is not a major world producer, and there is a wide range of alternate (non-communist) suppliers, including Commonwealth members," the study said. It noted iron ore was not included in many bans on "iron" and steel, but this net should be widened as there were alternate suppliers.

A high priority should also be put on extending the bans on coal and uranium. An extension of sanctions on coal (about 7% of SA's exports in 1987) would affect prices because sanctions busting had kept the world coal price artificially low.

Uranium (1% of SA's exports), sometimes thought to be strategic, was in fact

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Sanctions

280 B.Day 6/11/89

☐ From Page 1

"highly vulnerable to sanctions". Because nuclear electricity generation had expanded less rapidly than expected, a world oversupply was depressing prices.

On the processing of SA uranium, the report noted France and Britain continued to process uranium imports from SA. A total ban on SA uranium could be obtained, it said, if these two countries stopped processing it.

Precious metals such as platinum, steel additives and minor metals were not on the list, but the report recommended an immediate end to the production and sale of all platinum coins and small bars aimed at investors. Such a move would lead to a reduction in platinum prices of 12%-25% by 1992 and could be counted on to reduce SA's export earnings by at least 1%.

Another immediate and essential target for sanctions was agriculture, accounting for 13% of SA's exports. The present sanctions position, the report said, was "very confused" and affected only edible agricultural products. The net should be widened to include products such as cotton, wool, hides and skins, and wood pulp.

The study argues that sanctions must slash SA's exports by at least 25% to be politically effective. Current sanctions had been only partially successful because exports were reduced by only 7%.

However, the target of 25% could be achieved with ease by implementing the following measures: a ban on bulk exports (agricultural products and non-strategic minerals), manufactured goods, a lower platinum price, phasing out of trade credits and a tighter oil embargo.

● See Page 3

New sanctions probe released

CAPE TIMES 6/11/88 280

Own Correspondent

JOHANNESBURG. — An immediate and complete ban on imports of SA non-strategic minerals, agricultural products and manufactured goods would be easy to implement and would hit SA "in the wallet", according to a new sanctions probe.

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Most of SA's mineral exports could be replaced immediately, or very quickly, and no-one had to be dependent on SA for coal, iron ore, base metals (copper, lead, tin, zinc, nickel and aluminium), uranium and non-metallic minerals (stone, asbestos, etc.)

"Because of world surpluses, finding alternative suppliers for these minerals would impose little or no cost penalties."

With these commodities, SA was vulnerable on two counts — not only was there an over-supply, but because bulk commodities were shipped in large volumes they were difficult to disguise — and hence to "sanctions-busting".

Three groups of minerals could easily be banned immediately

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A high priority should also be put on extending the bans on coal and uranium. An extension of sanctions on coal (about 7% of SA's exports in 1987) would affect prices "somewhat" because sanctions busting had kept the world coal price artificially low.

Uranium (1% of SA's exports), sometimes thought to be strategic, was in fact "highly vulnerable to sanctions". Because nuclear electricity generation had expanded less rapidly than expected, a world oversupply was depressing prices.

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This figure could be achieved with ease by implementing the following measures — a ban on bulk exports (agricultural products and non-strategic minerals), manufactured goods, a lower platinum price, phasing out of trade credits and a tighter oil embargo.

Machinery set up for a major export drive

Finance Staff

In response to the debt recall by its major lenders and sanctions by the US, South Africa has embarked on an export drive.

Dr Stef Naude, Director-General of the Department of Trade and Industry, says the Government and the private sector are working very closely to restructure export potential.

"My department has established 32 offices around the world, which cost a lot of money to keep operational. If staff members do not perform, they will be recalled immediately.

"We are looking for results and my core team is of a very high calibre. We expect our staff members worldwide to back up their expertise with results.

"I have travelled abroad and talked to many businessmen and government officials in countries that South Africa has never traded with before," he says.

BUSINESSMEN

"Unfortunately I am not in a position to divulge who I have been talking to or where I will shortly be leading a team of prominent South African businessmen to.

"But suffice to say it encompasses a wide spectrum of socialist-oriented countries.

"Our efforts to foster trade with Southern African countries have been singularly successful and we expect some major advances in the region.

"Our economy is by far the largest on the continent and the pragmatism that is sweeping across sub-Saharan Africa should lead to a whole new wave of economic development, if the political support to boost this is forthcoming."

He says traditional export markets will remain, but that as an exporting country South Africa is beginning to flex its muscles.

"We have a wealth of business, financial and industrial talent and are now devising ways and means of using this to our and our neighbours' advantage."

ACADEMIC

Mr Naude, an academic in mercantile law, was chairman of the Competition Board prior to his appointment to the Department of Trade and Industry.

He was largely responsible for the legislation dealing with the introduction of the Close Corporation Act.

"I am a firm believer in keeping it simple. Civil servants must not be obliged to get bogged down in a plethora of paper work.

"The Close Corporation idea was designed to allow potential businessmen more freedom to succeed with their entrepreneurial designs.

"This is the way that South Africa will succeed in building up its exports.

"We in the department are totally committed to assisting business to export.

"The more we can cut out excessive paperwork, the more successful will this country be in flooding the world's markets with Made-in-South Africa labels."

STAR (280) 6/10/89

Meeting the sanctions challenge

By Bruce Cameron,
Political Staff

South Africa is involved in a programme of inward industrialisation in a "slow and painful" process to change the structure of the economy established over 300 years to beat the effects of sanctions.

Spelling out the effects of economic sanctions at the meeting of the World Affairs Council in Munich this week, Finance Minister Mr Barend du Plessis said they would result in an economy that "will eventually be able to yield more growth with less dependence on the balance of payments."

In a copy of his speech released in Cape Town,Mr du Plessis gave the most comprehensive account yet of the problems and details of sanctions as well the solutions proposed by the Government.

He described the pressure on the balance of payments caused by capital outflow as one of the most serious effects of sanctions.

It was responsible for the annual growth rate declining from 3,5 percent from 1875 to 1981 to about one percent from 1982 to 1988.

This held serious long-term implications not only for the economic development of South Africa but also for the programme of social and political reform.

"At the present rate of economic growth, which is far less than the rate of increase in the total population, average living standards are declining, poverty is increasing and unemployment rising."

'Slow and painful' process to change economic structure

Trade and financial

He divided sanctions into two sections — trade and financial.

● Financial sanctions were being applied in various forms; from the disinvestment or withdrawal by multinationals, which reached a peak in 1987, to the "more visible adverse effect" of the withdrawal of short and long-term finance, which led to the unilateral declaration of a debt standstill in August 1985.

When South Africa declared the standstill the country's repayable foreign debt amounted to R64,8 billion ($24 billion).

Only R37,8 billion ($14 billion) was placed under restriction with the balance not affected.

Since the interim agreements on the repayment of the loans South Africa's foreign debt had been reduced to R56,7 billion ($21 billion) in terms of current exchange rates but to R48,6 billion ($18 billion) in terms of the August 1985 exchange rates.

Mr du Plessis said it was difficult to assess the real effect of disinvestment by foreign or multinational companies. Because of blocked rands which could not be withdrawn from the country and the financial rand however, the South Africa balance of payments was not directly affected by disinvestment transactions.

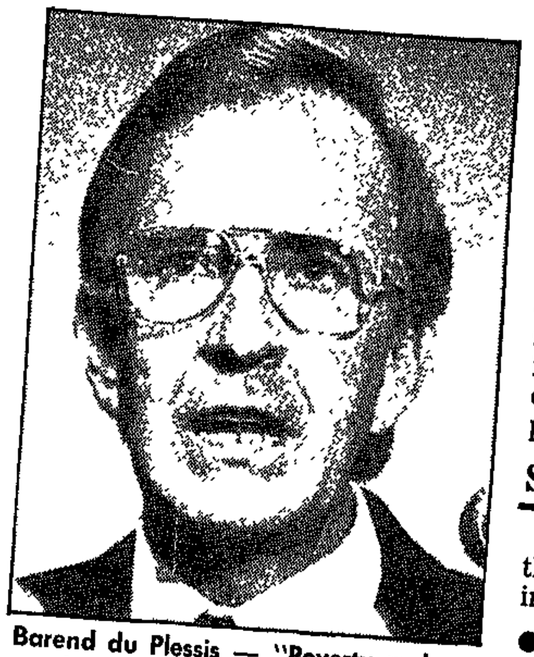
Advantages were that the multinational institutions had been bought up locally at relatively cheap prices while no important foreign operations were closed down nor were people layed off.

"The adverse effect of the disinvestment campaign ... has therefore been more of a psychological nature.'

He conceded however that there could be long-term effects because of the loss of direct links to technology, know-how and financial resources.

Another adverse financial sanction was the aggravation of South Africa's foreign exchange liquidity problem by restrictions placed by the United States Congress on assistance through the facilities of the International Monetary fund.

● Trade sanctions were of a dual nature with restrictions placed either on the imports of essential goods or on exports.



Barend du Plessis — "Poverty and unemployment increasing."

In some cases selective trade sanctions were being cynically applied on products, such agricultural products that were in over supply on the world market or they were being ardently supported by countries who happened to be major competitors of South Africa.

The embargo on certain goods was in some respects a "blessing in disguise" providing a stimulus in dom estic investment, especially in oil (Sasol), chemical, electronics and weapons industries.

But they also had social and macro-economic costs such as forcing the country to invest large sums in strategic stock piles, such as oil.

The amount of "scarce capital" locked up in the strategic stockpile programme could have been used to improve living conditions of low income groups.

Efforts to restrict exports from South Africa had "perhaps met with less success".

South Africa's total exports other than gold in volume terms (excluding price and exchange rate effects) increased 7,5 percent last year and at a seasonally adjusted rate of 16 percent for the first half of this year.

Apart from the current account of the balance of payments being in surplus for the past five years — even during the recent business cycle upswing when imports increased to meet increased domestic demand — total exports remained ahead of total imports.

Solutions

The major facets to the solution to the problems caused by sanctions lay in

● The strengthening of the balance of payments by discouraging imports and encouraging exports by depreciating the rand.

● Consolidating foreign debt by reducing the amount outstanding as well as stretching repayment over a longer period.

● Encouraging domestic saving and discouraging spending.

● Greater discipline on government expenditure. Increases in the deficit before borrowing looked as if it would be reduced to less than three percent of the gross domestic product in the current fiscal year compared with the 5,7 percent of two years ago.

● The new labour dispensation which had liberalised the labour market with huge amounts allocated for training and education of the labour force.

● The new urbanisation policy.

● Deregulation and the stimulation of the informal sector, particularly amongst the black community.

● Privatisation.

Mr du Plessis warned that economic restructuring through the market system would take time, patience and lots of discipline.

Trade unions militant on SA sanctions

HARARE. — Trade unionists from about 80 countries yesterday agreed to exert pressure on their governments to ban new investments in South Africa and impose more rigorous economic sanctions against it.

The more than 600 delegates to the 24th world congress of the Public Services International said they would campaign for the convening of a United Nations conference aimed at obtaining commitments to an effective oil embargo against Pretoria.

Negotiations

In their resolutions, adopted after a morning of discussions on Southern Africa, the trade unionists called for an end to South Africa's "ruthless destabilisation of neighbouring states".

"The PSI notes indications that the apartheid regime may be prepared to enter into negotiations with organisations genuinely representative of the South African majority and welcomes these signs, while recognising that negotiations are not an end in themselves.

"The PSI, therefore, pledges to step up and maintain its anti-apartheid campaigning until the true goal of a democratic, unitary state based on the principle of one person, one vote has been achieved," one of the resolutions stated.

The congress called on PSI-affiliated unions, representing about 11 million people, to step up anti-apartheid action. — Sapa

INV011/C

Call for boycott of SA products

Step up sanctions, urge union leaders

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Police brutality

The congress called on PSI-affiliated unions, representing about 11 million people, to step up anti-apartheid action, including helping in the organisation of consumer boycotts of South African products and giving support to independent SA trade unions.

The congress said the black majority continued to suffer under apartheid, with the situation being worsened by Pretoria's policy of privatising public facilities such as health and education.

"Apartheid is not only kept in place by police brutality and hit squads, but through the structures of inequality which permeate South African society.

"The right to adequate health care, education and housing — in fact all the basic and necessary amenities — are denied to those who cannot pay, and those who cannot pay are the black majority who are the victims of apartheid, which discriminates socially, economically and politically," said the resolutions.

The unionists said there was growing unemployment in South Africa, while the Labour Relations Act did not cater for the interests of the majority of workers.

"Bearing in mind all the problems facing our brothers and sisters in South Africa, the PSI commits itself to assist, wherever possible — and in joint consultation with South African unions — in the process of unifying the trade union movement."

Result of sanctions a bit of a mixed bag

Sanctions have had little effect on South Africa's economy and the boycotting of South African athletes has been similarly unsuccessful, according to a Californian academic. **DAVID BRAUN of The Star Bureau** reports.

WASHINGTON — The performance of the Johannesburg Stock Exchange in recent years is proof that sanctions have had little impact on the South African economy, according to a California academic.

Professor Tom Hazlett, of the University of California, told a recent seminar in Washington he had measured the performance of the JSE against other world markets and sanctions. If sanctions had been effective, he said, one would have expected the indices of the JSE to go down.

Instead, the results had proved to be a mixed bag. JSE indices had actually gone up after the Comprehensive Anti-Apartheid Act (CAAA) was passed by the US Congress in 1986.

Confidence

Professor Hazlett said the performance of a stock market was a good general indicator of the health of an economy, as well as an indicator of business confidence.

He advocated a series of positive alternatives to sanctions in order to abolish apartheid.

"The problem is how to sanction apartheid without sanctioning South Africa," he said.

Professor Hazlett said it would be a good idea to allow South African sportsmen to compete freely internationally, provided they signed a declaration denouncing the South African Government's policies. The present practice of boycotting all South African athletes did not seem to have had much effect, he said.

He also suggested a recasting of the Sullivan principles, to make them more credible, and US funding of aid projects for the South African black community in order to subvert apartheid and basically bribe South African officials to create the forces for integration.

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BUSINESS

Success of trade credit sanctions limited

Pro-sanctions lobbies have encouraged foreign banks to end trade credits. However, this is unlikely to happen. HILARY JOFFE reports

PRESSURES from anti-apartheid groups on foreign banks to end trade credits to South Africa could be partly successful and would be reflected in a further deterioration in its capital account balance of payments But a significant portion of foreign trade finance would not be withdrawn.

This is the view expressed in the Bank of Lisbon's latest *Economic Focus*, which explains that it would not be easy for foreign governments to place severe restrictions on trade credits beause such moves would reduce their own exports.

Trade credits have become South Africa's main form of foreign finance now that the country is receiving almost nothing in the way of loans or investment capital from overseas.

Anti-apartheid groups and politicians, most recently the Commonwealth leaders, have been campaigning to end trade credits to South Africa.

These are generally short-term loans to cover import or export transactions — for from 30 days upwards — but can be granted for up to five years or more, depending on the products involved.

According to *Economic Focus*: "The bulk of these loans take the form of suppliers' credits extended directly by exporters in other countries or credits extended on behalf of exporters by commercial banks in other countries or official institutions which exist for this purpose."

In some countries, government agencies guarantee or insure the trade credits, in return for a fee. For example, the British Export Credit Guarantee Department and the American Export-Import Bank provide guarantees that exporters in their countries will be paid even if importers default.

"Such facilities enhance the scope of exporters in general in acquiring trade finance facilities from private banks," says *Economic Focus*.

It is these insured or guaranteed trade credits which would be easiest to sanction, the Bank of Lisbon report says, because they are publicised. But uninsured credits issued by foreign banks, and direct credit from suppliers, would be unlikely to be affected.

Other factors which would lessen the impact of sanctions on trade credits, says the bank, include:

- The emergence of new financial centres in the Far East which could furnish South Africa with new financing channels;
- Certain South African companies have started to provide offshore financing for South African traders;
- Sanctions on trade credits could encourage the growth of countertrade — bartering between South Africa and other countries.

If trade credits were less available this could, ironically, benefit South Africa's balance of payments position by choking off imports, the bank says.

In June 1987, trade credits guaranteed to South Africa by official agencies around the world totalled $3,1-billion (around R8,2-million), of which $1,8-billion were bank loans and $1,3-billion were suppliers' trade credits, according to data from the Bank for International Settlements cited in *Economic Focus*. Total trade credit finance to South Africa would be much higher if non-guaranteed loans were included.

Roughly 85 percent of South Africa's imports are intermediate or capital goods which are financed to a large extent by foreign trade finance facilities

Since 1985 public corporations such as Eskom have made greater use of insured foreign trade credits as replacement for bank loans which can no longer be raised, according to *Economic Focus*.

NGK raps Boesak on sanctions call

JOHANNESBURG. — The NG Kerk has strongly criticised the moderator of the Sendingkerk, Dr Alan Boesak, for calling for intensified sanctions against South Africa.

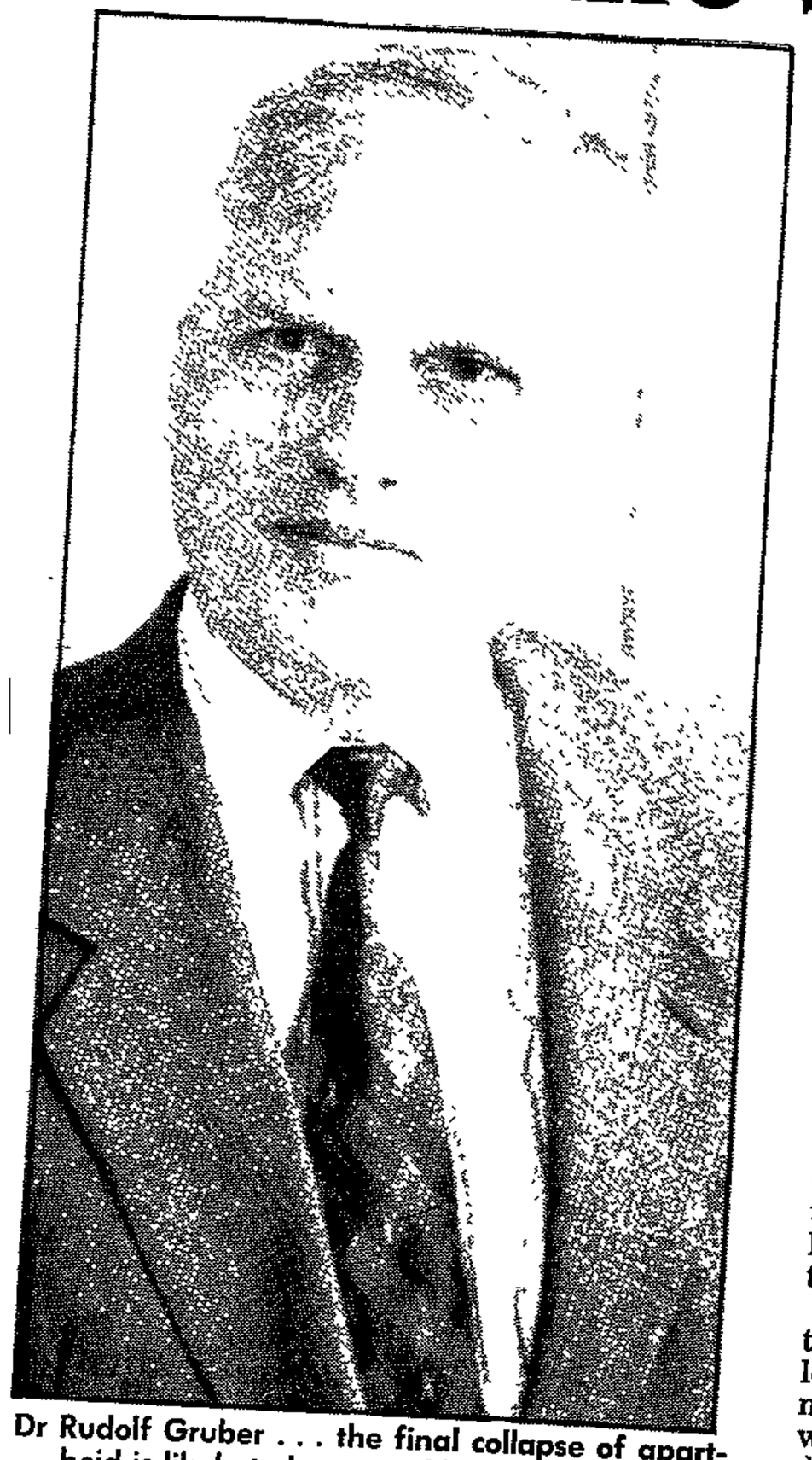
In an editorial in its publicationthe church said it found Dr Boesak's actions unacceptable and said the matter would have to be discussed in depth during any future contact between the two churches.

Meanwhile, the NG Kerk has urgently called on President De Klerk to consider reprieving security prisoners who have been sentenced to death.

In Die Kerkbode the church said it did not want to imply the death sentence was unbiblical, but it wished to plead for clemency in the light of the situation in South Africa.

The church asked the government to give immediate and serious attention to the matter. — Sapa.

Economic sanctions are a crime against SA's future



Dr Rudolf Gruber . . . the final collapse of apartheid is likely to be caused by demography.

The system of apartheid has come to be seen even by many of its erstwhile supporters as politically unacceptable, economically unworkable, socially unjust and morally indefensible. It is not yet dead, but is is dying, and its demise within the foreseeable future is no longer in doubt.

While many actors at home and abroad have contributed to this result, the final collapse of apartheid is likely to be caused by demography.

The present population of South Africa within its historical borders of 1910 is estimated at 35,3 million, of which 4,9 million or 14 percent are white.The expected population of the same territory in the year 2000, given an annual increase of 2,5 percent, is put at 47,5 million, of which under 5 million or only 10,5 percent of the total will be white.

Change dramatically

Since the rural areas with their subsistence economies are already unable to sustain the people resident in them, the increase in numbers will have to be accommodated in the towns and cities.

From a total of 11 million at present, the number of black urban dwellers will rise to 27 million by the year 2000. They will thus be three times more numerous than the whites, coloureds and Indians combined.

Since the latter represent the First World component, the character of the cities, previously their domain, can be expected to change dramatically under the impact of the new, predominantly Third World arrivals.

Even if the whites were of a mind to maintain their powers and privileges by force, they would not be in a position to do so in the face of such population growth and urbanisation. The manifold problems arising from these developments can only be tackled with and not against the people concerned.

Failing active partnership and willing co-operation across the visions of race and class, the problems will simply engulf all. Power sharing is thus not merely inevitable, it is also the precondition for white survival and the maintenance of those standards that make life worth living.

Not all whites have reached, let alone support, such conclusions; but there is a majority to the left of the Conservative Party and there is reason to believe that commonsense and englightened self-interest will ultimately prevail.

*The UN recently held hearings on the role of transnational corporations in South Africa. Among those invited by the UN to give evidence were a number of South African organisations and individuals. The SA Foundation's Bonn director, **DR RUDOLF GRUBER**, was also asked to testify. This edited address aroused considerable interest.*

Should this not be the case, the political outcome, black majority rule, is nonetheless certain to be the same, though the process may last longer and the cost would undoubtedly be that much greater.

Since the advent to power of a black-led government is thus an historical inevitability, the question of disengagement or disinvestment by transnational corporations as a means of achieving that end acquires a different character.

The enfranchisement of the black majority can be hastened or delayed by extraneous factors, but it cannot be called into question.

The criterion for judging what happens in the meanwhile is thus whether it facilitates or aggravates the task of a future black-led government.

The legacy of apartheid is already burdensome enough in the shape of a backlog of houses, schools, hospitals and jobs for the deprived Third World community that is discriminated against.

When compounded by rural migration, population explosion and rising expectations generally, the burden could become unmanageable and thus a destabilising factor of the most potent kind in a post apartheid society. The new order would simply not have a chance.

The shortfall in black housing is already such that some 2 million units would need to be built by the year 2000 in order both to mop up the backlog and cater for the natural increase in demand. This represents a construction rate of 3 000 homes every week until the end of the century.

In 1986, the last year for which reliable figures are available, the public and private sectors together managed to complete 500 new units each week. Current output may be somewhat higher, but it is still well short of what is needed merely to hold the ground. The known shortfall of 725 000 housing units in 1987 is thus actually increasing rather than diminishing.

The backlog of classrooms in schools in 1987 already totaled 43 131. With the enrolment of black schoolchildren alone rising by some 300 000 per annum, there is no way by which this shortfall can be reduced.

Merely to cope with the natural increase would require the completion of 30 new classrooms or a school large enough to house 1 200 pupils, on every working day of the year.

Entire budget

Such is the dimension of the problem, that the entire national budget would not suffice to put matters right if it were spent on nothing else until the end of the century

No comprehensive and up-to-date estimates of the backlog of hospital beds for the black community seem to exist, but if the average bed occupancy rate of 133 percent in hospitals outside the homelands is any guide, the shortfall is already very serious.

If there were to be parity in hospital services for blacks and whites on the basis of existing standards (79 beds per 10 000 inhabitants) in respect of the latter, there would need to be an additional 195 175 beds by the year 2000. As with the provision of classrooms, such a building programme would absorb all state revenues and still not come out.

If the unemployed are deemed to include those in the subsistence and informal sectors whose means of earning a livelihood are both irregular and precarious, the number of blacks out of work in 1985 numbered 4,5 million or 37 percent of the economically active adult population.

With the latter expected to rise from a total of 12,3 million in 1985 to 17,8 million in the year 2000, the number of those out of work is expected to approach 10 million and thereby actually to exceed those in gainful employment.

Those without skills and those leaving school without a vocational qualification are already disproportionately affected, and are likely to be thrust aside or left behind on an even greater scale in future. To be young and black is to have a one-in-five chance of finding a job.

Given continued punitive sanctions and consequently a rate of economic growth below that of population increase, the odds can be expected to lengthen further.

As a developing country whose domestic savings are insufficient to meet its investment needs and whose economic growth is thus dependent upon its capacity to borrow capital, hire skills and acquire technology from elsewhere, South Africa needs access to such sources of supply if it is to progress to the point of self-sustaining growth.

By making it a net exporter of capital and skills, the international sanctions campaign has caused South Africa to consume its own seedcorn, and thereby reduce the capacity of a future black-led government to contain, let alone overcome, the problems of housing, education, health care and job creation that will beset it.

Transnational corporations are not the major players in the South African economy, but their international connections, especially their ready access to investment capital, management skills and hi-tech, make them an important innovative and locomotive force.

If they are obliged to disinvest for political reasons, they will not readily return later unless business prospects are particularly good. Since this is unlikely to be the case in a post apartheid society for the reasons outlined above, their departure is almost certain to be irreversible.

Disinvestment may shorten the life of the old order, but this will be marginal at best. It will unquestionably weaken the prospects of the new order.

The real victims of disengagement and disinvestment, in short, are those very people for whose liberation from deprivation and discrimination such steps are purportedly being taken.

Economic sanctions, in short, are a crime against the future.

B|Dan|b|11|89 (280)

Sanctions on Namibia stay for now

WASHINGTON — There is little movement in Congress to lift US sanctions on Namibia despite UN special representative Martti Ahtisaari's declaration that last week's elections were free and fair.

Senator Paul Simon, Senate Africa Subcommittee chairman, told Assistant Secretary of State Herman Cohen last month that he would be willing to take the necessary steps to amend the Comprehensive Anti-Apartheid Act once the elections had been certified.

But staff members said yesterday he now believed such a move would be "premature".

SIMON BARBER

Sources close to the House Foreign Affairs Committee said they believed the sanctions — identical to those in place against SA — would remain in place until Namibia was formally independent.

The CAAA's sanctions apply to Namibia because it is "a territory under the administration, legal or illegal, of SA".

With Congress due to recess before the end of the month, time is running out for any action until next January at the earliest.

SA is losing economic war, says UK report

Cape Times 16/11/89 280

Own Correspondent

JOHANNESBURG. — Despite denials by the government, South Africa is in the process of losing the economic war declared on the country by the international community.

According to a report published by London-based Research Support and Marketing group, South Africa's weakened economy has become extremely sensitive to political decisions.

The report said a new political framework was essential in preventing a continued slide into Third World economic chaos.

"By the New Year it is anticipated that the world will be complaining about the obduracy of Mr F W de Klerk — whose likely delaying tactics will be designed not to prevent reform occurring but to secure the best bargain he can for Afrikaners," the report said.

Telephone: 685 5120

US firm stops trading in SA securities

From SIMON BARBER

WASHINGTON — Merrill Lynch, the largest US securities firm, has told its employees it is ceasing all SA-related transactions in response to pressure from local governments which have banned dealings with firms that have ties with SA.

Other brokerage houses are expected to follow Merrill's lead.

Under the new policy, Merrill will immediately cease researching SA companies and making recommendations on their stocks, although it will continue to follow the mining industry overall.

As of December 1, it will stop buying and selling SA securities including American Depository Receipts (ADRs) for shares traded on the Johannesburg Stock Exchange, and will refuse to execute clients' orders to buy or sell SA securities except to liquidate current holdings.

From the end of January next year, all accounts of customers in SA will be closed, as will all accounts of SA-based banks.

The moves were announced in an internal memorandum whose existence was disclosed by the Wall Street Journal yesterday.

Merrill officials confirmed that the memo was genuine but declined to comment further.

The document notes that the policy meets the requirements of selective purchasing laws adopted or pending in various city governments around the country.

Such laws could, for example, prevent Merrill from being selected as the lead underwriter in major — and highly lucrative — municipal bond issues.

The company's sweeping decision goes beyond any similar moves by its competitors. American Express-controlled Shearson Lehman Hutton Inc, for example, trades in SA securities for US customers, but will not do business directly with SA companies or individuals.

● **Our London correspondent, ROBERT GENTLE,** reports that SA gold shares, which of late have enjoyed a resurgence of interest on the London Stock Exchange, fell sharply yesterday in response to a surprise decision by Merrill to stop trading them.

There was no comment from Merrill in London at the time of going to press.

Among the major falls were Driefontein (down 25p to £8,65), Harties (down 20p to £5,22), Kloof (down 21p to £7,22) and Harmony (down 14p to £3,75).

An analyst said the falls were probably more a result of panic-induced markdowns than actual selling.

Vansa Vehicle for futures

Hope of US lifting sanctions next year

AMCU 23/11/89 280

From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — Sanctions could start to be lifted, or modified, by June next year if South Africa "continues to make progress the way it has in recent months".

This emerged during an address by the United States Assistant Secretary of State for African Affairs, Mr Hank Cohen, at a closed-door meeting at Georgetown University this week.

And he said in an interview later that he was optimistic South Africa would make the changes which would enable the Bush Administration and Congress to consider lifting sanctions next June.



Hank Cohen

Mr Cohen's remarks have been met with a degree of surprise by hardliners on Capitol Hill, who feel they may be a bit premature.

However, he said he had been very encouraged by changes made by President F W de Klerk and much progress had been made towards meeting the preconditions for the lifting of sanctions.

Mr Cohen said the state of emergency had, in effect, virtually been lifted and that the African National Congress was virtually entitled to operate legally.

"Hopeful"

If this kept up, he was hopeful that by the end of June the requirements stipulated in the Act would have been met, and that the lifting of sanctions against South Africa could be considered.

One observer pointed out that Mr Cohen had just a few weeks ago spoken in terms of deadlines for South Africa and now seemed to contradict himself by talking in terms of specific goals already being met.

However, another source said there was virtually no change in the sense of Mr Cohen's remarks from earlier this year, when he told the Senate he was confident South Africa would make progress by June next year.

And Mr Cohen said in the interview he had not set any deadlines for South Africa, but had instead bought time for Pretoria until June next year. He said Congress had agreed to give South Africa until then to make changes.

● Crocker's view — page 15.



Mrs Thatcher

Camp David talks to focus on arms cuts

Thatcher wants support for FW

LONDON. — Mrs Margaret Thatcher flew to Washington last night for talks with President George Bush that are expected to include discussion of the British prime minister's desire to show signs of encouragement for President F W de Klerk's reforms.

Mrs Thatcher would like to visit South Africa next year, provided ANC leader Mr Nelson Mandela has been released from jail. There has been speculation that she is considering lifting sanctions on South Africa if there is further progress.

Mrs Thatcher's meeting with Mr Bush at his Camp David retreat — their first official talks in Washington since he assumed the presidency in January — was arranged some time back.

But with her leadership of the Conservative Party facing a challenge for the first time in 14 years, senior Tories hope her meeting with Mr Bush will serve as a timely demonstration of Mrs Thatcher's experience and seniority as a Western leader at a time of upheaval and uncertainty in Europe.

The talks will be dominated by East-West affairs and Mrs Thatcher intends to caution Mr Bush against making pre-emptive, unilateral cuts in the West's defences. The proposed cuts form part of Mr Bush's new offer to Soviet leader Mr Mikhail Gorbachev to work towards ending the Cold War.

Although supporting Mr Bush's desire to tear down the remaining East-West barriers, she will urge a "calm, cool and deliberate" approach to the moves towards democracy in both the Soviet Union and its satellite countries in Eastern Europe.

She has been alarmed by the enthusiasm of some members of the Bush administration, including US Defence Secretary Mr Richard Cheney, for big cuts in military spending.

British officials expect her to repeat the message of her recent Guildhall speech that the pace of reform in Eastern Europe and the Soviet Union may go too fast and destabilise Mr Gorbachev, that times of great change are also times of great uncertainty and danger and that Nato must not lower its guard.

In what is expected to be the most controversial issue of the talks, Mrs Thatcher will seek an assurance from the US that it will not block the involuntary repatriation next month of thousands of Vietnamese boat people from Hong Kong.

The US — which retains a strong emotional commitment to Vietnam — is strongly opposed to the British government's policy of sending refugees back to Vietnam against their will. — Daily Telegraph



Sir Anthony

'Sir Nobody' ready to do battle against 'Iron Lady'

LONDON. — Senior Conservatives mentioned as possible successors to Mrs Margaret Thatcher rallied round the British prime minister yesterday, pledging to stay out of any revolt against her leadership of the party.

"I urge any parliamentary colleague who might be thinking of forcing the party into a leadership election not to do so," deputy Prime Minister Sir Geoffrey Howe said in a statement.

Sir Anthony Meyer, a Conservative MP, said on Wednesday he was likely to stand against Mrs Thatcher.

Sir Anthony, 69, a party maverick dubbed "Sir Nobody" by the pro-Thatcher Daily Express newspaper, stands no chance of toppling the strong-willed British leader.

But his candidacy could light the way for better-known politicians to challenge Mrs Thatcher for the first time since 1974 if an expected party leadership ballot shows her support has weakened.

Sir Anthony raised the possibility of a battle against Mrs Thatcher a month after the resignation of Chancellor of the Exchequer Mr Nigel Lawson plunged the prime minister into her most serious political crisis since taking office in 1979.

Sir Anthony has accused Mrs Thatcher of being out of step with public opinion in some areas and said there was dissatisfaction within the party with her leadership.

Political analysts have mentioned Sir Geoffery, former Defence Secretary Mr Michael Heseltine and Conservative Party chairman Mr Kenneth Baker as candidates for succession. — Daily Telegraph

Indaba talk dominated by sanctions

CAN T1 & 30/11/89

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Own Correspondent

PARIS. — Sanctions dominated the open session of the Paris indaba held at the French National Assembly yesterday as Cosatu's Mr Jay Naidoo and the ANC called on France and other nations to tighten the screws on Pretoria.

White domination was still entrenched, cheap labour was still being exploited and foreign arms were still killing children, the packed gathering of South African delegates, French politicians and foreign media heard.

"What options do we have?" Mr Naidoo asked his 200-strong audience "We cannot ask the French army to march in and help us."

He called on France to support SA workers by pressurising President F W de Klerk to move away from "cosmetic reforms" and address fundamentals.

Sharing the platform with MDM spokesman Mr Murphy Morobe, Wits principal Professor Rob Charlton, poet Breyten Breytenbach, Ms Danielle Mitterrand and the ANC's Mr Paulo Jordan, Mr Naidoo said it was an irony that he was able to address such a gathering in France but not in SA.

The ANC's Mr Jordan — standing in for Mr Thabo Mbeki — poured scorn on the sudden concern in the West for the plight of black workers and called it so much "ash in the mouth"

The MDM's Mr Morobe was more nuanced in his address, describing SA as being in a state of great flux which would herald one of the most important events of the decade after perestroika.

"On a number of fronts apartheid has been significantly rolled back, especially on the front of perception," Mr Morobe said.

Prof Charlton was alone on the platform to oppose sanctions, saying that the country needed a strong economy and that many problems faced today will not disappear in a post-apartheid era

SA needed to go beyond merely digging minerals out of the ground and become more entrepreneurial like the Pacific Rim countries, he said.

With the session thrown open for debate among the delegates, various degrees of support for and against sanctions emerged.

DP co-leader Dr Wynand Malan urged caution on both sides and called for a closer look at Mr De Klerk. "He is not totalitarian. We are making too little of the switch of government from Botha to De Klerk," he said.

Author Andre Brink, whose Dry White Season has just opened at French cinemas, called for "massive aid" to counter the harmful effects of sanctions.

This aid argument was endorsed by Peninsula Technikon director Dr Franklin Sonn, who told the audience that the government had cut funding to his institution

Sanctions dominate indaba

(280) B Day 30/11/87

ROBERT GENTLE

PARIS — Sanctions dominated the open session of the Paris indaba held at the French National Assembly yesterday as Cosatu's Jay Naidoo and the ANC called for tightening of the screws on Pretoria.

Naidoo called on France to support SA's workers by pressing President F W de Klerk to move away from "cosmetic reforms" and address fundamentals.

The mass democratic movement's Murphy Morobe said: "On a number of fronts apartheid has been significantly rolled back, especially on the front of perception." Its state of flux would herald one of the most important events of the decade after perestroika.

Wits principal Rob Charlton oppposed sanctions alone, saying SA needed a strong economy as problems faced today would not disappear in a post-apartheid era.

DP co-leader Wynand Malan urged caution on sanctions and called for a closer look at De Klerk. "He is not totalitarian. We are making too little of the switch of government from Botha to De Klerk."

Author Andre Brink, whose Dry White Season has just opened at French cinemas, called for "massive aid" to counter the harmful effects of sanctions. He suggested Western governments could stave off the closure of Vrye Weekblad, which faced a R500 000 lawsuit.

Abdul Minty, director of the Oslo-based World Campaign against Nuclear and Military Co-operation with SA, called on France to investigate how its arms reached SA despite an official embargo.

ANC Foreign Affairs spokesman Thabo Mbeki did not speak as he was "not feeling well". Later, delegates said the session did not reflect what was going on behind closed doors at Marly-le-Roi.

Rugby tour for SA next year

Cape Times 1/12/89

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LONDON. — An international rugby team — including All Blacks and Australian stars — will play at least five matches in South Africa next year, including tests in Durban and Cape Town.

At the conclusion of its interim meeting in London yesterday, the International Rugby Board (IRB) confirmed it had sanctioned the short tour to celebrate the Natal and Newlands stadium centenaries

The IRB Policies Committee chairman, Mr John Kendall-Carpenter, of England, said President F W de Klerk's "dramatic" reforms had influenced IRB support for the tour.

"Mr de Klerk promised change when I met him earlier this year in South Africa. He has already started delivering his promises, very dramatically.

"We now await the day, and it may not be all that far away, when changes are such that South Africa is again touring the world and receiving the world's teams."

Australian IRB delegate Dr Roger Vanderfield confirmed that his board would support the tour. "Our attitude has not changed. We will be delighted to support this tour.

"Our stipulation is that all invitations must be agreed with and handled by us and a maximum of six Australian players will be avilable, depending on our domestic playing committments."

September best time for tour

The New Zealand Board — not represented at yesterday's press conference — has given an identical undertaking of support.

It is understood that New Zealand and Australia have indicated that the best time for the tour would be around September next year.

The clearance for the 1990 short tour also endorsed the IRB's view that the SARB did not act improperly or offer illegal payments to players for the disastrous World XV tour three months ago.

Springbok delegates, Professor Fritz Eloff and Mr Jan Pickard said the IRB's backing was a "big and very important vote of confidence" in the South African Rugby Board (SARB).

Both men hoped the international rugby community's support would encourage rebellious provinces and officials at home to see sense.

Prof Eloff said the threatened breakaway made less sense than ever.

"This has been a historic meeting here for rugby, and particularly for South African rugby."

(CAA12769)

AAC 4
2/12/89

Rebel cricket demo

Z80

By ROBERT HOUWING
Weekend Argus Reporter

SEVERAL demonstrators, including leading "non-racial" sports personalities, were detained and placards confiscated at Athlone today during an attempted protest against the English "rebel" cricket tour.

More than 200 protesters gathered around the perimeter of Avendale Cricket Club, which is affiliated to the Western Province Cricket Union, from 11am.

A large police contingent was already stationed around the ground and demonstrators grouped at a nearby car park.

Several placards, some of which bore slogans like "Stop the rebel tour" and "Down with multi-national sport" were seized before they could be hoisted.

At 11.30 am, a police official with a loudhailer warned protesters that their gathering was illegal in terms of the Internal Security Act and gave them two minutes to disperse.

● A police spokesman confirmed several people were detained but would not give further details.

Star 31/12/89 (280)

British bias bans SA's little 'uns

By JEREMY BROOKS
London

FIFTEEN 11-year-old Cape Town schoolboys on a soccer tour of Britain faced the reality of race politics this week.

The Euro Cubs, all from the Rygersdal Boys' Club, were barred from football in Surrey after a local parent realised they were South African

He complained to the Football Association and the match was called off

Said tour organiser Peter Lesley· "On the whole, we have had a tremendous welcome.

"But there has been the odd problem with some clubs who, realising we were South Africans, have told us· 'We can't play against you'

"The main reason seems to be that they use public pitches in Labour-controlled areas

Friendly

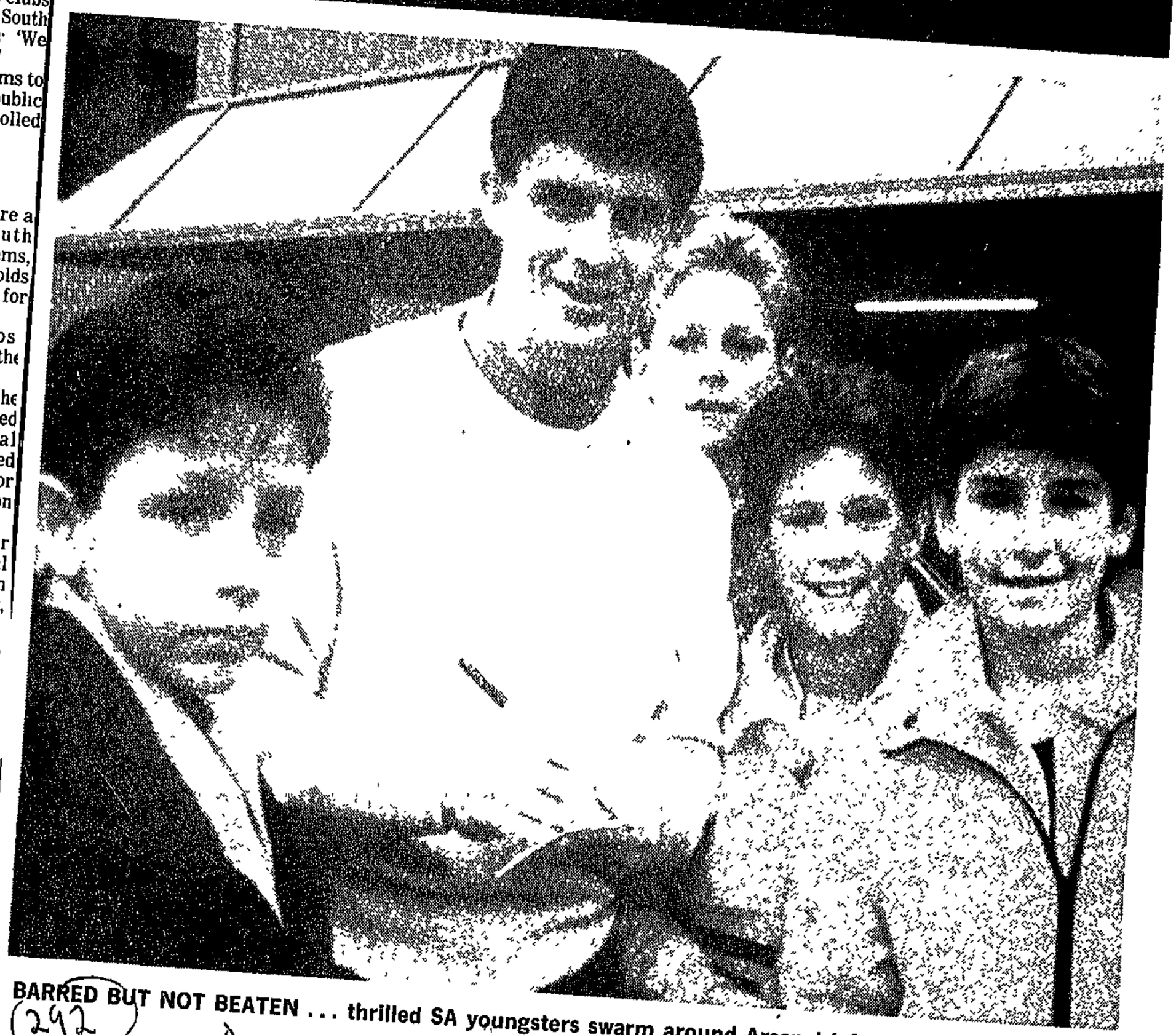
"The irony is that we are a multiracial side. South Africa might have problems, but a group of 11-year-olds are hardly responsible for them

"Luckily, in mos instances, that has been the attitude"

Since their arrival, the boys, dressed in bright red tracksuits with personal monograms, have limbered up in Kensington Gardens or have trooped around London taking in the sights

This week they played four friendly games against local London sides from Camden and Hackney at Highbury, Arsenal's home ground.

As their coach pulled up, Arsenal left-winger Brian Marwood ambled past and was quickly surrounded by an eager gang of autograph hunters



BARRED BUT NOT BEATEN . . . thrilled SA youngsters swarm around Arsenal left-winger Brian Marwood

(292)

3/12/89.

There IS a light at the end of the sanctions tunnel

IF private assurances that have been given to the Bush Administration by the South African Government are carried out, relations between the US and South Africa may be on the brink of a significant improvement — perhaps the most dramatic change for the better since the National Party took power in 1948

Such a statement may surprise South Africans who have been following Press reports on US attitudes

During the October Senate hearing on South Africa it was widely reported, for example, that South Africa had been given a deadline. Change by the end of the next parliamentary session ... or else.

Similarly, recent reports have suggested that whatever F W de Klerk does, Bush will be unable to "turn back the tide of hysteria". It is said that it would be a waste of time for him to visit the US, and that even if he were to go, there would be very little that the Bush administration could or would dare to do for him.

Affront

It has been suggested that the "volkspolitzei" in the House of Representatives and the 15 percent of the electorate which is black (actually, closer to 11 percent and not voting in those numbers) would regard any alleviation of sanctions as a direct affront.

Finally, South Africans have been told that US investment in South Africa is already about as uncomfortable and isolated as John le Carré's spy who came in from the cold, and that the position is likely only to deteriorate.

Now, it's true that some of the these points need to be taken seriously Divestment measures by state and local governments have operated almost irrespective of what is happening in Washington — not to mention what is happening in South Africa itself.

It is also true that this is an issue which makes politicians very nervous. South Africa has been in the dogbox for so long that politicians are still afraid of being bitten. There is also a genuine concern about black opinion, both in the US and in South Africa — the more so because Americans are uneasily aware of lingering tensions and inequalities within their own society.

And it is true that President Bush and his agile Secretary of State, James Baker, have shown no inclination to fall upon their swords, either in this or any other cause. This is not an administration with any profound philosophical principles; its guiding principle is pragmatism.

One can be cynical about that, or one can observe that it is an inevitable corollary of a divided system of government in which Congress is controlled by the opposing party. Bipartisanship is not merely a strategy for the Bush administration — it is all but a necessity.

Confidence

And, finally, it is true that the Democratic Party, which controls Congress, is deeply beholden to black support, and has been in the vanguard pressing for sanctions against South Africa.

Perhaps that sounds as if the case for the situation being hopeless is made, and that nothing more need be said.

But the trouble with such arguments is not merely that they are arguments of despair. They are, in effect, arguments that existing circumstances cannot be changed, that the US is irrevocably antagonistic.

The most astonishing revelation at the recent Senate hearings lay in the predictions of change made by Assistant Secretary of State for Africa Hank Cohen.

He divided the process of reform in South Africa into three phases. The first was what he described as the "process issues". Obviously, it is impossible to have a negotiation about a future constitutional structure while the leaders of one essential part of those negotiations are in jail. By definition, then, Nelson Mandela and the other detainees have to be released.

Similarly, there can be no negotiation while their parties are banned or they are unable to move freely around the country to consult with their followers.

It follows, therefore, that the state of emergency has at least to be suspended and the ANC (or at least its non-military wing) unbanned.

The second aspect of the programme for change sketched by Cohen was the removal of discriminatory legislation, particularly the Group Areas Act, the Land Act of 1913, the Population Registration Act, and the Separate Amenities Act.

Here again, what was stunning was Cohen's confidence that much of this legislation would be removed. He said. "I would expect that much of this would be done in the next parliamentary session, which begins in February in Cape Town." But more important was Cohen's belief that the reforms would take place — a belief, as he made clear in a subsequent interview, that was based on assurances given by the South African Government.

The final phase of reform, that of negotiation with blacks about a new constitutional structure, Cohen described as the most important, but he set no deadlines.

Cohen, in another phrase that was not picked up by the Press, noted that "our policy will balance pressure and incentives".

This raises the question very directly What would be the reaction of the administration and the Congress to a sequence of events in which the state of emergency is ended or at least suspended, in which the ANC and other parties are unbanned, in which the State President announces that certain pieces of discriminatory legislation will be scrapped (as he has already done in connection with the Separate Amenities Act); and in which Nelson Mandela is released and invited, together with other major white, black, coloured and Indian leaders, to participate in negotiations on a new constitution?

Results

It is here that one needs a little imagination. What will be the impact of such events on a media-driven society like the US? Would the Bush administration and senior members of the Congress simply renege upon their assurances of reciprocity? Would this be an intelligent thing for them to do?

Practising politicians here understand that such reforms have an electoral cost. They realise that the South African Government needs to show results. And what would be the reaction of the South African Government if there were no effort to reciprocate?

A good deal will also depend on the attitude of black leaders in South Africa US Congressional leaders will undoubtedly look for guidance to black leaders in South South Africa — their role may not be decisive, but it will be important.

But those leaders are in a difficult position. They still have no assurance that the Government is going to share power, and may overestimate their own.

Some may believe that sanctions have been more effective in getting the Government to move than is really warranted. Some may feel a temptation to play it safe, to use tough rhetoric rather than to explore the possibilities of compromise.

Some see sanctions as the only weapon they have to put continued pressure on the Government. They worry that, if some sanctions are removed, they may not be able to reinstate them if the Government fails to negotiate in good faith.

But perhaps black leaders don't understand the full dimensions of their problem. For if there is no demonstrable recognition from overseas of what the Government has done — and the relaxation of some sanctions would be the best sort of recognition — there may be a backlash which brings reform to a halt.

It was, in fact, the absence of any domestic or overseas recognition of the reforms Sir Edgar Whitehead introduced in Rhodesia in the early '60s which helped to bring the Rhodesian Front to power, and led to Mr Ian Smith, UDI and civil war.

The question is whether there is a Lech Walesa among those black leaders who is statesman enough to recognise the fears among whites as well as the need to give leadership to blacks. One thing such a statesman needs to do is to give that guidance to Congress and the administration.

What can South Africa expect? Not the elimination of all sanctions, certainly But there are some sanctions that are likely to be removed.

Battle

The US may well also eliminate financial sanctions, including the requirement that the US vote against any South African application for financial assistance from the International Monetary Fund.

The criteria for removing that restriction are less demanding than for removing sanctions under the Comprehensive Anti-Apartheid Act.

None of this means that this is going to be an easy battle, or that South Africa can sit back and wait for sanctions to fall like ripe fruit.

South Africans are going to have to shake the tree and be there to catch the fruit; but that the fruit is there to be caught and that it can be shaken loose there can be very little doubt.

John Chettle

former director for North America of the South Africa Foundation, sees encouraging signs of improved relations between the United States and SA

Cricket demo: 53 people held

CAPE TIMES 4/12/89

Staff Reporter

FIFTY-THREE people — including top sports figures — were detained for about seven hours on Saturday following a demonstration in Athlone against "racist sport" and the English rebel cricket tour.

The detentions came after more than 200 people protested at Avendale Cricket Club.

The demonstration was led by the South African Council of Sport (Sacos), whose secretary-general Mr Colin Clarke.

Sacos president Mr Joe Ebrahim, who was also detained, said the Avendale venue was selected for the protest because "they play under the government's multi-national sports policy which makes them multi-national — not non-racial".

All Western Province Cricket Board premier and first division matches that were postponed to allow players to take part in the protest.

Among those arrested were Mr Frank van der Horst, immediate past president of Sacos, Mr Alex Abercrombie, SA Soccer Federation vice-president and National Sports Congress (NSC) treasurer (Western Cape), Mr H C C Hendricks, Sacos executive member and SA Amateur Athletics Board president, Mr Abe Adams, Sacos publications secretary and WP Cricket Board president, Ms Cheryl Roberts, NSC member and a prominent table tennis player, Seraj Gabriels, the WP Cricket Board captain and Dr Andre Odendaal, a former Boland Cricket Union (SACU) player who now captains the United Cricket Club. All were released on Saturday evening.

Mr Clarke said Sacos condemned "the arrest of sportspersons, and particularly leading officials, in the struggle against racist sport" and demanded the immediate cancellation of the proposed rebel cricket tour.

A Premier League match between Avendale and Paarl was in progress at the time of the demonstration.

Afrikaans writers fail to support ANC boycott

By Carina le Grange

BROEDERSTROOM — Amid fears of a split, the Afrikaanse Skrywersgilde (ASG — Afrikaans Writers Guild) failed to take a stand on the ANC's selective cultural boycott at its annual meeting this weekend.

The ASG, however, adopted a new constitution in which it spelled out its aims to strive for a non-racial, non-sexist, democratic, united South Africa — sentiments previously absent.

But the expected next move, for the ASG to join the MDM, did not materialise and was not discussed.

A motion that the ASG adopt a position on the cultural boycott was accepted, but a decision on the nature of that position was put off until the next meeting next year.

EXPECTATION

It was generally expected that the ASG — which came into being as a sign of protest among Afrikaans writers against censorship 14 years ago — would support the cultural boycott.

This expectation arose after half the executive and several prominent members, such as Andre Brink and Antjie Krog, signed the ANC's position paper on the subject after a meeting with writers at Victoria Falls in June this year.

At the annual meeting of the ASG however, Brink and Krog were absent. And a paper on the cultural boycott by Cosaw (Congress of South African Writers) national organiser Mr Junaid Achmed initially failed to draw as much attention as that of Dr Wilhelm Liebenberg on writers as cultural workers.

Dr Liebenberg was accused by author Professor Piet Haasbroek of using "neo-Marxist terminology" to present the meeting with propaganda.

METROPOLITAN WORLD The Argus Foreign Service

US sanctions shift on

WASHINGTON. — The American sanctions lobby has already identified next year's midterm US congressional elections as an opportunity for enhancing the passage of legislation for new sanctions against South Africa, according to the International Freedom Foundation.

The Washington-based conservative organisation says in its Southern African Bulletin for November that it is unlikely that President Bush will veto further sanctions if they arepassed by the Congress in 1990.

The very best South Africa could hope for next year is a stricter enforcement of the 1986 Comprehensive Anti-Apartheid Act (CAAA).

At worst, major components of the Dellums Bill could become law.

Worrying aspects of this Bill, which has already got the support of more than 100 congressmen, include international sanctions on oil, a ban on ship and airport calls to South African ports and airfields, sanctions on international telecommunications, banking, foreign loans and South African investments in the US, and a halt on the export of machine tools and capital equipment to South Africa.

Policy shift

The bulletin lists several factors which have been responsible for a shift in US policy towards South Africa:

- The Republican Party is under pressure to make a major bid to win over black voters or face the prospect of losing the 1992 presidential election.
- South Africa has become a useful factor in the Bush administration's determination to pressure Israel into agreeing to a new Middle East peace process. Recent revelations of South African/Israeli cooperation in the development of an intermediate-range ballistic missile provided one pressure point.

There is no effective voice in the US arguing a case against sanctions, says the bulletin.

It says sanctioneers have agreed thatthe future sanctions battle must be won first in the US, so that increased pressure could then be exerted on Europe and Japan.

Star 6/12/89

Bush 'unlikely to veto new SA sanctions'

280

By David Braun,
The Star Bureau

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The very best South Africa could hope for next year is a stricter enforcement of the 1986 Comprehensive Anti-Apartheid Act (CAAA). At worst, major components of the Dellums Bill could become law. Worrying aspects of this Bill include international sanctions on oil, a ban on ship and airport calls to South African ports and airfields, sanctions on international telecommunications, banking, foreign loans and South African investments in the US, and a halt on the export of machine tools and capital equipment to South Africa.

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- South Africa has become a useful factor in the Bush administration's determination to pressure Israel into agreeing to a new Middle East peace process. Recent revelations of South African/Israeli co-operation in the development of an intermediate range ballistic missile served a number of useful purposes, including as pressure to put on Israel.
- There is no effective voice in the US arguing a case against sanctions.

"The entire debate in the US is being lost by default, owing to the ineffectual efforts of both paid lobbyists and the private sector. In the absence of a credible lobby against sanctions, the Bush administration is neither compelled nor inclined to carry the anti-sanctions banner alone. As a result, President Bush will be willing to concede on the South African issue in order to succeed in more important areas of both US domestic and foreign policy," the bulletin says.

It said sanctioneers agreed the future sanctions battle must be won first in the US, so that increased pressure could be exerted on Europe and Japan.

IBM 'must stop sales to SA'

WASHINGTON — A group of 210 IBM employees from seven countries have submitted a shareholder resolution calling on the computer giant to stop all direct or indirect sales and services to South Africa.

The resolution says IBM is the leading supplier of computers to South Africa and that almost all of the company's customers in the country are whites.

While IBM denies shipping computers to the military and the police, the company does supply computers to military contractors in South Africa. — The Star Bureau

FACE TO FACE

Stop 'rebel' tour at all costs!

Argus 7/12/85

Staff Reporter 280

VIRTUAL war has been declared on the English "rebel" cricket tour of South Africa planned for early next year.

Mr Abe Adams, president of the Western Province Cricket Board and executive member of the SA Council on Sport (Sacos) yesterday told a panel of interviewers from The Argus that the tour had to be stopped at all costs.

CAMPAIGN TACTIC

Disrupting other matches would be a tactic of the campaign if necessary, said Mr Adams, who was involved in the protest action at Avendale Cricket Club in Athlone last weekend.

The proposed tour would further "befuddle" the situation inside South Africa as well as "provide pensions for life" to foreign cricketers largely at the expense of the South African taxpayer, Mr Adams said.

Mr Adams said the South African Cricket Union's Board of Control was totally aware of his board's objections to the tour and said little purpose would be served by further meetings with them.

● **Full interview, page 25.**

Business as usual in spite of divestment — Westmark

B|Day 7/12/89

LINDA ENSOR

CUSTOMERS of Scientific Medical Systems (SMS) need have no concern about the withdrawal from SA of its US parent, Westmark International, said Westmark's group senior vice-president and chief financial officer Robert deGavre yesterday.

DeGavre was asked about the continuation of supplies and the servicing of the ultrasound and patient-monitoring equipment produced by Westmark subsidiaries and used in SA's hospitals and private medical practices.

Other industry sources have confirmed that it will be "business as usual" after Westmark's withdrawal.

On the reasons for the divestment DeGavre said. "Our SA operation was once an extremely profitable operation but due to the business environment in the market for sophisticated medical equipment, this profitability declined. I think this was an important factor in our considerations."

He said no deal had yet been concluded with the owner of Bloemfontein-based Medex Services, but that negotiations were proceeding.

DeGavre said Westmark had voluntarily provided information to the US Commerce Department about the contravention of US export regulations by selling medical equipment to the SADF and had obtained a licence on humanitarian grounds to continue servicing this equipment.

He would not disclose whether or not a fine was paid.

Neither would he comment on whether there were further investigations concerning the deals with the SADF or on whether a claim for damages against former SMS MD Herman Kleuver, who allegedly concluded the deals with the SADF, was being considered.

● Comment: Page 8

U.S. publishers in bid to break ban on book sales to SA

Sunday Times 10/12/89

By PATRICIA CHENEY: Washington

A MAJOR American publishing group has started an all-out campaign to end the two-year-old boycott on book sales to South Africa.

The Association of American Publishers charges those who support the ban with aiding the SA Government in its "systematic starvation of young black minds".

The AAP is circulating a highly critical report on the effects of the boycott to libraries, publishers, local school boards and city councils which have supported the ban.

The association's Judy Platt said the response had been "positive" and she was hopeful the report would spark an erosion of the boycott.

Written by Robert Wedgeworth, the dean of the School of Library Sciences at Columbia University, and Lisa Drew, the report cites a recently released ANC policy statement that supports "the dissemination of all cultural products, artefacts and ideas that enhance the struggle for democracy".

The pair visited universities and libraries in South Africa in May and interviewed more than 75 people.

"Although they had various reactions to the cultural boycott in general, not one supported the inclusion of books and educational materials," the report said.

"Many Americans are increasingly uncomfortable with the irony of the US role in helping the South African Government to isolate its population by stemming the free flow of information and ideas from the United States," said Mr Wedgeworth, who is black.

The embargo was the result of action taken by a number of US school boards, libraries and city councils which stipulated that publishers and booksellers who wanted to continue doing business with them would have to stop sales to South Africa.

Leak on Sun City's talks with SA musicians slammed as 'mischief'

By JEREMY BROOKS AND CAROL KERRIGAN

OVERSEAS attempts to scuttle anti-apartheid negotiations between Sun City and the SA Musicians' Alliance failed this week.

The leaking of a bizarre document to the Press in London was dismissed in South Africa as "dangerous and destructive mischief-making".

London magazine City Limits carried details of a statement claiming it to be an agreement between Sun International and Sama — the body which includes such artists as Johnny Clegg and Ray Phiri.

But Sun International said the paper, which claimed Sun City would change its name and ban all overseas artists, was rejected more than three months ago without even being considered.

Regret

Sama, which believes the document was drawn up by the US-based United Artists Against Apartheid, was in the dark as to where the leak occurred, but believed it might have come from the US.

Dated October 23, the document reads in part: "In light of the continuing changes towards unity in South Africa, Sun International pledges its unqualified support of the South African Musicians' Alliance.

"Sun International acknowledges with regret that the activities of Sun City to date break the international cultural boycott of apartheid South Africa and in this respect extends an apology to the people of South Africa.

"The company agrees to sever all ties with the international cultural community.

"All cultural activities of any kind, including sports, music, theatre, art and literature originating outside of South Africa shall not be allowed at Sun City or any other venue owned by Sun International in South Africa."

And, says the document, Sun International, in association with Sama, agrees to present concerts featuring South African artists.

But, said Sun International's group entertainment director Miss Hazel Feldman: "I am absolutely devastated by this. I saw this document more than three months ago and it was rejected out of hand without consideration.

"Someone, somewhere is looking to do considerable damage to negotiations already under way and it's a dangerous and destructive piece of mischief-making."

Mr Jabu Ngwenya of Sama said: "This document was drafted outside South Africa and had not even been considered by Sama.

"How it was leaked in London we don't know, but it most probably came from the States. People there see confidentiality slightly differently to us.

Clear

"I don't know what people are trying to achieve by doing this, but we want to make it clear we are continuing our negotiations with Sun City to reach a common ground, and when we reach the stage of issuing a statement it will be done officially as a joint issue."



GOODBYE SUN CITY . . . SA-born Patrick Morgan and sons Kevin, Patrick and Rory relax in their London eatery after clashing with anti-apartheid politics

Brush with the SA bashers stuns Pat

WHAT'S in a name? One big headache, as a South African family found out in London recently.

The Morgans — father Patrick and sons Kevin, Patrick and Rory — opened their new restaurant, Borderland, 18 months ago in Crystal Palace.

Since then its nightly line-up of music and cabaret stars has attracted over 1 000 punters a week, eager to sample the jazz and Mexican cuisine.

But the Morgans hit a snag The name of their holding company — printed on all their cheques — was "Sun City Resorts Ltd".

Alarm bells rang in the music industry after a disgruntled former employee spilt the beans.

Several musicians, horrified at the thought they might find themselves on the United Nations blacklist for breaking the cultural boycott, cancelled their shows.

The British Musicians' Union, which has staged pickets outside venues featuring Johnny Clegg and Ladysmith Black Mambazo, pricked up its ears, although it has taken no action yet.

But now the Morgans,

By JEREMY BROOKS
London

wiser after their brush with anti-apartheid politics, have changed their company's name. And, they declare loudly, their business is not, and never has been, connected with a certain spot in Bop.

People suggesting otherwise, says Mr Morgan, could find themselves in court.

He said: "The name had nothing — absolutely nothing — to do with the resort in Bophuthatswana. I can't understand what all the fuss is about.

Horrible

"As soon as we realised what was happening we changed the name The company is now Borderland Entertainments Ltd.

"As a born and bred South African, I wanted something sunny. It was one of those grey, horrible English days so we thought of Sun City.

"When we tried to register the name we found someone else had already taken it in Britain. So we settled on Sun City Resorts. We never dreamed people would make a connection"

Director Paul Wiseman, who has put on cabarets at Borderland, said: "If there had been any link with South Africa, I would have tried to stop my acts from playing there."

Mr Morgan — a former managing director of Penguin Pools who left South Africa in 1972 — is planning a second outlet soon in London. And he hopes all the fuss will soon die down.

Sanctions deals jobless low blow

Staff Reporter

Retrenched black workers who started a co-operative have been barred from selling their goods to the United States by anti-apartheid sanctions.

Operation Hunger executive director, Mrs Ina Perlman, yesterday said US authorities had, in terms of the Comprehensive Anti-Apartheid Act, refused to allow Zenzelini Clothing in Jacobs, Natal, to honour orders for 2 000 T-shirts decorated with beads.

Operation Hunger, acting as a non-profit making agent, had obtained the orders while fundraising in the US.

Not only had the 500 factory workers and their families been hit, but a self-help group of women who had sewn on the beads, Mrs Perlman said.

While bead-workers were allowed to export their goods into America, textile workers are completely barred.

"Operation Hunger does not take a stand on sanctions, but I must admit that in a situation like this, where I saw people battling to secure a market, my blood pressure went up several degrees.

"It seems a bitter irony that, at a time when there is maximum unemployment ... an opportunity like this has to be lost ... because no thought was given to situations where the black community, and the black community only, is affected."

Sanctions 'will stay'

BIDaily 22/12/89 SYLVIA DU PLESSIS (280)

SANCTIONS against SA are likely to remain in place for a number of years, says Nedcor chief economist Edward Osborn in the SA-Israel Chamber of Commerce's latest economic and trade annual.

"Hopefully they will not be intensified, but it is also clear that political progress and the lifting of sanctions will be out of phase and inevitably SA will have to endure somewhat straitened circumstances for some time," he says. Osborn says an important aspect of SA's predicament is the "wafer-thin" state of the country's reserves.

"However, it must be borne in mind that SA is in the unique position of creating its own reserves because of the dominance of its gold mining industry — in fact annual production is five to six times the present holding of gold reserves." But the present low level of reserves does mean a lack of manoeuverability and having to live within current means, he adds.

"This cash-and-carry situation demands that the current account of the balance of payments (BoP) is in sufficient surplus to meet the foreign debt commitments and, regrettably, the not inconsiderable leakage on capital account, euphemistically described as 'errors and omissions'."

Ideally, that current account surplus should be of the order of $2bn a year, he says.

Can F W save SA from further US sanctions?

Star 28/12/84.

280

Two "deadlines" on reform in South Africa were issued this year — one by US Assistant Secretary of State for African Affairs, Mr Herman Cohen, the other by US congressman Mr Howard Wolpe.

Mr Cohen's deadline emerged during his testimony to the US Senate's Foreign Relations Committee when he said the South African Government should abolish all discriminatory laws by the end of the next parliamentary session (which he said would be the end of June), and enter into meaningful dialogue with representatives of the black majority to prevent stricter sanctions.

Mr Cohen later denied that he had put a deadline on reform in South Africa.

"But he is still responsible for the six months syndrome and the deadline still exists as far as the Senate is concerned," according to Professor Carl Noffke of the Rand Afrikaans University's Institute for American Studies.

Mr Wolpe this year proposed an extensive policy programme on SA, among other things calling for regular, high-level meetings between the Bush administration and anti-apartheid organisations in South Africa, and the strict enforcement of existing sanctions.

He proposed "several months without congressional interference to achieve the basic preconditions for moving towards a negotiated political settlement".

Mr Wayne Mitchell, executive director of the American Chamber of Commerce, interprets the proposal as being a six-month deadline, expiring on February 1 — six months after Mr de Klerk became State President.

Other sanctions Bills were tabled in the US Congress this year, including the well known Dellums Bill calling for mandatory sanctions against SA.

The International Freedom Foundation commented in a recent publication: "Except for Howard Wolpe's policy proposal, which has yet to be put before committee, the various sanctions related Bills failed to be considered by Congress, owing primarily to the low profile SA has enjoyed in US politics this year.

"The various Bills will be dropped when Congress closes and will only be reinstated in 1990. The pro-sanctions lobby is, nevertheless, already laying the foundations for a concerted push for sanctions against SA in 1990."

Will President de Klerk's reforms prevent further sanctions in the new year? The experts warn against over-optimism, despite the world's "Give F W a chance" attitude and the shift in international attention to Eastern Europe. Political Reporter **ESMARÉ VAN DER MERWE** reports.

South African analysts agree on the futility of setting deadlines for reform in South Africa. But they sketch different scenarios for increased sanctions.

Amcham's Mr Mitchell believes the US Congress will pass further sanctions legislation next year, but doubts that the Senate will pass it.

Second thoughts

"Many people who have previously been in favour of sanctions are having second thoughts. Besides, more burning issues are grabbing the attention of politicians in both Europe and America. SA is not a priority issue now."

The release of African National Congress leader Mr Nelson Mandela, the unbanning of political organisations, the lifting of the state of emergency and the release of political prisoners could prevent the implementation of harsher sanctions.

"Some of the demands have already been met, although all won't be met by February. But progress will be encouraging to SA's friends abroad and maybe we will then be allowed to set our own timetable and agenda for negotiations.

"We hope that a sense of realism will prevail in the US so that change can take place in a cordial and genuine fashion," Mr Mitchell says.



Mr F W de Klerk . . . bold reform moves in 1990 could stave off increased international isolation.

Mr Alan Begg of the SA Institute for International Affairs does not foresee further sanctions next year — provided the Government addresses substantial problems which remain outstanding.

"We don't look all that naughty at the moment. F W de Klerk is making all the right noises and has done a few things, albeit cosmetic. Besides, Europe and the European Community will be spending vast amounts of energy, time and money on bringing people back from the communist fold."

He warned: "At the moment, the world wants the rubbish out of the way so that we have a nice clean field to play on. But once the rubbish has been removed, everyone will want to know when we are going to start playing (negotiating)."

Professor Noffke predicts a strong sanctions drive in America by June next year.

By that time, election campaigns for the November election of the House of Representatives and a third of the Senate's 100 members would be well under way.

Professor Noffke warned against the perception that SA was, at least for the moment, out of the international limelight.

"SA has become a domestic political issue in the US. A good number of congressmen will be satisfied about the reforms in SA, but the sanctions drivers will not be satisfied with anything but black majority rule."

The International Freedom Foundation believes that the activities of the pro-sanctions movement in the US have increased dramatically since the September election in SA.

"The sanctioneers have interpreted President de Klerk's efforts to break the political impasse in SA as the reactions of a government under pressure, and believe that further sanctions would effectively destabilise the 'apartheid regime'.

"However, US analysts believe that the problem facing the political left in both the US and SA is that it is the ANC's position internally which threatens to become increasingly marginalised by the Government's new political agenda."

Confirmed

"This was confirmed in a discussion between senior staff members of the UN Committee Against Apartheid in New York in September, where it was stated that the ANC had realised that their best hope of success is to strengthen the Conservative Party.

"Greater sanctions against SA, coupled with the Swapo win in Namibia and an increasingly belligerent Mass Democratic Movement, would help encourage the erosion of confidence in the SA Government.

"A CP government ... would bring about immediate support for total sanctions, destroy the emerging middle class ground of consensus politics inside South Africa, and re-ligitimise the ANC's revolutionary agenda for the seizure of power." This new theme is receiving increasing prominence in the US, according to the International Freedom Foundation.

SANCTIONS — 1990

JANUARY — MARCH

US pro-sanctions congressman to visit SA

EDWARD WEST

THE US Congress's most ardent proponent of sanctions and House Foreign Affairs subcommittee on Africa chairman Howard Wolpe arrives Thursday in SA on a five-day visit. B/pay

Congressmen Alan Wheat and Constance Morella will accompany him, a US Information Services spokesman said yesterday. (280)

Sapa reports that the congressmen are expected to visit Zimbabwe when they leave SA. 3/11/1990

The visit to Zimbabwe would coincide with a planned meeting between the ANC and representatives of the MDM.

The spokeman said the delegation would hold meetings with a broad spectrum of individuals ranging from government to individual leaders to assess the political situation and changes in SA.

Wolpe, who is an outspoken advocate of sanctions, has been an arch critic of SA and its apartheid policies. He has said in the past "President Bush and Congress should make it clear that unless negotiations were initiated in a very short time frame, economic and diplomatic pressures would increase."

In September he said he would give President De Klerk a five-to-six month grace period before pushing for more sanctions. He was concerned the US would be lulled into lifting sanctions by De Klerk's early "superficial changes".

Cape Town FOUNDED

Peter Hain's secret SA visit

Cape Times 3/1/1990 280

By BARRY STREEK

PETER HAIN, who spearheaded the isolation of South African sport in the early 1970s, visited South Africa secretly last month.

Mr Hain was in the country for nine days to make a TV programme on sport here — and left convinced that the international boycott should continue, he said in an exclusive interview in London last night.

He said that SA's sporting isolation would be lifted only when there was non-racial unity in sport with the support of National Sports Congress (NSC), the Mass Democratic Movement (MDM) and the ANC.

But, he added significantly, this unity and the prospect of "real Springboks" could be a reality sooner than most people expected.

Details of Mr Hain's secret visit were disclosed yesterday by Mr Hain himself and people associated with Grenada Television, whose film, Return of the Rebel, is to be screened in Britain on Monday, January 8.

Mr Hain, 39, visited black areas in Johannesburg, Cape Town, Oudtshoorn, Port Elizabeth, Durban and Pretoria to examine sports facilities in the townships and to find out what ordinary people felt about the proposed

To Page 5

From page 1

Peter Hain

Cape Times 3/1/1990 280

rebel tour to be captained by Mike Gatting.

He also interviewed the president of the South African Rugby Board, Dr Danie Craven, and the former ANC political prisoner Mr Govan Mbeki.

People he had spoken to had agreed to keep his visit a secret till he was back in London, Mr Hain claimed.

Mr Hain said he believed that the rebel cricket tour should not take take place. This belief had been intensified by what he had seen in SA.

The tour was "inopportune and a particular disturbing bombshell to be unleashed on the South African sporting scene".

He said there was an opening up in SA with a real prospect of a negotiated settlement, but warned that in sport this would be torpedoed by the rebel tour.

"What I felt very strongly was the ordinary black and coloured sports people had not been heard internationally", and that they were opposed to the rebel tour, Mr Hain said.

"All that had been heard internationally is Ali Bacher and leading black political figures."

He accused Dr Bacher, managing director of the SA Cricket Union, of "manipulating" international opinion on the tour.

He said white South Africans should take the initiative now because the NSC and MDM were willing to negotiate to create single, non-racial sports structures.

"We would have an entirely new ball game if unity was negotiated."

Mr Hain, the head of research at the 200 000-strong Union of Commercial Workers, was tight-lipped about his entry into SA.

He travels on a British passport but has been forced to apply for a visa since 1969.

The government apparently knew nothing about his secret trip, although the security police phoned an office in Oudtshoorn when he was conducting an interview and his television team was stopped by police in a Port Elizabeth township.

● Last night Dr Craven confirmed that Mr Hain had "visited" him.

"It had very little to do with me," he said. "Their programme focuses on the cricket tour."

Star 4/1/90 280

Apartheid hardliner arrives

Wolpe visit will influence US sanctions

By David Braun,
The Star Bureau

WASHINGTON — The visit to South Africa this week of a delegation from the US Congress will have important repercussions on America's future relations with Pretoria.

The delegation, led by Congressman Howard Wolpe, chairman of the House of Representatives' Africa Subcommittee, is due to arrive today.

Mr Wolpe is a hardliner on apartheid. Until now he has tended to be highly sceptical of Mr F W de Klerk's intentions to rid South Africa of apartheid, and he has favoured an immediate increase in economic sanctions against South Africa.

What he sees and hears on this visit will be critical to what he does next in his strategy to get rid of apartheid.

Mr Wolpe represents the majority opinion in the House of Representatives, which has twice voted in favour of imposing fresh sanctions.

He is also head of a bipartisan task force on South Africa, in which House Republicans and Democrats have worked out a formula for increasing pressure on South Africa and which will get the support of the Senate and the Bush administration.

This administration, unlike the Reagan regime before it, has conceded sanctions have been effective against South Africa. It has also placed unusually high emphasis on forging a bipartisan American policy on South Africa. This may well mean that President Bush places great store by the opinions of Democratic congressional leaders such as Mr Wolpe.

The Wolpe task force is poised to start the sanctions countdown against South Africa from next month, believing that would have given ample time to President de Klerk to demonstrate that he means business about dismantling apartheid and bringing democratic government to South Africa.

Reasonable

The administration prefers to give Mr de Klerk until June, believing it would be reasonable to give the South African Parliament an opportunity to repeal remaining apartheid laws.

If the state of emergency is lifted and Mr Nelson Mandela is freed, as many US observers believe will happen, South Africa is likely to be given an extension beyond June, and it would be up to a newly elected Congress to consider whether any sanctions would be justified in 1991.

Mr Wolpe will be around in June, and very likely in 1991. He knows time is on his side.

The only thing likely to persuade him to forsake the road of further sanctions is if black South African leaders tell him to do so. There is not much chance he will be given such advice during this visit.

US delegation crucial for SA and sanctions

ARGUS 4/1/90 280

The Argus Foreign Service

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The Bush administration prefers to give Mr De Klerk until June, believing it would be more reasonable to give parliament the opportunity to repeal remaining apartheid laws.

The administration and the Senate are likely to prevail in giving South Africa until June to deliver the goods, if only because of the impressive progress Mr De Klerk has shown.

If the emergency is lifted and Nelson Mandela is freed, as many United States observers believe will happen, South Africa is likely to be given an extension beyond June.

SA man tried to export US arms

WASHINGTON. — A South African citizen has pleaded guilty to conspiring to export sensitive United States-made military equipment to his country.

Symone N Behrmann, 32, entered a guilty plea yesterday before United States District Court Judge Joyce Green, who will sentence him on April 20 on two charges that carry maximum penalties of 15 years in prison and more than R2,57-million in fines.

Behrmann admitted that he conspired to ship to South Africa through Israel 38 gyroscopes worth R128,5-million and made by Northrop Corporation for use in anti-tank missiles.

MONEY LAUNDERING

As part of an effort to encourage an end to apartheid, Congress in 1986 prohibited the export to South Africa of sensitive military equipment.

Behrmann also admitted that he tried to export defence articles to South Africa without getting a licence from the State Department in violation of the Arms Export Control Act.

In exchange for his guilty plea, the government agreed to drop two other criminal charges, including an allegation of money laundering in connection with the gyroscopes, which never left the United States.

Behrmann was charged with four others as part of an undercover operation run by the United States Customs Service.

Also charged in the case are Frank J Randazzo, 32, Maryanne E Callaghan, 39, Guy Perfezou and Lester George Buckingham Talbot. Perfezou and Talbot are South African residents and are not in American custody. — Sapa-AP.

Firms to disclose SA deals

CALIFORNIA state disclosure laws requiring companies wishing to sell stock or other securities to state residents to disclose in their prospectuses any dealings with SA came into effect on January 1.

Observers believe this is the first state initiated disclosure law affecting listed companies. B|Day 4|11 90

The laws require any firm issuing securities in the state to declare, both in its prospectus and in separate filings with the California secretary of state, whether or not it does business in SA or "with persons or groups located" there.

"Doing business" in SA was defined as owning or leasing any factory, plant, shop, warehouse, office or income producing real estate or having more than three employees in SA. (280)

AP-DJ reported yesterday that also subject to California's strict new disclosure laws were manufacturers of "household toxic products". Businesses which advertised "toxic household products" in California were required to provide information about proper disposal procedures.

EDYTH BULBRING

The laws, known collectively as Proposition 105, applied to out-of state companies as well as to firms based in California. Failure to comply with either law carries a $10 000 fine.

The laws were so loosely worded that lawyers were predicting confusion and court fights over what precisely was required.

"This is going to affect a lot of companies," said Keith Bishop, a partner in a California legal firm representing a number of companies which could be affected.

"We're not talking about a few isolated examples. It affects just about everyone we can identify," California Chamber of Commerce general counsel Fred Main said.

"It will have a wide-ranging impact," he said.

The California Secretary of State's office last week issued emergency regulations that clarified what constituted "doing business with any person or group in South Africa", said Bishop.

Peter Hain says tour will trigger violence

Cape Times 4/1/1990

280

Own Correspondent

LONDON — Peter Hain yesterday warned that the rebel cricket tour of South Africa later this summer could spark a "wave of violence" serious enough to upset South Africa's reform programme

Mr Hain's warning was aimed at President F W de Klerk and rebel cricket captain Mike Gatting

Mr Hain, who made a secret nine-day visit to South Africa before Christmas, said government and white sports officials had "dangerously underestimated" the extent of affront and anger the tour plan had aroused among black sports and political leaders and communities

He said the visiting players, due to arrive in South Africa around January 18, faced siege conditions

In separate letters to Mr De Klerk and Gatting, he said conflict that would cause political damage to South Africa and wreck hopes of ending sports isolation could be avoided only if the tour were abandoned

He said he had met black sports and political leaders who would lead mass demonstrators against the rebel team "come what may"

He said disruptive protests would range from pitch invasions, to bombardments from model aircraft and flashing mirrors into players' eyes

'Explosive situation'

In his letter to Mr De Klerk, Mr Hain said "The government may be completely unaware of the potentially explosive situation which could engulf the tour"

He asked Mr De Klerk to "reflect on the image this will project to an outside world which is closely scrutinising your reform programme"

Mike Gatting, who was sent a similar letter, did not respond last night

Tour manager Mr David Graveney said all players had thought long and hard about the tour — and none had indicated any wish so far to withdraw

The president of the SA Cricket Union, Mr Geoff Dakin, scotched Mr Hain's claim about the tour triggering violence

"There will be demonstrations and I respect that right," he said "But according to our surveys the majority of people support the tour"

● A critical meeting that could pave the way to end South African sports isolation will go ahead in Paris next week. Mr Sam Ramsamy, chairman of the South African Non Racial Olympic Committee (Sanroc), said he would meet senior South African sports leaders

HAIN VISIT ... Mr Peter Hain, who organised the demonstrations against the 1969/70 Springbok rugby tour of Britain, meets the president of the South African Rugby Board, Dr Danie Craven, at Coetzenburg during a secret visit by Mr Hain to South Africa last year.

Syfrets Cape Times

Share Challenge

TODAY'S PRIZE: R800

TODAY'S INDEX: (+) R1,95

There were no winners yesterday

IF your share price total movement equals exactly R1,95 today, you are a winner! Call (021) 208 4702/4760 between 9am and 2pm today to make your claim If you haven't already applied call 208 4760 for a free card No queries or requests for cards will be dealt with on any other telephone numbers.

DAILY LISTING — Page 10
STOCK PRICES — Page 11

Share winners

THERE were two winners of R300 each yesterday in the Syfrets/Cape Times Share Challenge competition.

Miss Monique Bosman, 17, of Durbanville has just matriculated and will go to Stellenbosch University this year: "The money has come at such a good time, I am so pleased," she said yesterday

Mr John Vickerman of Goodwood, an engineer, said he watched the share market daily and described the Share Challenge competition as "top line".

"It is an ongoing thing, but you only have to enter once. The prize money is spread to many people and I think it is really interesting," he said

Five other people, none of them subscribers, stood to share the R600 prize yesterday but failed to contact us before the 2pm deadline

Details of the reporting, coming out and pictures in the Cape Times.

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Wolpe will meet a range of SA leaders

B/Day 5/11/90 (280)

EDYTH BULBRING

PRO-SANCTIONS US Congressman Howard Wolpe will meet a broad spectrum of SA leaders including President F W de Klerk, Anglican Archbishop Desmond Tutu and the seven recently released ANC leaders during a six day fact-finding visit to SA.

Wolpe, who is chairman of the House Foreign Affairs Sub-Committee on Africa, will use his visit to determine the agenda for future sanctions legislation, US sources said yesterday.

New sanctions legislation was expected to be introduced when the US Congress met at the end of this month but the legislation could be influenced by the visit, sources said.

Wolpe, accompanied by Congressmen Alan Wheat (a Democrat) and Constance Morella (a Republican), arrived at Jan Smuts Airport yesterday.

He was not expecting to meet jailed ANC leader Nelson Mandela.



US Congressman Howard Wolpe on arrival at Jan Smuts Airport yesterday.

Picture: ROBERT BOTHA

Govt to investigate Hain visit

Own Correspondent

JOHANNESBURG. — The government is to probe the secret visit to South Africa by Mr Peter Hain whose visa exemption was withdrawn 20 years ago and is still in force.

Home Affairs director-general Mr Piet Colyn said yesterday the department's records show that British subject Mr Peter Gerald Western-Hain arrived in Cape Town on December 9.

He stated his occupation as telecommunications consultant and his purpose in visiting the country as business, Mr Colyn said. He left the country on December 17.

If these Hains were one and the same, he circumvented the prohibition notice which applied to him. A visa exemption, applicable to British citizens visiting SA, was withdrawn by written notice in respect of Mr Peter Gerald Hain in 1969, Mr Colyn said

The matter was being pursued officially by the SA government with the British embassy in SA, Mr Colyn said.

A spokesman for President F W de Klerk said he had not received a letter from Mr Hain letter as he was on holiday.

National Sports Congress (NSC) national co-ordinator Mr Mulekele George said yesterday that anti-tour committees had been set up all over the country to protest against the tour

MDM spokesman Mr Trevor Manuel said the MDM would launch a programme of peaceful action against the tour.

Censorship restrictions apply to all wide

JS do-gooders stick
o the Sullivan path

S/Times 280 7/1/90

handful of Ameri- companies left in are still bending backwards to do od.

The Signatory Association, ising 59 US companies continue the social ogrammes started by the Leon Sullivan, has pro- a 48-page report on the ivities of its members to omote social justice.

The signatories report to gement consultant Ar- D Little, compiler of the eport.

Sanctions

The report, aimed at the pro-sanctions lobby in the US, details virtually every good work done by every American company in SA — but it does not mention outstanding companies by name because "full details ... would precipitate recrimination and reduce the effectiveness and willingness of companies to take further action".

In the year to June 1989, 11 companies withdrew because of divestment. That was less than the previous year when 22 stopped reporting. The size of the signatory work force fell to 27 036 from 33 451.

But the amount spent on social programmes rose to R86-million from R83-million. That means there was a 19% increase in spending per workforce member — from R2 600 to R3 100.

Since the programme was started in 1976, signatory companies have contributed R657-million for the benefit of blacks, coloureds and Asians in SA.

Several signatory companies helped to get employees released from detention. Almost all signatories adopted policies which provide for financial, legal and negotiating support for detained employees. Some have provided similar assistance to non-employees.

No less than 43% of the companies surveyed have allocated part of their contributions budget to commit-

By David Carte

tees of black, coloured and Asian employees, giving them a decision-making opportunity and the experience of defending their decisions to their own communities.

Signatories helped black entrepreneurs and protected hawkers from harassment. They spent R40-million on goods and services from black, coloured and Asian enterprises.

They also helped blacks to boycott Boksburg by providing buses to alternative shopping centres free of charge after the Conservative Party reintroduced petty apartheid.

Signatory companies helped to establish unified non-racial health and education facilities. They spent R37,5-million on educational assistance of non-employees, mainly children.

"Companies continue to organise events which bring students of all races together. They are supporting the growing number of non-racial schools and the admission of blacks, coloureds and asians into under-utilised white schools.

"Similarly, they are encouraging their employees to seek medical attention from white practitioners, who are more numerous and generally more available. This is made feasible by corporate medical aid."

Minimum

All signatory companies must pay a minimum wage of 30% more than the annually determined subsistence income.

"The subsistence income is determined for a family on the basis of one wage earner and five or six dependants, which is applied even if the employee is single with no dependants. The resultant minimum wage was a difficult challenge for many signatories in the manufacturing and agricultural sectors.

"The imposition of this standard has placed all signatory employees in a better economic position to fight the system. It, along with other enlightened employment practices ... has been acknowledged, even accepted by other SA companies."

More than half of the signatory companies paid a mimimum wage of 50% more than Unisa's subsistence income.

Categories

The Signatory Association defines three categories of companies: those making good progress; those making progress; and those needing to become more active. No less than 72% made category one, 17% category two and 11% category three. All 59 signatories passed the basic requirements.

Companies that "passed basic requirements" but received low point rating were Donaldson Company Inc, Harnischfleger Industries, Ingersoll Rand, Joy Technologies and Joy Manufacturing, HH Robertson Co and Trinova Corp.

The principles of the signatory companies are: Non-segregation of work, eating, comfort and locker rooms, equal and fair employment practices for all races, equal pay for equal work, initiation and development of training programmes to prepare blacks, coloureds and Asians for more senior jobs, increasing the number of these people in more senior jobs, improving the quality of life outside work in housing, transport, schooling, recreation and health, and working to eliminate laws and customs that impede socal, economic and political justice.

THE WEEK IN BRIEF

A SUMMARY of the week's corporate announcements.

Wednesday — Staalchem sells its steel roof-sheeting business to the former managing director for R9,8-million. The directors consider further disposals, caution urged.

Bankorp's rights offer 82,2% subscribed, balance underwritten.

Vlakfontein sells Droogebult for R16-million, settled by the transfer of 32-million Nigel shares currently held by Southgo. Vlaks to conclude operations within 18 months.

Liberty Life's capitalisation issue cash alternative is to be 960c a share.

January 7, 1990

C/Pres 7/1/90

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Killer sanctions on the way?

By CONNIE MOLUSI

ON Tuesday South Africans will know if intensified US sanctions are likely when Congressman Howard Wolpe addresses a Press conference at the end of his five-day fact-finding visit.

Pro-sanctions campaigner Wolpe, House of Representatives' Africa sub-committee chairman, would not discuss his itinerary, but said he would meet a wide spectrum of South Africans during his stay.

He indicated that his three-man party would meet President FW de Klerk, cabinet ministers and extra-parliamentary leaders, possibly the recently released ANC leaders. He would not say whether his party would seek a meeting with Nelson Mandela

Wolpe, chief campaigner for economic sanctions, will assess whether a deadline for De Klerk's reform process is feasible.

In October the Bush administration gave the South African government a reform deadline for the end of this year's parliamentary session or else the US would pass more punitive sanctions measures.

Wolpe has been sceptical thus far about De Klerk's initiatives to abolish apartheid, and has sought more economic sanctions.

The visit may decide whether Americans follow the guidelines of Assistant Secretary of State for Africa Hank Cohen.

Cohen has divided the process of reform in South Africa into three phases.

The first is what he described as the "process issue", which says it is impossible to have a negotiations about a future constitutional structure while the leaders of one essential part of those negotiations are in jail.

The second aspect of Cohen's programme is the removal of discriminatory legislation.

The final phase of reform, without a deadline, is negotiations with blacks about a new constitution. Wolpe's views will depend partly on the attitude of black leaders in South Africa.



Howard Wolpe ... sanctions campaigner.

Sanctioneer Wolpe due to meet De Klerk

TANIA LEVY

US CONGRESSMAN Howard Wolpe meets President F W de Klerk in Pretoria today to wrap up his five-day visit to SA.

US sources believe Wolpe will use his meetings with a cross-section of South African leaders to determine the agenda of future sanctions legislation.

Known for his pro-sanctions stance, Wolpe is chairman of the US House of Representatives Foreign Affairs Sub-Committee on Africa.

On Friday he spent an hour with Walter Sisulu and other recently released ANC leaders. Yesterday Sisulu said they had told Wolpe the ANC would continue calling for sanctions.

Wolpe also met Anglican Archbishop Desmond Tutu and representatives of KwaZulu Chief Minister Mangosuthu Buthelezi's government, the MDM, UDF, DP and CP.

CAPE Times 8/1/90

Sanctions could send gold soaring

280

Financial Staff

INTENSIFIED sanctions against SA gold by the US should be welcomed because they would send the price soaring to a level at which this country's foreign debt would quickly be wiped out, suggests Roy Bennetts, editor of SA Mining.

The current issue of the Chamber of Mines newsletter quotes a report by the US general accounting office pointing out the difficulties of imposing sanctions against jewellery made of SA gold in Italy and other countries.

Bennetts, in a tongue in the cheek editorial, welcomes the suggestion by Senator Edward Kennedy that sanctions against SA gold should be extended and tightened up.

This, he says, would mean that "with approximately half of the free world's gold supply placed in limbo, the international price of the metal would jump to previously unforeseen levels.

"Regretfully," Bennetts concludes, "the members of Congress have too much sense to make such an idea reality, but it is nice to know we have a friend in one of America's leading families."

Step up pressure, US group urged

By Kaizer Nyatsumba

The Mass Democratic Movement and the recently released African National Congress leaders have urged the visiting US congressional delegation to increase pressure on South Africa, former ANC general secretary Walter Sisulu told The Star at the weekend.

In a meeting with Congressman Howard Wolpe and Representatives Alan Wheat and Constance Morella at the Sisulu home in Orlando West, Soweto, on Friday afternoon, the MDM and the ANC leaders asked the Americans to impose more-stringent sanctions on Pretoria.

"We asked them to continue supporting and even stepping up sanctions until the situation in this country has changed."

ROTTEN SYSTEM

"We told them about our people on Death Row and our abhorrence for the death penalty and the rotten education system, and that on all these issues we want their support," Mr Sisulu said.

He said the Americans wanted to know how they could help bring about a democratic, nonracial South Africa, and were told "there was nothing to justify relaxing sanctions".

Mr Sisulu said the congressional delegation was told that more pressing issues in the next few months would be the black education system and the disastrous matric results, the death penalty, and the creation of a climate conducive to negotiations.

Among the people attending the meeting were Mr Govan Mbeki, Mr Ahmed Kathrada, National Union of Mineworkers general secretary Mr Cyril Ramaphosa, Congress of South African Trade Unions general secretary Mr Sydney Mafumadi, United Democratic Front leader Mr Patrick "Terror" Lekota, Mr Wilton Mkwayi, Mr Andrew Mlangeni and Mr Tolias Motsoaledi.

UDF co-president Mrs Albertina Sisulu later joined the meeting.

After visiting Mrs Winnie Mandela's former home on Friday, Congressman Wolpe and his colleagues had supper with Archbishop Desmond Tutu's family at his Orlando West home.

During the day, the American lawmakers held a series of meetings at the Carlton Hotel with members of the labour movement.

Shortly after their arrival on Thursday, Dr Wolpe and his delegation met SA Council of Churches general-secretary the Rev Frank Chikane and Father Smangaliso Mkhatshwa at the same venue.

Father Mkhatshwa later told The Star the Americans "wanted to be informed about the general situation in the country and their implications for the future, and whether we thought (President F W) de Klerk was serious about reform".

ULTIMATUM

Father Mkhatshwa added: "As a group they were very well-informed. They are the best-informed group on issues regarding South Africa, and are also fairly sympathetic to our cause."

The cleric said his impression was that Dr Wolpe, before pressing on with sanctions, would stick to his six-month ultimatum given to President de Klerk to move radically with reform.

"I think that at the end of the six months Congressman Wolpe will definitely continue with his sanctions crusade," Father Mkhatshwa said.

● See Page 13.

Jackson 'could help promote dialogue'

Argus 280 9/1/90.

By DAVID BRAUN of The Argus Foreign Service in Washington

THE South African government is understood to believe that US anti-apartheid activist the Rev Jesse Jackson, who has announced that he is to visit South Africa soon, may be extremely useful in promoting dialogue between the various South African groups.

Mr Jackson, furthermore, may be sufficiently impressed by progress in South Africa to be persuaded that now is not the time to impose additional sanctions on South Africa.

At least some elements in the South African power structure are hopeful Mr Jackson might turn out to be a moderating influence in Washington, adding support to President Bush's view that South Africa needs to be given an opportunity to put its house in order

Expectations

Expectations on the other side of the South African political fence are a little different.

Mr Jackson has been invited to South Africa jointly by the Rev Frank Chikane, general secretary of the SA Council of Churches, and Mr Walter Sisulu, elder statesman of the African National Congress

Mr Chikane said in a letter inviting Mr Jackson to South Africa last week he believed a visit by the US leader would help him gain first-hand knowledge of the new complex dynamics of the situation in South Africa "to enable you to put the necessary pressure on the USA, particularly the administration, to act accordingly to force this regime to negotiate with the legitimate and authentic leaders of the people of South Africa.



"Your presence could also exert pressure on white South Africa, particularly the De Klerk government, to create the necessary conditions conducive for meaningful negotiations," Mr Chikane said in his letter.

The necessary conditions are presumably the demands made by the Mass Democratic Movement, ANC and other groups to lift the state of emergency, release remaining political and security prisoners et cetera.

Mr Jackson was very careful to steer a neutral course when probed this week by the media as to what exactly he hoped to accomplish in South Africa

He said it would be presumptious for him to define a role for himself, but with all his experience and his personal knowledge of many black and white South African leaders, he hoped he could impress upon them all the need for communication, reconstruction, reconciliation and peaceful development for a new South Africa

He added he hoped to talk to a broad cross-section of leaders so that his conerns could be heard.

Specifically on the issue of sanctions, Mr Jackson avoided calling for additional measures (which may be significant or it may be expedient, in view of the fact that his visa could presumably be withdrawn). However, it was quite plain that he was not in favour of lifting sanctions at this stage.

Bus boycott

He said. "The issue of sanctions corresponds with the system and the extent to which the authentic leadership sits around a common table. They, the people wo live there, can together determine when apartheid and sanctions should end. After all, one is a response to the other.

"So in some sense it is like the Montgomery bus boycott in the United States. When asked when the boycott of the buses would end, the people answered it would end when they were allowed to sit in the front of the bus"



The Rev Jesse Jackson

The issue, he added, was not the methodology of dealing with the system but the system itself and the people who must argree to now form a relationship. The power was in the hands of the people to end apartheid and sanctions.

Similarly, Mr Jackson was adroit at handling the issue of whether President De Klerk should be allowed to meet President Bush. There were a lot of things between the status quo and such a meeting, he said

"I certainly hope that one day the crisis which provokes such a question will not exist. If in fact we achieve the noble aims of one South Africa no longer divided by race or sex or religion or fear perhaps then everybody will communicate with everybody,' he said.

'Positive'

Mr Jackson was complimentary about recent moves by President de Klerk and statements made by the South African leader, which he said were positive and certainly a step in the right direction.

But the word needed to become flesh, he said. The recent meeting between Mr De Klerk and Mr Nelson Mandela had been encouraging as a start, but the process needed to continue to its logical conclusion.

Mr Jackson, a candidate in last year's United States presidential elections, is generally regarded as the leading spokeman for American blacks. An often highly controversial figure, he has involved himself in numerous domestic and international social issues.

He has long been a leading activist against apartheid and a highly vocal critic of the South African government.

He was responsible for the Democratic Party adopting a resolution in its 1988 presidential election policy platform which would have obliged the new US president, if he was a Democrat, to declare South Africa a terrorist state.

That would have automatically imposed a new series of harsh economic and other sanctions on South Africa.

Y, Tuesday, January 9 1990

Wolpe and FW in talks

9/1/89 EDYTH BULBRING

US CONGRESSMAN Howard Wolpe told President F W de Klerk yesterday he would reconsider his stance on sanctions if De Klerk took steps to remove obstacles to negotiations leading to the establishment of a democracy, a source close to the talks said.

Wolpe, Congressman Alan Wheat (a Democrat) and Constance Morella (a Republican) spent 90 minutes in "productive and rational" talks with De Klerk yesterday.

Issues discussed at the meeting included the lifting of the state of emergency, the release of Nelson Mandela and the unbanning of the ANC, which were seen as obstacles to talks.

Wolpe told De Klerk while he recognised changes had been made, he wondered how significant they were.

De Klerk gave Wolpe the assurance that he was committed to fundamental change and would take further concrete steps to remove these obstacles.

Wolpe — change to sanctions stance?



Mr Wolpe

Own Correspondent

JOHANNESBURG. — US Congressman Mr Howard Wolpe told President F W de Klerk yesterday that he would reconsider his stance on sanctions if Mr De Klerk took steps to remove obstacles to negotiations leading to the establishment of a democracy, a source close to the talks said yesterday.

Mr Wolpe, Mr Alan Wheat (Democrat) and Ms Constance Morella (Republican) held "productive and rational" talks with Mr De Klerk yesterday.

Topics included the lifting of the state of emergency, the release of Mr Nelson Mandela and the unbanning of the ANC, which were seen as obstacles to talks.

Mr Wolpe told Mr De Klerk that while he recognised changes had been made, he wondered how significant they were.

Owen in SA as Rio Tinto guest

Own Correspondent

JOHANNESBURG. — British Social Democratic Party leader Dr David Owen arrived in SA yesterday on a five-day trip as a guest of Rio Tinto Zinc.

Dr Owen met President F W de Klerk and Foreign Minister Mr Pik Botha yesterday afternoon, a Foreign Affairs spokesman confirmed. No details of the talks were given.

He will today fly to Namibia where he will visit Rossing mine and meet Swapo government officials.

He will return to Johannesburg on Thursday and London the following day.

Bacher warned of anti-tour feeling

THE bomb blast near Avendale Cricket Club was a direct repercussion of Dr Ali Bacher's insistence that the rebel tour should go ahead despite the warnings of non-racial sports people, the Western Cape president of the National Sports Congress, Mr Ngconde Balfour, said yesterday.

The NSC was in favour of non-violent and peaceful protests while at the same time understood "people's feelings of hurt and betrayal by the South African Cricket Union and Dr Bacher in particular".

The NSC had echoed the same sentiments about the consequences of the rebel tour going ahead as Mr Peter Hain.

"These feelings were firmly put to SACU, in particular to Dr Bacher," he said.

"What happened at Avendale last week is a direct repercussion of Dr Bacher's insistence to go ahead despite the warnings of the majority of non-racial sports people."

Don't tour, report warns rebel team

Cape Times 9/1/90 280



Dr Bacher

From IAN HOBBS

LONDON. — Peter Hain is making a detailed report on his secret visit to South Africa to British Foreign Secretary Mr Douglas Hurd, with a warning that the rebel England cricket team should be "strongly advised" to stay at home.

Mr Hain said he believed the British government had a duty to warn the players that they would "end up in the eye of a dangerous political storm" that had nothing to do with sport.

"It will be irresponsible if the British government does not warn the players of the truth of a very serious situation

"I do not want to see violence and it will be tragic if the first real hope in years of a solution to South African sporting isolation is wrecked by the stubbornness of a few white cricket officials"

He declined to comment on information in London last night that a separate report to Mr Hurd would give details of tactics demontrators would use.

Black unions, who will have the full support of organisations like the Black Sash, will boycott the tour and instruct members to boycott all goods and services of any tour sponsors. Hotel staff are being asked to refuse to serve the English rebels.

"Direct action" plans are to infiltrate hotels and "make life uncomfortable" by setting off fire alarms, fire extinguishers, smoke bombs and thunder flashes, and gluing up door locks. Constant security will be needed to defeat the plans to cause disruption inside and around hotels.

White students will buy tickets and also help black radicals infiltrate grounds to invade pitches, flash mirrors, throw fire crackers and constantly stop play

There will be attempts to sabotage the team's transport and to picket them at airports and hotels.

Mr Hain said "I cannot comment on these tactics But I do know Mr Hurd is getting untruthful information on the tour situation from the South African authorities.

"In my report I will be giving him detailed information of the sense of outrage I found when I met black activists and political leaders.

"The pro-government media is trying desperately to portray my visit as an attempt to stir trouble. The opposite is true.

"Black people, and a lot of young whites, do not want this tour and they are willing to go out and demonstrate against it."

He said it was "as certain as night and day" that the promise of a potentially historic sports breakthrough in Paris today would be "torpedoed" by the cricket rebels.

In Paris last night, anti-apartheid sports leader Mr Sam Ramsamy said: "Opportunity is in the hands of these South Africans. If they allow a few people in cricket to wreck it, then it could set things back for years."

Sanctions might be 'intensified'

Cape Times 10/1/90 (280)

Own Correspondent

JOHANNESBURG. — Sanctions against South Africa would have to be intensified unless the government took decisive steps to remove obstacles to negotiations, the US delegation led by pro-sanctions congressman Mr Howard Wolpe said yesterday.

A joint statement by Mr Wolpe, Democratic congressman Mr Alan Wheat and Republican Ms Constance Morella said they could find no evidence that the government had decided it would accept a democratic government elected by all the people of a united South Africa on the basis of a universal and equal franchise.

Mr Wolpe, chairman of the US House of Representatives Foreign Affairs sub-committee on Africa, said on his departure from Jan Smuts Airport last night that action by Congress would be determined by the SA government's handling of two central questions:

● Whether it would take the concrete steps required to begin with genuine negotiations. These steps were the release of political prisoners, the unbanning of organisations, the removal of troops from the townships, the ending of the state of emergency and legislation circumscribing political activity and the cessation of all political trials and political executions.

● Whether the government would make unequivocally clear its understanding and acceptance of the need to make a transition from minority rule to a united and democratic South Africa.

While those in control of government believed profound changes had occurred, the excluded majority was aware government leaders had not yet come to terms with the transformation of SA to a non-racial democracy, Mr Wolpe said.

For this reason, representatives of the anti-apartheid movement believed it was important the international sanctions effort had to be strenghtened and intensified, Mr Wolpe said.

It needed to be emphasised that changes announced for the near future, such as the repeal of the Separate Amenities Act, left the most significant elements of the apartheid system wholly unchanged, Mr Wolpe said.

The effect of the government's group rights formula would be to preserve white power and privilege. However, the government and opposition's willingness to negotiate on this issue was welcomed, Mr Wolpe said.

Mr Wheat said they would have to see fundamental changes before sanctions were modified.

In reply to a question on the suffering of blacks through sanctions, Mr Wolpe said: "I see millions of blacks suffering because of apartheid — that is the issue."

SA must act urgently, Wolpe warns

US delegation is 'not encouraged'

By Kaizer Nyatsumba

Unless the South African Government acted decisively to meet conditions laid down for negotiations, international sanctions against South Africa would have to be strengthened and intensified, the United States congressional delegation, led by Congressman Howard Wolpe, said yesterday.

Addressing a press conference at Jan Smuts Airport before leaving for Harare, the congressional delegation said in a joint statement that things they saw on their five-day fact-finding mission were not encouraging.

"Nothing," said the three congressmen, "would please us more than to conclude the Government had undertaken fundamental change and that international pressures could, as a consequence, be relaxed.

"Everything we have seen leads us to the conclusion that unless the Government acts decisively to meet conditions required for negotiations with the anti-apartheid opposition, the sanctions effort will have to be intensified."

The congressional delegation — comprising the co-chairman of the Congressional Black Caucus, Congressman Alan Wheat, Republican Congressman Constance Morella and Mr Wolpe, chairman of the House of Representatives' Africa Subcommittee — said what the Government did from now on would greatly determine the Congress's actions.

The delegation said the South African Government was expected to at least satisfy requirements spelt out in a recent United Nations resolution.

These were: the release of all political prisoners; the unbanning of political organisations; the end of the state of emergency; the withdrawal of troops from the townships; and the declaration of a moratorium on all political trials and executions.

The delegates said that while some members of the Government believed fundamental change was taking place, the delegation could find no evidence the Government was committed to a democratic government elected on the basis of a universal, equal franchise.

They welcomed the recent release of political prisoners, but said political trials were still going on, many more political prisoners were languishing in jail and others were on Death Row.

The American Chamber of Commerce has issued a statement saying that Dr Wolpe's five-day visit to this country, ostensibly a fact-finding mission, was merely to confirm his long-held conviction that sanctions against South Africa should be tightened.

Amcham executive director, Mr Wayne Mitchell, said an Amcham delegation led by Mr Mitchell met Congressman Wolpe and his colleagues shortly after their arrival last week, and numerous issues, including the pace of political reform and sanctions against South Africa, were discussed.

Describing the meeting as "very frank and cordial," Mr Mitchell said he was nevertheless convinced that Congressman Wolpe would press ahead with sanctions when the six-month deadline he had given President de Klerk lapsed in February.

Mr Mitchell said he and his Amcham colleagues expressed concern about the fact that it was not likely Mr de Klerk could totally jettison apartheid before the deadline. However, he believed that if Mr de Klerk delivered "some telling moves" before the end of February, the sanctions lobby would be significantly undermined.

● The Star Bureau in London reports that a delegation from the anti-apartheid Southern Africa Coalition will meet British Foreign Secretary Mr Douglas Hurd today in a bid to increase the pressure for Britain to impose sanctions.



Mr Howard Wolpe meets the press . . . could find no evidence the SA Government was committed to universal, equal franchise.

Wolpe issues tough warning on sanctions

EDYTH BULBRING

SANCTIONS against SA would have to be intensified unless government took decisive steps to eradicate obstacles to negotiations, the US bipartisan delegation led by pro-sanctions Congressman Howard Wolpe said yesterday.

In a joint statement issued at a Johannesburg Press conference yesterday, Wolpe, Democrat Congressman Alan Wheat and Republican Constance Morella said they could find no evidence that government would accept a democratic government elected on the basis of a universal and equal franchise.

Wolpe, chairman of the US House of Representatives' foreign affairs sub-committee on Africa, said on his departure last night that action by Congress would be determined by the SA government's handling of two central questions:

Firstly, whether it would take steps to begin genuine negotiations. These steps were the release of political prisoners, the unbanning of organisations, the removal of troops from the townships, the ending of the state of emergency and repressive legislation, and an end to political trials and political executions.

Secondly, whether government would accept the need to change from minority rule to a united and democratic SA.

While government believed profound changes had occurred, the majority was aware government had not accepted the need for a nonracial democracy.

For this reason, representatives of the anti-apartheid movement believed it was important to intensify sanctions.

Spain debates ANC status, SA coal ban

The Star's Foreign News Service

MADRID — The Spanish parliament is to debate the formal establishment of an ANC diplomatic mission in Madrid and the banning of coal imports from South Africa.

The Spanish communist coalition United Left (IU) said yesterday that the two motions will soon be presented to the congress.

The Spanish government recently paid for a trip to Spain by Mr Ben Mohlate who has opened an ANC office in Madrid.

Between January and September 1989, Spain bought 3,86 million tons of SA coal.

CAPT Times 11/1/90

Clergy to FW: End racism

Own Correspondent

JOHANNESBURG. — Conservative churchmen yesterday called on President Mr F W de Klerk to institute a "free and democratic poltical system — free from the ideologies of apartheid and racism".

The Church Alliance of SA, which claims to represent 10 million churchgoers and which met Mr De Klerk yesterday, said it was concerned about the continuing state of emergency but could not support it being lifted till "people can commit themselves to live in a peaceful way".

The 11-member delegation included reperesentatives of the Zionist Christian Church, the South African Fellowship of Pentecostal churches, the Dutch Reformed Church and the United Apostolic Ministers' Council in Africa.

Rhema Bible Ministries head Pastor Ray McCauley said he asked Mr De Klerk when Mr Nelson Mandela would be released and was told that the President did not have "a date in his drawer".

The churchmen said they had been sympathetically received. They expressed the view that sanctions, abortions and the abolition of the death penalty were contrary to biblical teachings.

The splinter Gereformeerde Kerk, an arch-conservative breakaway branch of the Nederduitse Gereformeerde Kerk, also met Mr De Klerk and said cordial discussions had taken place. They gave no further details.

CAPT Times 11/1/90

Anti-govt groups: Intensify sanctions

ANTI-APARTHEID organisations yesterday reiterated their views that sanctions should be intensified to force the government to implement meaningful reform.

US congressman Mr Howard Wolpe said on his departure from the country on Tuesday that sanctions would have to be intensified unless the government took decisive steps to remove obstacles to negotiations.

In July last year, Mr Wolpe — chairman of the US House of Representatives foreign affairs sub-committee on Africa — gave President F W de Klerk six months to implement "real reform" or face strong additional sanctions.

Mr Walter Sisulu said yesterday that nothing tangible had been done yet by the government to warrant the relaxation of the sanctions campaign.

Pre-conditions such as the lifting of the emergency and the release of Mr Nelson Mandela and other political prisoners had to be met before anti-apartheid organisations would change their view on sanctions, he added.

MDM spokesman Mr Murphy Morobe said most anti-apartheid organisations believed the time had not yet arrived for the lifting of "the various pressures" on the government.

SACU committed to rebel tour

CAPE TIMES 11/1/90

280

Staff Reporter

The South African Cricket Union was committed to the upcoming English rebel cricket tour — even though it might cause political polarisation.

This was said yesterday by Dr Ali Bacher, managing director of the SACU, who added that he was "uncomfortable" about the tour but that he believed the money generated would benefit everybody in the game.

He was reacting to fierce criticism from fellow sports administrator Mr Abdul Bhamjee, of the National Soccer League (NSL), and the new anti-rebel tour stance of the South African National Olympic Committee (Sanoc).

Dr Bacher's comments come within a fortnight of the arrival of Mike Gatting's team and the day after Mr Johann du Plessis, Sanoc president, and his co-officials held a historic "positive" meeting with anti-apartheid sports bodies in Paris.

Mr Bhamjee said yesterday that the rebel tour was "very untimely" and would deal a body blow to the "present excellent climate for negotiation".

The general secretary of the National Sports Congress, Mr Krish Naidoo, predicted widespread and unprecedented demonstrations which, he added, would be "peaceful and appropriate".

"We believe it's still not too late for reconsideration for the greater sake of non-racial sport," he said.

Mr Bhamjee said the objectors' message of "rid yourselves first of apartheid and achieve single non-racial bodies" had not changed and he welcomed Sanoc's Paris meeting.

He said that only when SACU was kicked out of world sport did they begin their township cricket initiative.

"If Pele, Garfield Sobers and Muhammad Ali had been South Africans where would they be now?" he asked.

A reluctant Dr Bacher said the tour was "a sensitive issue and will polarise feelings" but added: "Nobody must question my personal motives or aspirations.

"I'm trying to create calm and ensure that at the end of the day emotions cool down and we all respect one another's view points."

contest organisers are meeting in closed session today to review the rules.

Picture REUTERS

Dutch row over apartheid action

THE HAGUE — Dutch business interests and local governments clashed yesterday on whether town councils had the right to pursue their own anti-apartheid policies through boycotts of companies doing business in SA.

At issue are plans of at least 68 of the Netherlands' 800-odd municipalities to break off all links with firms they claim are involved in supporting apartheid.

Some cities and towns have already taken steps in that direction. Most of them are aimed at Royal Dutch-Shell.

Shell has repeatedly stated that its presence in SA enabled it to aim at reforming the apartheid system from within.

The business community, backed by premier Ruud Lubbers's centre-left government, claims that such moves are in violation of Dutch government policy towards SA, which is critical of apartheid but rules out direct pressure on companies.

"Foreign policy is the domain of the national government, not of a handful of town councils," said Chris van Leede, the chairman of the Federation of Netherlands Industry, the nation's most powerful pro-business lobby.

Van Leede said that if the municipalities got their way, the Netherlands' "business-friendly" reputation would suffer.

But Klaas de Vries, a spokesman for the organisation linking the 68 activist municipalities, said they had to have the freedom to develop such initiatives.

However, Foreign Minister Hans van den Broek and Interior Minister Jen Dales said yesterday they would overrule any local anti-apartheid boycott measures that violated national policy. — Sapa-AP

1989/end-March 1990 financial year.

12/1/90

Cape Times, Friday,

Hain's plan to end SA sport isolation

Own Correspondent

LONDON. — Sports activist Mr Peter Hain yesterday proposed a five-point programme that would allow South Africa to break out of sports isolation "sooner than many have supposed".

He challenged Mr F W De Klerk and white sports bodies to "pick up the ball and run with it now" — but renewed his warning that the rebel England cricket tour would be a "fatal" setback.

Mr Hain, who met South African anti-apartheid sports and political leaders last month, said the end of sports isolation would have to form part of a political and constitutional settlement.

He supported suggestions that genuine progress with non-racial sport could mean some one-to-one international sport contact during South Africa's political realignment.

Mr Hain warmly welcomed the milestone meeting in Paris on Tuesday between SA National Olympic Committee president Mr Johann du Plessis and SA Non-Racial Olympic Committee chairman Mr Sam Ramsamy.

He said the achievable promise of unification and world sports contact might be set back for years if the rebel tour was not stopped. He added that Mr Du Plessis and SANOC's hard-won credibility would also suffer if they and the De Klerk government failed to persuade the SACU to abandon the rebel tour.

Mr Hain said he was confident many young whites would support his five-point sports programme.

The points are:

- Negotiations to establish truly non-racial sports structures from schools and club level upwards.
- These to be in parallel with negotiations to establish a constitutional settlement.
- Legislation to outlaw racially segregated clubs and school sport.
- New legislation to open up all leisure and sports facilities to all races.
- A "multi-million-rand" crash programme to upgrade black sports facilities and equalise sports expenditure between races.

Mr Ramsamy yesterday endorsed a warning by the National Sports Congress in Cape Town that the rebel cricket tour would be an "act of racism, immoral and intended to serve the predominantly white constituency (of the SACU) at a very high financial and political premium to the country".



Dr David Owen, leader of the British Social Democratic Party and former foreign secretary, met former ANC general secretary Mr Walter Sisulu in Soweto yesterday. ● Picture by John Hogg.

Owen: no increase in sanctions yet

SUE OLSWANG and SAPA

Visiting British parliamentarian, Dr David Owen, believes the world will not increase sanctions against South Africa in the present climate of political reform.

But he still believes sanctions are one of the legitimate pressures which the world can use to force the South African government to the negotiating table.

"A sensible negotiation strategy is to hold onto sanctions until the crucial parts of negotiation are closer," Dr Owen said when addressing the media at Jan Smuts Airport last night.

Speaking shortly before his departure for London, Dr Owen said he believed ANC leader Mr Nelson Mandela will be free in time for Namibia's independence celebrations.

Dr Owen, leader of the British Social Democratic Party and former foreign secretary, said he had met State President Mr F W de Klerk and Foreign Minister Mr Pik Botha on Monday.

"Mr de Klerk did not specify a date for Mr Mandela's release, but I do believe he will be free before Namibia's independence. I also have no doubt the

● TO PAGE 2.

350 000 copies sold last year

Anti-SA guide to US shopping doubles in size

By David Braun,
The Star Bureau

WASHINGTON — A consumer's guide to socially responsible shopping which lists all brand and company names associated with South Africa has proved so popular in the United States that an expanded version has been published.

The pocket-sized book urges consumers to switch to brands away from socially irresponsible companies and to write to the concerned chief executives to tell them why they are doing so.

South Africa is one of 11 categories in which companies and their products are judged for their social responsibility. Corporations with investments in South Africa, or, worse, which have subsidiaries in the land of apartheid, lose points.

Companies are also assessed in terms of whether they give adequate donations to charities, whether they practice equal opportunity employment, whether they contribute to pollution of the environment and in a series of other categories dealing with women's advancement, minorities advancement, military contracts, animal testing, disclosure of information, community outreach, nuclear power and family benefits.

On the South African issue, the guide urges shoppers to write to companies listed as being involved in apartheid, asking them to divest fully or to improve their practices under the US Statement of Principles (formerly the Sullivan Principles).

Consumers are also asked to support community funds, housing funds and educational exchanges for black South Africans and to urge their senator or legislative representative to impose stricter sanctions on South Africa.

According to the publishers of the guide, the New York-based Council on Economic Priorities, the new booklet, called *Shopping for a Better World 1990*, is twice the length of the 1989 edition, which sold 350 000 copies.

More than 1 800 products, from Aunt Jemima Pancake Mix to Ziploc baggies, are listed in 54 product categories such as cereal, coffee, soft drinks, soap, bread and oral hygiene.

Hostile press for rebel cricketers

CAPT TIMES 15/11/90 280 282

From IAN HOBBS

LONDON. — England's rebel cricketers, who have been ordered to stay silent until they arrive in South Africa on Friday, were given a hostile press yesterday and have been targeted by anti-apartheid protesters.

Manager Mr David Graveney has been warned that they face a potentially violent demonstration when they leave on Thursday — and is trying to minimise conflict and bad publicity.

Anti-Apartheid Movement senior members said they were confident they would receive information on the team's movement's and they planned to stage a "serious demonstration or two".

There is speculation that the team, said to be worried about reports that sponsors for the tour have not yet been found, may fly out early to avoid trouble, including private pressure from the government to reconsider even at this late stage.

Mr Graveney, who is doing all the speaking for the team, refused to say where and when they would get together this week — but insisted there was no question of any of them pulling out.

He said they had all thought the controversial aspects through clearly.



PROTEST: Anti-apartheid campaigner Mr David Howes ties black balloons to the centre-court net at the Australian Open tennis tournament in Melbourne.

Anti-apartheid demo delays tennis

From JOHN DUNN,
The Argus Foreign Service

MELBOURNE. — The opening day of the Australian Open tennis championships here started 13 minutes late today as officials bowed to anti-apartheid pressure.

Play did not begin until after members of the Australian anti-apartheid movement and unionists tied banners and balloons to the centre court net.

The banners read "Isolate South Africa" and "End apartheid" and the balloons were painted black. They were allowed to remain for five minutes.

Another banner, similarly worded, was hoisted at the entrance to the National Tennis Centre and will remain throughout the tournament.

The protesters were objecting to South African players, including Christo van Rensburg, Pieter Aldrich, Neil Broad and Dinkie van Rensburg

WAVING PLACARDS

Sapa-AP reports that a group of about 40 members of the anti-apartheid movement stood at the main entrance to the stadium waving placards.

The placards read "Sanctions hurt, apartheid kills" and "Don't play with apartheid." The group was watched by about a dozen uniformed police, but there were no incidents.

Officials agreed not to fly the South African flag and to hand out 30 000 leaflets detailing Australia's stance on apartheid, during the last four days of the championship.

The unions and the anti-apartheid movement threatened to disrupt the tournament if Tennis Australia officials did not agree to their demands.

The officials quickly capitulated, admitting they were under pressure from the Melbourne Olympic Committee which fears its bid for the 1996 Olympics will be threatened if African nations detect softness towards South Africa.

● **Results page 13, match reports page 14.**

Stop book ban, US urged

Argus 15/1/90 280

By DON HOLLIDAY
Staff Reporter

AMERICAN publishers have been urged to end the boycott on the distribution of books and other educational materials to South Africa.

The call was made in a report published by the Association of American Publishers (AAP) after a fact-finding mission to South Africa last year.

Ms Lisa Drew, vice-president of a major American publishing company, and Professor Robert Wedgeworth, dean of the School of Library Services at Columbia University, visited libraries, universities, schools, booksellers, publishers and writers.

Their report, *The Starvation of Young Black Minds: The Effect of the Book Boycott in South Africa*, was sponsored by the Association of American Publishers and the Fund for Free Expression.

The report said everybody with whom the delegation had had contact in South Africa opposed the boycott on books — even those who supported sanctions and the general cultural boycott.

South African universities were sometimes forced to use inferior texts as alternatives and some students were cut off from vital sources of information.

An even poorer education was being provided to those who needed it most, said the report

American books of general interest in South Africa — on civil rights movements, ethnic children's and young adult literature, and nonracial, nongeographical children's books — were in short supply.

In conclusion the report asked the AAP to urge members and other publishers to stop the boycott on books and educational material and to encourage members to give books to schools, libraries and charitable organisations active in the struggle for a progressive, nonracial South Africa.

(280) Star 17/11/90.

Closer economic ties forged with East Bloc

South Africa, hit by trade sanctions from many Western nations, is determined not to miss the boat when it comes to new markets in Eastern Europe.

Months of quiet diplomacy, aided by political changes in Eastern Europe and Southern Africa, have laid the foundation for closer economic links between Pretoria and its former diplomatic adversaries.

For years the communist governments of Eastern Europe claimed to be applying comprehensive sanctions on South Africa, and criticised the West for not doing the same.

Yet after a surprise visit to Hungary recently, South African Foreign Minister Pik Botha announced that contacts had already been established with several East European nations.

Botha's former deputy Glen Babb said it was the first official acknowledgement of a process that had been going on covertly for years

"The East bloc and the Soviet Union have been dealing with South Africa on a number of economic matters," he told Reuters in an interview. "Despite what the East bloc has been saying in the United Nations, unlike the Americans they know what is in their own strategic and national interests"

South Africa does not publish figures on trade with politically sensitive countries. But Babb referred to a widely-reported incident in the early 1980's, when it emerged that Yugoslavia bartered fertiliser for South African maize

"There have been other arrangements and sales," he added.

"Trade started taking off six or seven years ago. There were grain sales, I wouldn't doubt that we have also purchased on occasion oil from the East bloc countries."

Former Johannesburg Chamber of Commerce president Pat Corbin said the new openness could mean South Africa would no longer have to trade through back doors.

"In the past these goods have probably come though third parties which has jacked the price up.

"We will get better prices on our exports and be able to import more cheaply," he said, adding "the only thing that will put a ceiling on exports will be South Africa's ability to produce the goods that they want."

Neither he nor Babb sees the new approach changing with the emergence of democractic rule in Eastern Europe

Independent

"It will be easier to detect trade in the future, but it doesn't seem that they are coy about it," said Babb "The fact that Hungary was prepared to receive Pik Botha means they are taking an independent stance," he added.

He believes the change in attitude has been brought about by SA's dealings with the rest of Africa, and politial reforms by FW de Klerk since he became president.

Diplomats say Pretoria's apartheid reforms make it easier for East Europeans to talk to South Africa, especially when many African nations are doing so. The fact that East Europe is rejecting communism makes it easier for Pretoria to talk to those countries.

South Africa's efforts to forge new trade links are not confined to Eastern Europe. Babb said Stef Naude, director-general of the Department of Trade and Industry, recently visited the Soviet Union and China.

"There's been for a long time talk of what would happen if South Africa and the Soviet Union were to join forces in the sale of strategic minerals. If the two are added together, in most of the strategic minerals we would be able to control some 80 percent of the world market."

Babb said the relatively unsophisticated markets of Eastern Europe were ideal targets for South African goods not technologically advanced enough for Western countries.

The export of truck engines to Hungary was one project mooted during Botha's visit. "Most importantly there will be swop arrangements and barter agreements, because they're experts at that," said Babb.

"This is just the tip of the iceberg, it's bound to have a ripple effect The fact that Hungary has been able to accept somebody of the level of Pik Botha and defend its position means that Poland, Czechoslovakia even Bulgaria will probably not be far behind.

Trade and Industry spokesman Louis Nieuwoudt said South Africa was looking at offering concessions to Eastern Europe in the same way as it has done with Turkey. South Africa charges a preferential low tariff on Turksh imports.

"Trade with Turkey is developing quite nicely. They are buying a lot of steel, which is going through to countries where we have difficulties with trade," said Nieuwoudt.

"Preferential deals might become an interesting concept to get the ball rolling properly," he said. — Reuter.

Joint venture set up in Hungary

In the immediate wake of Foreign Minister Pik Botha's diplomatic contact with Hungary, trade links are being formed and a South African company has established a joint trading venture with Hungarian businessmen in Budapest.

Headquarters International, which specialises in international trade and has offices in Johannesburg and Stellenbosch, has established the link and, according to the company's managing director Justus Fourie, trade ties with several other Eastern European countries are being negotiated through an office which has now been opened in Budapest.

Products and commodities which HI believes will form the basis of trade include maize, steel, textiles, leather products, pharmaceuticals and machinery.

According to Mr Fourie, a "high-ranking" Hungarian banker has visited HI in this country: "Especially encouraging was the absence of the old stereotype negativism towards South African business often encountered in other parts of the world."

Anti-tour demo at Rand hotel

JOHANNESBURG. — Protesting against the rebel cricket tour, about 40 chanting and placard-wielding demonstrators from the Pan Africanist Student Organisation of Azania, the Azanian National Youth Unity and the Pan Africanist Movement gathered outside the Johannesburg Sun yesterday.

The placards, bearing messages for the absent rebel cricketers, read: "We want land not racist and imperialist cricket", "Johannesburg Sun, hand over the cricket terrorists" and "Rebels, watch, the PAC will get you".

The demonstration was sparked by a report early yesterday afternoon that the English cricket team had arrived in South Africa and checked into the Johannesburg Sun. The reports later proved to be false.

Mr Benny Alexander, general secretary of the Pan Africanist Movement (Pam) who had originally started the rumour, later said at a protest staged outside the hotel that even though the report had proved to be false, the protest was still symbolic.

Mr Alexander, addressing the crowd gathered outside the hotel, which included reporters, TV crews and photographers, said their protest was not only to register their indignation but to show their determination to bring the tour to a "physical and practical end".

He indicated that the SA Council of Sport (Sacos) was aware who many of the sponsors of the cricket tour were but were not prepared to release the names.

"You can be sure we will take action against the sponsors," he said.

After his short address, the crowd — which had increased to about 50 — moved away and eventually stopped outside the National Council of Trade Union offices in Wanderers Street and then dispersed.

Throughout the proceedings the police, who had asked them to disperse, maintained a low profile. —



TOUR PROTEST . . . About 40 people demonstrated outside a Johannesburg hotel yesterday against the rebel tour. It was the first public demonstration against the tour.

Picture. REUTER

Cape Times 17/1/90 (280)

Gatting nearly quit tour side

LONDON. — Mike Gatting nearly pulled out of the England rebel cricket team after he had agreed to be the captain, he admitted yesterday.

Gatting, who will earn a reported £200 000 (R840 000) for his two-year contract, told the Evening Standard of London that he had been deeply perturbed about turning rebel.

And he said he would still prefer to be going to the West Indies with the official England team.

He said he had been so concerned that he had even thought about tearing up his contract and returning to the official cricket fold.

He said: "I spoke to certain people and tried to get some feedback to find out what was in the pipeline, but was not given the assurances that I wanted."

He said anti-apartheid demonstrations against him last season had backfired. They had helped make up his mind to stay with the rebels and to do well in South Africa.

Rebels leave 'in few days'

LONDON. — The rebel English cricket squad is due to leave for South Africa "within a few days", according to player/manager David Graveney.

Responding to reports that the team was due to leave tomorrow or Sunday, Mr Graveney said: "We will be leaving as a team within a few days." — Sapa

SA now looks to East bloc as a new market for trading

(280) 17/9/90 Sowetan

SOUTH Africa, hit by trade sanctions from many Western nations, is determined not to miss the boat when it comes to new markets in Eastern Europe.

Months of quiet diplomacy, aided by political changes in Eastern Europe and South Africa, have laid the foundation for closer economic links between Pretoria and its former diplomatic adversaries.

For years the communist governments of Eastern Europe claimed to be applying comprehensive sanctions against South Africa, and criticised the West for not doing the same.

Yet, after a surprise visit to Hungary recently, South African Foreign Minister Pik Botha announced that contacts had already been established with several East European nations.

Botha's former deputy Glen Babb said it was the first official acknowledgement of a process that had been going on covertly for years.

Deals

"The East bloc and the Soviet Union have been dealing with South Africa on a number of economic matters," he said in an interview.

"Despite what the East bloc has been saying in the United Nations, unlike the Americans they know what is in their own strategic and national interests."

South Africa does not publish figures on trade with politically sensitive countries. But Babb referred to a widely-reported incident in the early 1980s when it emerged that Yugoslavia bartered fertiliser for South African maize.

"It (trade) started taking off six or seven years ago. There were grain sales, I wouldn't doubt that we have also purchased on occasion oil from the East bloc countries."

Former Johannesburg Chamber of Commerce president Mr Pat Corbin said the new openness could mean South Africa would no longer have to trade through back doors.

"In the past these goods have probably come though third parties which has jacked the price up.

Cheaper

"We will get better prices on our exports and be able to import more cheaply," he said, adding "the only thing that will put a ceiling on exports will be South Africa's ability to produce the goods that they want".

Neither he nor Babb sees the new approach changing with the emergence of democratic rule in Eastern Europe.

FOCUS



Pik Botha - links with Hungary.

"It will be easier to detect trade in the future, but it doesn't seem that they are coy about it," said Babb.

"The fact that Hungary was prepared to receive Pik Botha means they are taking an independent stance," he added.

He believes the change in attitude has been brought about by South Africa's dealings with the rest of Africa, and politial reforms by State President FW de Klerk.

Diplomats say Pretoria's apartheid reforms make it easier for East Europeans to talk to South Africa, especially when many African nations are doing so.

The fact that East Europe is rejecting communism makes it easier for Pretoria to talk to those countries.

South Africa's efforts to forge new trade links are not confined to Eastern Europe. Babb said Mr Stef Naude, director-general of the Department of Trade and Industry, recently visited the Soviet Union and China.

"There's been for a long time talk of what would happen if South Africa and the Soviet Union were to join forces in the sale of strategic minerals. If the two are added together, in most of the strategic minerals we would be able to control some 80 percent of the world market," he said.

Babb said the relatively unsophisticated markets of Eastern Europe were ideal targets for South African goods not technologically advanced enough for Western countries.

Swop plans

The export of truck engines to Hungary was one project mooted during Botha's visit. "Most importantly there will be swop arrangements and barter agreements, because they're experts at that," said Babb.

"This is just the tip of the iceberg, it's bound to have a ripple effect. The fact that Hungary has been able to accept somebody of the level of Botha and defend its position means that Poland, Czechoslovakia even Bulgaria will probably not be far behind," he added.

Trade and Industry spokesman Louis Nieuwoudt said South Africa was looking at offering concessions to Eastern Europe in the same way as it has done with Turkey. South Africa charges a preferential low tariff on Turksh imports.

"Trade with Turkey is developing quite nicely. They are buying a lot of steel, which is going through to countries where we have difficulties with trade," said Nieuwoudt.

"Preferential deals might become an interesting concept to get the ball rolling properly," he said. - Sapa-Reuter.

World ivory ban may cost SA park millions

ANDREW GILL

THE international ban on trade in ivory comes into effect today, and it could cost the National Parks Board between R4m and R6m, says NPB director of special services Anthony Hall-Martin.

The ban, announced at the Convention of International Trade in Endangered Species (Cites) conference in Lausanne last October, will effectively halt ivory sales by the Kruger Park — SA's only legal ivory seller.

The park has not reduced elephant culling, and ivory is being stockpiled.

In an attempt to overcome the loss of revenue, and cuts in its budget, the NPB has raised tariffs and embarked on an expansion programme to lure tourists.

Government contributions to the NPB decreased from more than R8m in 1988 to less than R3m in 1989.

Tariff increases of about 30% come into effect in April.

Environmental education manager Johan Verhoof said yesterday the NPB was upgrading facilities and creating new ones in various parks.

The Kruger Park is running at 90% capacity all year round. No more development is being planned there because the board had decided on maximum accommodation of 4 000 beds.

Hall-Martin said SA had asked Cites to send experts to the country to investigate its elephant control measures, in an effort to return SA to the list of nations allowed limited ivory trade.

There would obviously be adverse reaction from some quarters but a scheme to identify the origin of tusks, run by the Parks Board and UCT, would counter possible allegations that SA was "laundering" ivory, he said.

Elephant leather would also be affected by the ban. "The leather sometimes brings in more revenue than ivory, and we have had to stockpile that, too," he said.

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New batch of managers

PIERRE DU PREEZ

THE second batch of graduates from the Joint Management Development Programme (JMDP) received their diplomas at a ceremony in Johannesburg this week.

The JMDP — a joint venture between 40 SA companies and various institutions including the Paris Chamber of Commerce and the Urban Foundation — is aimed at producing competent middle management.

The 29 graduates of all races completed a three-year course, including eight weeks of "off-the-job" training a year, with the balance being conducted in the workplace.

Jean-Claude Mas, the Paris chamber's vice-president, attended the ceremony.

Guest speaker Prof Karl Hofmeyr of Unisa said the "French connection" had helped make the JMDP a success, setting it apart from other programmes.

He said the challenge of being a manager now included an awareness of and willingness to become involved in broader SA issues and to speak out against inequities.

● See Page 8

Rebels turn down offer of 'amnesty'

Cape Times 18/1/90

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From IAN HOBBS

LONDON. — Mike Gatting and his England cricket rebels have ignored protests and a last-minute amnesty from Lord's and will all be on the SAA non-stop flight to Johannesburg tonight.

Police reinforcements will be on standby at Heathrow Airport and it is understood the 16-man team may be allowed to bypass normal departure procedures to avoid demonstrators.

Gatting will address a brief press conference with manager Mr David Graveney at a hotel near the airport.

Mr Graveney yesterday denied reports that they had planned to "sneak out" of England. He said they had nothing to be ashamed of and would leave England "openly as a group".

Officials at Lord's last night confirmed that the team to a man had rejected a last-minute guarantee that their international and county careers would be "safe and intact" if they pull out now.

Test and County Cricket Board (TCCB) spokesman Mr Peter Smith told me: "They have all been told that if they withdraw now their international careers are safe and they remain eligible for England.

"We obviously hoped some would reconsider, but not one of them has contacted us."

Mr Smith made no comment on a growing opinion among cricket commentators that the rebels should be stripped of their county status and in future treated as "overseas" players. Each county team is allowed only one "overseas" player.

● Plans for protests — Page 3

US hearings on more SA sanctions soon

The Argus Foreign Service

WASHINGTON. — United States congressional hearings into legislation for additional sanctions against South Africa are to begin as a priority following the recent visit to South Africa by a delegation of American lawmakers.

The trio of congressmen who toured South Africa this month — Mr Howard Wolpe (Democrat-Michigan), Ms Constance Morella (Republican-Maryland) and Mr Alan Wheat (Democrat-Missouri) — spent much of yesterday telling American opinion-makers and the media that the situation in South Africa was disappointing, and that further sanctions would be warranted if after a short period substantial reforms had still not been made

NO INTENTION

Whereas the impression had been created by the media that President De Klerk had embarked on substantial changes, their experience in South Africa had proved that the changes so far were in fact cosmetic, they said.

There was absolutely no intention on the part of Mr De Klerk or anyone else in the cabinet to get to grips with the fundamental issue, which was the transfer of power to the majority of South Africans, they said.

Mr Wolpe said that while there had been some changes since he was last in South Africa in 1981, and it was true there was a greater degree of fluidity in white politics than before, the fundamentals of apartheid were still firmly in place and oppression by a government which relied totally on force to stay in power continued.

"He's aready had his honeymoon. I think we're going to be seeing in congress in the next very short period of time consideration of sanctions legislation. Two Bills have already been introduced. There will be some hearings in February. And we're trying to work now with the administration to put together a bipartisan approach," he told a television interviewer yesterday.

Congresswoman Morella said it was necessary to give South Africa a little time for legislation to go through and to see if the government would move in the right direction.

Flood precautions

JOHANNESBURG. — The level of the Pongolapoort Dam at Jozini in Natal will be lowered by the controlled release of water to create more flood storage space before the rainy season. — The Argus Correspondent.

week's events get me down."

From page 1

Mr Graveney said they had all taken out personal insurance against injury — but he said were satisfied with assurances given by the South African Cricket Union that their safety would be paramount

Gatting, looking tense, said he had been living under strain and resented the fact that opposition to the tour had concentrated on him

He said he would have preferred to be going to the West Indies with the official England team but was confident he would enjoy his cricket in South Africa.

"We are going to play cricket and we are confident we will be allowed to."

The players had a police escort when their coach left for Heathrow Airport to catch the non-stop flight to Johannesburg.

With the exception of Gatting, all the cricketers will be accompanied by their wives or girlfriends.

Hours before the rebels' arrival, Mr Bruno Corte, group managing director of Southern Suns Hotels and Holiday Inns — the company hosting the tourists, met the National Sports Congress yesterday to discuss his company's role.

NSC general secretary Mr Krish Naidoo said his delegation would try to dissuade Mr Corte from hosting the rebels and would inform him of a possible union backlash

Mr Corte yesterday told the Cape Times his company would react firmly to any employees refusing to carry out their tasks and would "invoke all the rights at our disposal to protect our customers and property".

Any disruptive employee action would be regarded as a wildcat strike, he said before the meeting

However, according to to Mr Moss Mashishi, spokesman for the Transvaal Anti-Rebel Tour Committee, Mr Corte agreed not to discipline Southern Sun employees who embarked on any industrial action aimed at the tourists.

"Mr Corte expressed an awareness of the volatile circumstances around the tour. Though he agreed the tour was tainted with a degree of immorality, he stated that his group was contractually bound to the cricket union."

In another development, SACU managing director Dr Ali Bacher said SACU had decided against seeking sponsorship for the rebel cricket tour and to "return to traditional methods of financing".

The tour would cost about R4 million, costs to be met primarily through gate income and the sale of television and radio rights SACU had budgeted on 200 000 spectators attending the 26 days of cricket during the tour paying a total of R3 million for tickets

After deduction of match expenses, plus a share of 12,5% to the provincial unions staging the matches, SACU expects to clear a minimum of R2 million from gate money.

SACU will also receive R2 million from the SABC for the rights to cover the matches, Dr Bacher said.

Meanwhile, Brigadier Leon Mellet, spokesman for the Minister of Law and Order, said any confrontational, disruptive protest action would be met with the full force of the law.

Both Mass Democratic Movement and Pan African Movement officials said demonstrations planned for the arrival of the cricketers today would be followed by a press conference at the airport, after which demonstrators would pursue the cricketers to their press conference at the Sandton Sun Holiday Inn.

The first indications of a possible right-wing backlash emerged yesterday as former Boland cricketer and anti-apartheid activist Mr Andre Odendaal received threatening phone calls within 20 minutes of one another.

Mr Odendaal, a history lecturer at the University of the Western Cape, said he was taking the calls "very seriously". — Own Correspondents, Staff Reporter and Sapa

Stormy send-off for UK cricket rebels

CAPE TIMES 19/1/90

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Tour starts

LONDON. — Mike Gatting and his rebels were jeered by demonstrators at Heathrow Airport yesterday as they went through emigration to leave for their controversy-stricken tour to South Africa.

Earlier, the High Court threw out as a "frivolous abuse of legal procedures" an attempt to oblige Gatting and John Emburey to appear as witnesses at the pending trial of anti-apartheid demonstrators who disrupted one of their matches earlier this year.

The rebel England XI — who this morning are expected to face anti-tour protests on their arrival at Jan Smuts Airport also had their farewell photocall and press conference wrecked by just two demonstrators in Britain yesterday.

"Gatting and his rabble have no morality. That was just a tiny foretaste of what they are going to get in South Africa," said British Anti-Apartheid Movement protest organiser Ms Karen Talbot after forcing the cricketers to abandon a team photograph.

The 16 players had just sat down for the team picture in the gardens of a secluded country hotel when Ms Talbot stormed in front of the cameras and told Gatting: "Listen to the wishes of the majority people of South Africa. Don't you understand that you are being paid by the apartheid regime?"

Gatting looked furious as she pressed a protest letter into his hand and with a curt "excuse us", waved to the team to head swiftly into the security of the hotel.

Minutes later a press conference given by Gatting, vice-captain Emburey and manager Mr David Graveney was disrupted by another demonstrator, named as Paul Brennan.

Gatting grinned with embarrassment then sat stony-faced for a full minute as Mr Brennan sauntered behind him and mocked him, asking how he intended spending his £200 000 "blood money" and "getting perks for the rest of your life on the backs of the people of South Africa".

Boks 'can't win'

THE Boks will face another "can't win" situation when they take on Mike Gatting's English cricketers next month. Similar to the Kim Hughes's tour three seasons ago, they are not an official team of their country and by no means represent the full strength available to England. **Full Report — Back Page**

The three cricketers started to walk out when Mr Brennan asked: "Have you heard the saying one rebel, one bullet? What have you got to say about that?"

The protester then left unmolested and the press conference resumed, with Mr Graveney saying it was "only human" for them to be nervous about what they faced in South Africa

He said their contracts specified that they would be properly compensated if the tour had to be called off — but he did not know if they would still be subject to international bans if it was stopped before they played any cricket.

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Williams favours continued selective sanctions against SA

By ANTHONY JOHNSON
Political Correspondent

SELECTIVE international sanctions should continue against South Africa despite some "quite profound" changes taking place in the country, visiting former British cabinet minister Dr Shirley Williams said yesterday.

Dr Williams, currently director of the Institute of Politics at Harvard University's Kennedy School of Government, is making her first visit to South Africa as a guest of the Institute for a Democratic Alternative for SA.

The former Labour Party Minister of Consumer Protection and Education and founder of the breakaway Social Democratic Party said in an interview that her decision to come to South Africa did not reflect a change in her attitude towards boycotts against this country.

In the past she was strongly urged by anti-apartheid groups in Britain, the ANC and members of her own party not to attend conferences in South Africa, particularly since South Africa had "hardly moved" on the reformist front.

However, on this occasion the same groups said they felt that the situation had changed sufficiently in South Africa to warrant a visit.

"I have always been in favour of sanctions and feel they might even be extended, depending on the steps the new State President takes," Dr Williams said yesterday.

However, she believed that in devising a programme for pressuring the South African government, any decision to impose various forms of sanctions or boycott — academic, cultural or economic — should be seen as a strategy rather than a blanket principle.

"For example, I realise that the sporting boycott is colossally controversial in this country ... and this fact makes it worthwhile. It clearly brings home to the South African white in the street the fact that a lot of other countries disapprove of apartheid. And I think therefore that in some ways that has been a very powerful weapon."

Dr Williams said she had always thought that there was a strong case for ending direct flights to South Africa, "because it affects the better-off part of the community — white, coloured or Indian — in a way that it does not affect the black majority".

However, she acknowledged that she had, since arriving in South Africa last week, noticed "some quite profound" changes occurring. It was too soon, though, for any changes to have produced a signficant shift of attitudes in the US, she said.



SHIRLEY AND DICK ... Dr Shirley Williams, relaxing yesterday with her husband Professor Richard Neustadt. She spoke at Idasa's Responsible Democracy conference at UCT last night.

Picture. RICHARD BELL

New York mayor backs anti-SA law

NEW YORK — New York mayor David Dinkins wants to introduce tougher laws to stop companies trading with SA from doing business with the city.

Holding his first foreign policy briefing on Wednesday, New York's first black mayor said he supported a measure before the city council aimed at closing loopholes in a law that forbids companies doing business in SA from also selling their services to New York.

"There are loopholes because companies often do business in South Africa through franchises and licence holders," Dinkins told the foreign media corps.

But he saw no reason to propose a law that would prevent foreigners from buying property in New York after a Japanese company bought the Rockefeller Centre.

"I assume the Japanese bought Rockefeller Centre because they got a good deal," he said.

While he was concerned about Palestinian rights, he would support no settlement to the Middle East crisis that did not have Israel's support.

He hoped to visit the Soviet Union, he said, and had discussed the possibility with the Soviet ambassador. — Reuter.

W German group calls for sanctions

JOHANESBURG. — An 11-strong delegation of West Germans, partly sponsored by their government on a fact-finding mission to South Africa, left for home yesterday with the message that economic sanctions should be instituted.

Mr Harald Groschel, a church deacon and leader of the delegation, said at Jan Smuts Airport that conditions for black people in South Africa were "awful".

The much-publicised change heralded by President F W de Klerk's new government did not amount to much when one visited black townships, Mr Groschel said.

The only way to force change was for foreign investment to pull out of South Africa.

The delegation's four-week tour of South Africa included talks with various black trade unions. — Sapa

Finrand goes sanctions

G/E 1164 24/1/90 280

By TREVOR WALKER
Business Staff

South Africa's political rand, the financial rand, will not be removed until the US lifts its sanctions on this country, senior government sources said this week.

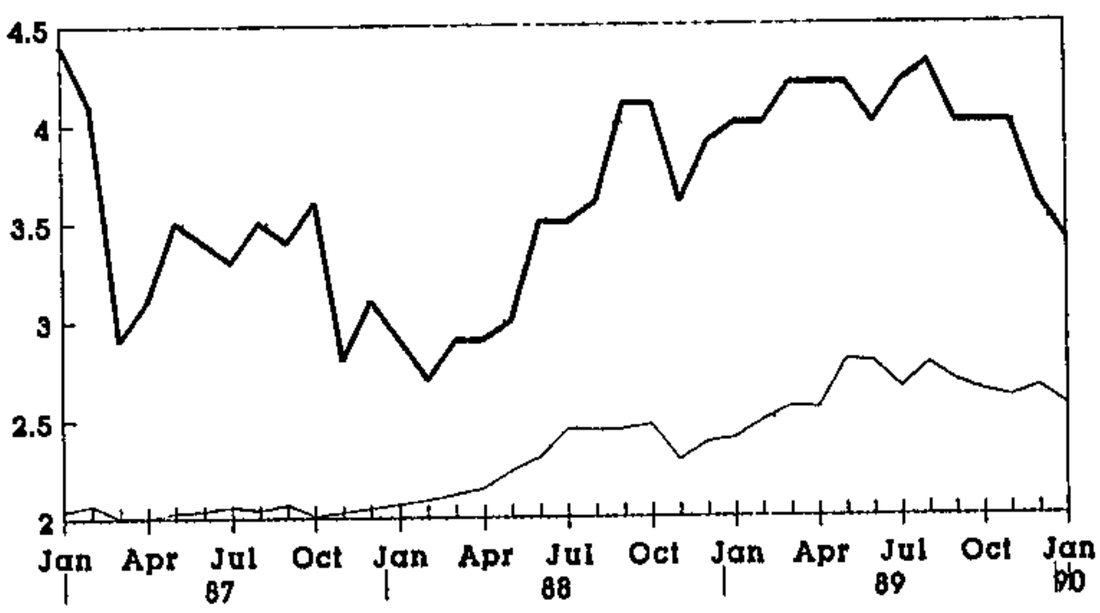
Foreign investors had been major buyers of South African gold shares in recent weeks and this with their huge purchase of gilt and semi-gilt stock on the capital markets had seen the financial rand discount fall dramatically toward the price level of the commercial rand.

South Africa's debt standstill declaration and foreign debt crisis was orchestrated largely by US banks and the country's response to this had been sophisticated and responsible.

South Africa, under the late governor of the Reserve Bank, Dr Gerhard de Kock, abolished its first use of a split currency when the difference between the two currencies fell to 17 percent.

Financial rand

$1 buys so many finrands



Graph The Argus

Government sources said South Africa had to deal with capital sanctions as well as technological boycotts and the defence mechanism of the financial rand had proved its worth in current market conditions.

A spokesman for the Reserve Bank said the situation had improved so materially recently that in some months there had been a net inflow of investment capital into South Africa.

An investment in blue chip gilts such as Escom could yield a foreign buyer as much as 50 percent on his money and this with the new spirit of optimism that had become part of the South African scene had led to a whole re-rating of the country's investment potential.

South Africa is on the move politically and President F W De Klerk's address at the opening of parliament next month is building expected to be a major policy statement.

Never easy

Finance Minister Mr Barend du Plessis since first taking over from Professor Owen Horwood has never had the luxury of an easy budget and March 1990 is going to be no exception, but bank economists comment that what might be laid down this year could be the harbinger of good news next year.

The government's use of the funds it pulled in from the flotation of Iscor and the cut back in defence spending should help the exchequer to reduce government spending and economists await with some interest Mr Du Plessis's percentage increase on his last year's R65 billion call on the economy.

WE HATE US SANCTIONS

Protests: 'Police won't act'

POLICE will not oppose peaceful, legal protests against the rebel cricket tour, the Minister of Law and Order, Mr Adriaan Vlok, said yesterday.

His statement comes in the wake of violent clashes between police and protesters at Jan Smuts Airport on Friday, hours before the arrival of the rebel English cricket team.

The clash received worldwide media coverage, fanning opposition to the tour in England and Auckland, New Zealand, the venue for the Commonwealth Games which start this week. African countries have threatened action against Britain after the games.

Mr Vlok said protesters should apply to a magistrate for permission to demonstrate and protests would be allowed "unless there is evidence of violence".

He said the government had changed its policy towards protests in September. President F W de Klerk had accepted that it was wrong to use the security forces to handle political activity.

Protest marches were political activity and not a "political-cum-security activity", Mr Vlok said.

Police were adopting a low-profile role to ensure there was no violence during protests marches.

The managing director of the SA Cricket Union, Dr Ali Bacher, said at the weekend that he had appealed to police to use more restraint after Friday's incident.

"I spoke with people high up in the security police and strongly urged them to show as much restraint as possible if it happened again," he said.

Police responded to Dr Bacher's plea, saying they did not seek confrontation with anybody, but were compelled to act when the law was broken.

Public demonstrations without prior approval from a magistrate in the relevant district were illegal and therefore could not be allowed.

In Auckland, Conservative Party candidate and athlete Sebastian Coe joined African countries in condemning the tour.

Initially there were discussions on the expulsion of England from the games, but African leaders accepted that action against England during the present games was not feasible. — Own Correspondent and Sapa

LONDON. — Graham Dilley has lost the use of a luxurious Range Rover fitted with a car phone because of his involvement in the rebel tour. The Car Phone Group in Worcestershire, which had sponsored him, told officials at the county's cricket club that they no longer wished to be associated with his name "because of his links with South Africa".

● City split on rebels — Page 2
● Tour reports — Back Page

State of emergency censorsh

s, Monday, January 22, 1990

City split on attitude to rebels

Staff Reporter

CITY councillors seem divided over a statement by Mayor Mr Gordon Oliver that it was unlikely any civic hospitality would be extended to Mike Gatting's rebel cricketers.

Mr Oliver said on Friday that because of the "divisive" nature of the tour, the city would be unwilling to offer hospitality to the team — scheduled to play in the second test at Newlands from February 16 to February 21.

Yesterday councillor Mr Chris Joubert said he believed the mayor should have consulted with his colleagues before he made the statement and that he would ask Mr Oliver to reconsider his decision.

Mr Joubert said the mayor should not have become involved in the tour row

Supported Oliver

"I've got an open mind as to his personal stand but I believe this time he should have consulted with the council," Mr Joubert said

Deputy mayor Mr Frank van der Velde, however, said he supported Mr Oliver, as did councillor Mrs Joan Kantey.

"The tour would be divisive. Until the day people come and play sport for the sake of sport in this country and not have to be bribed, then I will participate," Mr Van der Velde said

Mr Clive Keegan said "I think the man (Mr Oliver) should keep away from anything that could be divisive."

City council spokesman Mr Ted Doman said yesterday that the city had not been asked to provide such hospitality

Because the city had not been asked to provide hospitality, the whole question was hypothetical, he told Sapa

Protesters won't seek permission

THE National Sports Congress (NSC) would not apply for magisterial permission to hold protests against the touring rebel cricket team, regional spokesman Mr Ngconde Balfour said yesterday.

He was reacting to Minister of Law and Order Mr Adriaan Vlok's statement that demonstrations without approval by a magistrate were illegal.

The managing director of the SA Cricket Union, Dr Ali Bacher, has appealed to police for restraint, but SACU president Mr Geoff Dakin said he would condone police action, but not brutality, to stop protesters' disruption of tour matches.

"Infringing the rights of people who pay to watch a cricket game is unquestionably a case of disturbing the peace — definitely not peaceful protest," Mr Dakin said yesterday.

NSC chairman Mr Krish Naidoo said yesterday the MDM's regional committees would be reviewing their protest strategy later this week.

In Auckland, New Zealand, Sebastian Coe, who is a prospective Conservative Party parliamentary

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From page 1

Cricket

candidate, described the rebels as "mercenaries" who had brought shame on Britain.

His comments were welcomed by Zimbabwean Olympic Association president Mr Tommy Sithole who said it was a pity the athlete's view was not supported by British officials at the games.

African countries at the games will today expect England — and more importantly the chairman of the Games Council for England, Sir Arthur Gold — to condemn the tour. — Staff Reporter, Sapa and Own Correspondent

Disinvestment: chances of US comeback 'remote'

(280)

A TOTAL of 195 US companies have quit SA in the past seven years — and the chances of any of them coming back are remote, says the association of US companies which accepts a corporate responsibility code in SA.

The 131 still in the country face political and financial pressure, from the "hassle factor" to diminishing returns caused by double taxation and a weak rand.

The Johannesburg-based Signatory Association deals with all US companies signing the Statement of Principles, a seven-point code previously known as the Sullivan Code.

Association chairman Roger Crawford said: "Once a company has cut ties with a country, it is difficult for it to return for a number of reasons."

LALA CAMERER

Crawford cited staff recruitment and the rebuilding of consumer confidence as main stumbling blocks.

What Crawford sees as the bottom line facing US parent companies at home is the "hassle factor".

"Threats of procurement Bills being passed, the constant debate about SA and moral pressure make up this factor. However, at the moment with the new FW (De Klerk) administration, the spotlight has been shifted," he said.

Economically, with factors such as the Rangel Amendment of 1987, which subjects companies to double taxation by eliminating US credit for tax paid in SA, increased surcharges on imports of capital equipment, the weak rand and the recent loan levy tax, more US companies are finding it impossible to remain in SA.

The association's administative manager, Denise Buckle, says the prospect of diminishing returns on SA investments has led US companies to put responsibility to shareholders above that to employees.

Of 114 US firms which divested in the period 1986 to 1989, with a peak of 54 leaving in 1987, almost 60% have sold to SA-based management in management buy-outs (MBOs).

None of the MBO companies have been willing to report to the Statement of Principles.

Reasons for this, Buckle believes, are that to be a signatory meeting up to Category 1 status (making good progress), requires time, effort and money.

According to the 13th signatory report, R83m was spent by 59 signatories on social responsibility programmes in fields such as education, training and advancement last year, compared withR85,8m spent by 70 signatories the previous year.

Vlok tour talk offer spurned

CNA Times 24/1/90

280 280

Staff Reporter

THE South African Council for Sport (Sacos) yesterday rejected out of hand an invitation by Law and Order Minister Mr Adriaan Vlok to meet him to seek "common ground" on anti-cricket tour protests.

And the anti-tour faction took action yesterday when staff at the tourists' hotel in Sandton held a peaceful demonstration and indicated that they would refuse to provide the normal services for the cricketers.

They also said that similar protest action would continue at the other hotels at which Mike Gatting's team stays.

At the time Gatting's men were several kilometres away, practising at the Wanderers nets in Johannesburg.

Told about the demo and threats to withdraw service, Gatting said: "There's nothing we can do about it. If necessary we can make other arrangements. But let's see what happens first."

Rejecting Mr Vlok's invitation, Sacos executive members Mr Colin Clarke and Mr Joe Ebrahim instead called for Mr Vlok to prohibit the tour, saying it was "clearly a threat to public order".

In a clearly conciliatory response to the snub, Mr Vlok said late yesterday that he had noticed "with great concern" the possibility of unrest and violence erupting from the planned protest actions.

In an effort to prevent this he had decided to invite "certain prominent people" opposed to the tour to meet him.

The purpose of the meeting was to state the government's viewpoint on legal and peaceful protest and to try to find "common ground to ensure that protest does not lead to ugly and unnecessary violence".

He emphasised that the possible cancellation of the tour was "at no stage whatsoever an issue for discussion".

The government recognised the right of people to oppose the tour and therefore allowed protest actions provided they took place within the ambit of the law and on condition they were peaceful.

However it also recognised the right of people who wished to watch cricket or to play cricket to be able to do so and could not allow that they be deprived of this right by "intimidation, violence or any other means".

While he was prepared to talk to certain people to prevent violence they were "apparently not interested in this".

Mr Vlok "earnestly" appealed to "all people to ensure" that no violence stemmed from their actions concerning the tour.

In the hotel protest, the entire morning shift of about 200 Sandton Sun employees filled the lobby and escalators yesterday, singing, dancing and chanting.

Full service

Police and management watched but took no action as rowdy staff members ran up and down the escalators, holding up placards reading "Go home, Gatting" and "No services for the Rebels".

Yesterday Mr Peter Smith, managing director of Southern Suns, confirmed the work stoppage, but said Gatting's team would receive full service in spite of boycotts.

Gatting has instructed his players "not to get involved" in any demonstrations that spill on to the playing fields or the pitch during his side's tour, which opens in Kimberley on Friday.

A mass rally will be held in Kimberley today to launch a campaign to oppose the tour, the Kimberley anti-tour committee said.

Cohen's pledge on anti-SA sanctions

Bidpaper 25/11/90 280

EDYTH BULBRING

IF THE requirements of Washington's Comprehensive Anti-Apartheid Act were fulfilled by the SA government, the US administration would immediately consult Congress with a view to suspending or modifying sanctions, US Assistant Secretary of State for Africa Herman Cohen said yesterday.

Speaking at Jan Smuts Airport before his departure after a three-day visit to SA, Cohen said he was encouraged by developments which represented a significant change since his previous visit last year.

If the momentum of progress towards the beginning of negotiations continued, he did not believe there would be a strong sentiment in Congress for additional sanctions.

Government and the anti-apartheid movement seemed in the process of committing themselves to normalising the situation in SA, Cohen said.

The impression he had gained from government was that it was in the process of making a commitment to the normalisation of political life so that all could participate freely. This would include the legalisation of the ANC and the lifting of the state of emergency.

There was a commitment to making fundamental changes in the SA political system, to bring about democracy through negotiation with those excluded from that system.

Cohen said President F W de Klerk had

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Cohen

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☐ From Page 1

not given him a definite date for the release of ANC leader Nelson Mandela, but had indicated it would be soon. De Klerk had also told Cohen he could expect to see "major developments" soon

His impression of the anti-apartheid movement was that it was also in the process of making a reciprocal commitment on three points.

These were to engage in normal political activities in a lawful and non-violent manner; to engage in meaningful negotiations without preconditions beyond the creation of an appropriate climate; and that the result of negotiations should be a truly democratic system involving all South Africans.

There seemed to be a shift in focus by the anti-apartheid movement from confrontation to negotiation, Cohen said.

His main policy recommendation when he returned to Washington next week would be to assign the highest priority to the encouragement of meaningful negotiations and to continuing dialogue with the SA government and representatives of the anti-apartheid movement, he said.

The chances of other high-level administration officials coming to SA over the next few months were good.

US scandal over SA diamond sanctions

280

B1Dan 26/11/90

WASHINGTON — Congressman Mervyn Dymally helped soften proposed sanctions on SA diamonds in 1988 after US diamond importer Maurice Tempelsman donated $34 200 to a charity set up by the legislator, who was then chairman of the congressional black caucus.

Dymally, who is already under investigation for soliciting favours from the MPLA in return for opposing sanctions against Angola, personally pocketed $2 000 from the donation as an "honorarium", a disclosure statement required under House ethic rules shows.

Sese Seko

Tempelsman, chairman of Lazare Kaplan International and a frequent escort of Jacqueline Kennedy Onassis, approached Dymally through a lobbyist, Howard Marlowe, as the House was considering the 1988 Anti-apartheid Amendments Act.

This contained a ban on imports of diamonds of SA origin and a call for the reopening of anti-trust proceedings against De Beers's Central Selling Organisation.

The language was taken from a Bill introduced by Dymally a year earlier as an apparent kindness to Zairean President Mobutu sese Seko, who was chafing at the Bill.

SIMON BARBER

According to a detailed account in yesterday's Washington Post, when Marlowe contacted Dymally's staff about setting up a meeting with Tempelsman in April 1988, he was handed a written appeal for $34 200 for the "Mervyn M Dymally Young Minority Scholars programme in science academics", which was to send a group of students to Puerto Rico.

Dymally saw Tempelsman on April 19 and asked for a draft alternative to water down the diamond ban. Marlowe furnished one later in the year, proposing, instead of a ban, a feasibility study of whether SA diamonds could be embargoed without harming non-SA producers and processors.

This was accepted, at Dymally's request, by the House Africa Sub-committee in hearings on April 20.

However, the Bill adopted by the full House Foreign Affairs Committee in May still contained a provision requiring importers to certify to US customs that their shipments contained no stones of SA origin.

The Bill subsequently died for lack of support in the Senate.

Star 26/1/90

Graft accusation over sanctions law

280

By David Braun,
The Star Bureau

WASHINGTON — A leading black US Congressman has been accused of watering down proposed legislations to impose sanctions on SA diamonds after meeting a New York diamond importer who later made a cash donation to a scholarship programme run by the lawmaker.

Congressman Mervyn Dymally (Democrat, California), chairman of the Congressional Black Caucus at the time, took a leading role in the fight for tougher sanctions against SA in February 1987 when he introduced legislation to ban US imports of SA diamonds.

However, in April 1988, said a front-page report in the *Washington Post* yesterday, Mr Dymally changed course. Accepting arguments that his initial Bill was unworkable and unfair, he had proposed changes to weaken its impact on diamond importers.

The *Washington Post* said Mr Dymally's change of heart had followed a meeting with New York diamond merchant Mr Maurice Tempelsman, a buyer of uncut SA diamonds whose $80 million (R200 million) a year business could have been crippled by stiff sanctions.

Two months later, after Mr Dymally had accepted an amendment proposed by Mr Tempelsman, the report said, Mr Tempelsman had donated $34 200 (R87 000) to a Dymally scholarship programme.

Mr Dymally had declined to be interviewed, but had sent the newspaper a one-page statement saying he had not solicited donations from Mr Tempelsman and defending the amendments.

The newspaper said Mr Dymally had broken with other members of the Black Caucus who sought to suspend aid to Zaire after President Mobutu Sese Seko had donated $250 000 (R640 000) to a California charity on whose advisory board the Congressman sits. Mr Dymally subsequently became the leading House advocate for President Mobutu.

The newspaper further said Mr Dymally had urged an Angolan government official to give a lucrative oil contract to one of his campaign contributors.

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US helps bankroll Pepsi management buyout

BTday 26/11/90

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PEPSI Cola Africa has been bought by its management after some "relief funds" were made available by Pepsico Inc, the former US parent.

Other bidders included the Rembrandt group, Jeff Liebesman's FSI and Gilbeys.

Newly appointed MD Henry Roux said yesterday speculation linking Sol Kerzner to the buyout probably stemmed from the involvement of former Sun International MD Ken Rosevear in negotiations for FSI.

Pepsi had been controlled by the Personal Trust group, while the Soweto Investment Trust Company had a shareholding. These two groups now held 25%, while management held 75%.

ZILLA EFRAT

A statement from Pepsico Inc said: "Pepsico did make some relief funds available during this transitional period, an action it has taken in similar instances elsewhere in the world to promote the financial viability of local franchised bottling operations."

It said the SA bottling group would remain 100% independently owned.

Roux would not disclose the price paid by management and denied a previous Press report that Pepsico had given R3,2m in assistance.

He said there was no intention of attempting to dominate Coca Cola in the local market.

Roux said since Pepsi's disinvestment in 1984, the local company had never really got off the ground and its market share had plummeted.

However, for the first time in five years, Pepsi would appear on the shelves in major centres in the Transvaal and Natal.

Star 29/1/90 280

Thatcher visit virtually certain

Easing sanctions 'hinges on Mandela'

The Star Bureau

LONDON — Britain is quietly preparing to relax some sanctions against South Africa if Nelson Mandela is released and restrictions on political activity are eased, according to a report released in Britain.

The *Sunday Correspondent* report also claimed that British Prime Minister Mrs Margaret Thatcher is now virtually certain to visit South Africa if Mr Mandela is released.

"September is a probable date for the visit though it could be as early as the Easter recess if there are changes before then," wrote the newspaper's Political Editor, Mr Donald McIntyre.

"At the same time, ministers are likely to draw up a limited list of more minor sanctions which could be lifted to increase dialogue with the Pretoria government without breaking hard-and-fast international agreements."

Such relaxation would stop far short, for example, of any withdrawal from the UN embargo on arms or oil sales.

President de Klerk's speech to the opening of Parliament in Cape Town on Friday could pave the way for a relaxation of trade sanctions, such as the denial of financial support to trade missions to South Africa or advice to companies planning to invest there.

There could also be an easing of restrictions on scientific and cultural contacts.

It was the lead story on page one of the new *Independent on Sunday*, launched yesterday, which reported that Mr Mandela was refusing to be freed until certain conditions set by the ANC had been met.

The foremost among these is the unbanning of the ANC, reported the newspaper's correspondent, John Carlin.

He quoted Mrs Winnie Mandela as saying Mandela would simply turn back at the prison gate if the conditions were not met.

In a lengthy interview in the same newspaper Mrs Mandela gave an indication of the role Mr Mandela intends to play once he is released. "He sees himself, in his own words, as merely 'a facilitator'. That he was chosen as a symbol of resistance through whom the aspirations of the people are expressed was not his choice, so he wouldn't see himself as such," said Mrs Mandela.

Political differences

"But he is not only the facilitator, he says. He transcends all political differences. So he would see it as his duty to the nation to facilitate a motion whereby the people of this country are brought together to find a peaceful solution that will be for the good of all."

The *Sunday Express*, in an editorial, recalled that Mrs Thatcher's critics said South Africa would never move towards ending the "odious system of apartheid" unless she imposed sanctions.

Legal bid for release order halted

CAPE TOWN — Nelson Mandela has forbidden lawyers to seek a court order releasing him from prison, a move they believe could have freed him in hours, lawyers and friends said at the weekend

Lawyers said yesterday that almost the entire South African legal community believed Mr Mandela's continued imprisonment was illegal and unconstitutional. Star 29/1/90

Mr Mandela's wife, Winnie, said after visiting him for four hours on Saturday that he was depressed and lonely in his prison-farm bungalow.

She said hopes for his early release seemed to have dimmed. She slammed the Government for playing with his emotions by raising the prospect of his release and then removing it

She said her husband would not accept release until minimum conditions, including the dropping of the 30-year ban on the ANC, had been met.

Cape Town lawyer Mr Essa Moosa said. "Nelson Mandela is living in a luxurious house, he is allowed all the visitors he wants, he is in consultation with the Government and the African National Congress in exile.

"Mandela is not being held in terms of the Criminal Procedure Act or any law, he is being held to suit the political agenda of F W de Klerk."

Mr Moosa said Mr Mandela refused a year ago to authorise a court application for his release even though he knew he could have been free in days.

Another lawyer who asked not to be named said he had discussed a court application with Mr Mandela more recently, but had been forbidden to take the idea further.

"Given the statements that have been made by various Government Ministers, I believe we could have Mr Mandela out of prison in 12 hours."

He said, however, that Mr Mandela insisted it was his right to be freed and wanted Mr de Klerk to free him immediately and unconditionally. — Sapa-Reuter.

Morale is low in Swazi schools



JOANNA

Joanna cancels her trip

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By KENOSI MODISANE

BRAZILIAN singer Joanna, whose visit to South Africa was opposed by anti-apartheid organisations, has apologised and cancelled further performances until she meets with the United Nations' cultural wing.

11/2/90

Speaking at a press conference called by the Mass Democratic Movement's cultural desk, the singer said: "My coming to the country does not mean I approve of apartheid and it was not my intention to disturb your struggle."

Soweto

She also said she would like to meet Mrs Winnie Mandela and other prominent black leaders. But the cultural desk spokesman, Mr Mzwakhe Mbuli, dismissed her appeal to meet Mandela. "It is not convenient at this stage for her to meet Mandela," he said, although conceding that Mandela would be briefed on the developments surrounding the singer and would decide whether to meet her or not.

Joanna cancelled her Southern African itenerary because of the controversy surrounding her Johannesburg appearance. She was to perform in Angola and Mozambique.

Joana apologises for SA visit

By Kaizer Nyatsumba

Star 12/1/90

Brazilian singing superstar Joana yesterday apologised to the Mass Democratic Movement (MDM) for performing in South Africa, and expressed herself against apartheid.

At a press conference called by the MDM's national cultural desk in Johannesburg yesterday, Joana — whose real name is Maria Gomes Nogueira — said although she knew before coming to South Africa she might encounter problems here, she had hoped she would be able to consult anti-apartheid organisations inside the country.

The Brazilian singer's presence here has been likened by the national cultural desk (NCD) to Mike Gatting's rebel English cricket tour

In a prepared statement, Joana said "It came to my knowledge that, according to the cultural desk, I committed a crime by performing in South Africa. I was worried to learn that, (because) I didn't know some political issues. I'm against apartheid. I love people and I care for them."

She said her father was Portuguese and mother a mulatto, and so "black blood runs in my veins too, and I understand the struggle in this country".

In his opening remarks, NCD co-ordinator Mr Mzwakhe Mbulisaid said Joana had apologised to the NCD and had said she was misled by a local promoter, Mr Carlos Paiva, who made her believe he had consulted anti-apartheid forces and there would be no problem.

Speaking through an interpreter, Joana later said although Mr Paiva had misled her, she did not think he had done so intentionally.

Contacted by The Star yesterday, Mr Paiva said he had brought Joana to South Africa to perform for the Portuguese community, and he did not think this would cause any problems.

"It was not our intention to have a confrontation with other people in this country, but we had looked upon the event as meant for the Portuguese community in this country.

"I am sorry if this offended some people, and I promise it won't happen again," he said.

Joana also promised to write a letter of apology to the international community through the United Nations, but expressed her desire to return soon to perform for the black community.

STAR 11/2/90 (357) (280)

Congress considers sanctions

By David Braun,
The Star Bureau

WASHINGTON – Two major US banks are expected to testify at a Congressional hearing later this month on proposed financial sanctions against South Africa.

The banks, Morgan and Manufacturer's Hanover, are two of South Africa's major US lenders.

The hearings, on February 21 and 22, will be held jointly by three Congressional sub-committees — banking, Africa and foreign operations.

At least two senior officials of the administration have also agreed to give evidence, including a senior spokesman for the US Treasury and the Assistant Secretary of State for African Affairs, Mr Herman Cohen.

The hearing will be considering testimony on financial sanctions which were basically proposed in draft legislation introduced last year by Congressman Walter Fauntroy.

A spokesman for Mr Fauntroy's office said this week the Bill has been somewhat modified following input from the Congressional task force on South Africa headed by Mr Howard Wolpe, chairman of the House Subcommittee on Africa.

Mr Wolpe recently visited South Africa, concluding there was as yet no evidence of fundamental change which would warrant any relaxation of present sanctions.

The Fauntroy Bill originally proposed a series of increasing sanctions against South Africa if certain specified reforms were not met by target dates.

Maggie pledges war against sanctions

BRITISH Prime Minister Margaret Thatcher led world reaction last night by declaring she would push internationally for relaxation of sanctions.

In America, where the historic announcement by President F W De Klerk was carried live on TV, President George Bush was enthusiastic, but stopped short of making a decision on sanctions.

In a statement from No 10 Downing Street, Mrs Thatcher declared that President De Klerk had created a "new sense of hope and optimism".

And, in a move that will boost confidence, the Prime Minister swept aside official opposition to British investment in SA.

Voluntary

She said: "We believe it no longer makes sense to discourage new investment in South Africa — a restraint which in our case has been voluntary — and we shall be discussing this with our EEC partners."

This was because Mr De Klerk had announced the release of Nelson Mandela, had already set free other long-term security prisoners, had unbanned the ANC and other political organisations and was offering to lift the state of emergency if conditions of calm were maintained.

"We do not believe that in these changed circumstances it is reasonable to discourage tourism or visits to South Africa it is for individual British citizens to make up their own minds on that

By JEREMY BROOKS in London and PATRICIA CHENEY in Washington

score," she said.

"In short, we believe the steps President De Klerk has taken merit a positive practical response.

"He has opened the way for all the parties in South Africa to find a negotiated solution to the country's problems and in doing so he has created a new sense of hope and optimism about the country's future."

Mrs Thatcher had been informed "beforehand" of Mr Mandela's release, said a spokesman.

She will meet other EEC Ministers to thrash out the issue of sanctions in 10 days' time.

In Washington, President Bush praised Mr De Klerk for "bold and imaginative leadership".

He said from Maryland, where he is spending the weekend: "I welcome this move and view it as another significant step on the road to the non-racial, democratic South Africa we all desire."

Mr Bush reiterated his intention to invite Mr Mandela and President De Klerk to the White House in separate visits.

"President De Klerk has shown bold and imaginative leadership in recent days which has earned the admiration of many of us who hope for swift and peaceful evolution in South Africa."

He made no mention of whether the release of Mr Mandela would cause his administration to push for easing of US sanctions against Pretoria.

President De Klerk's announcement was televised live in the United States — in Afrikaans on some stations.

Three major television networks interrupted Saturday morning cartoons to carry the Press conference.

It was an unprecedented step for a foreign event.

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Ecstatic

The ABC announcer in Johannesburg even urged children to call their parents if they were not already watching television "for what we believe will be a very important announcement". S Times 11/2/90

Some awkwardness resulted from President De Klerk first reading his statement in Afrikaans.

ABC had a voice-over translator, but CBS and NBC were left to anxiously reassure viewers he would shortly repeat it in English.

Following the Press conference, ABC showed ecstatic scenes in the living room of Archbishop Desmond Tutu, where the network's reporter was hard put to stop Archbishop Tutu singing to give his reaction.

"The feeling is indescribable," beaming Archbishop Tutu said. "We thank God that he has heard our prayers ... hallelujah ... hallelujah."

BERNSTEIN LOXTON GOLDING & KLEIN 4607

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Zambia's anti-sanctions flights

How Zambia Airways breaks the sanctions barrier

FRED BRIDGLAND of the London Sunday Telegraph reports from Johannesburg

SANCTIONS-busting Flight QZ401 gathered speed down the runway at Jan Smuts International Airport, and soon the giant Zambia Airways DC-10 was winging its passengers towards New York, as it has been doing twice a week for the past two years.

QZ401 is one of the more brazen examples of the chasm that exists between the anti-apartheid rhetoric of black African states and the reality of their business practices.

Zambia was prominent among black African nations which urged the US Congress to introduce the 1986 Comprehensive Anti-Apartheid Act. Among the Act's main provisions was the cancellation of landing rights in the US for SAA in order to tighten the isolation of the white government.

But within months of the implementation of the legislation Zambia Airways was drawing up plans to fly Jumbo jets right through the very legislation it had urged upon Congress," said one Lusaka-based western diplomat.

Zambia Airways plugs its sanctions-busting departures to the Big Apple openly within SA, reminding travellers that they are the only direct flights across the Atlantic to the US.

Maury Lieberman, a US government mental health administrator based in Washington, his wife Leslie and brother Freddie were among US passengers on one of the Johannesburg-New York direct flights.

"We caught a lot of disapproval when we said we were going on holiday to SA," said Lieberman. "They were even more surprised that we were flying directly by Zambia Airways."

He said he was not sure whether his liberal friends disbelieved such a flight existed or whether they were being unconsciously racist by fearing for his safety aboard a black African jetliner.

Lieberman discovered the direct flight to SA in a tiny classified advert placed by a California travel agency in the New York Times.

He was curious, since every other airline advertised stopovers in Europe en route to SA and their economy return fare was $1 700 or more against the $1 200 offered on Zambia Airways.

"I got a real education, thanks to Zambia Airways," said Lieberman. "The month I spent in SA was a humbling experience for an American. It undermined some of my smugness."

On the return flight from Jan Smuts the first short stopover at Lusaka was extended by three hours to allow a late flight from Northern Zambia to connect. It gave travellers the chance to experience just how sad are the economic ills of President Kenneth Kaunda's country, and to see they have compelled Zambia to breach the spirit of US airline sanctions against SA.

Passengers sweated in the luxury transit lounge because the air-conditioning was not working in the mid-summer humid heat. Beer and soft drinks had run out.

Outside, in the general transit lounge, broken light fittings hung drunkenly from the ceiling, workmen struggled with an escalator that has not worked for several months and airport cleaners drank tea from empty baked-bean cans.

Zambia, which entered independence full of promise 25 years ago, has one in four of its workforce unemployed; inflation is at 130%; twice as many children die of malnutrition as a decade ago; spending on education is down more than 60% from 1980; and per capita income has fallen from $600 in 1981 to $200.

A black American bishop, whose missionary district includes Zambia, shook his head and said: "Life is very difficult for our flock here. I don't understand how things can be put right in a one-party system where there is no real debate about what is wrong."

...minister said the talks covered the release of political prisoners, in- ...ter Jock Kay. — Sapa.

Mapping out the trade routes of Africa

FRED BRIDGLAND

ZIMBABWEAN leader Robert Mugabe is said to have tackled then Indian prime minister Rajiv Gandhi at the last Non-Aligned summit in Harare and told him to tighten sanctions by denying even SA Indians entry to his country. Gandhi replied: "OK, Robert, I'll stop admitting them if you'll stop delivering them."

Mugabe did not stop sending them, and the weekly Air Zimbabwe service from Johannesburg to Bombay via Harare still transports SA Indian traders to the land of their forefathers to they buy the exotic goods that flood SA's oriental bazaars.

Trickier deals are also concluded courtesy of Air Zimbabwe and other African airlines flying into Bombay from Johannesburg. About R4,2bn worth of SA diamonds are imported into India each year: in return India launders such exports as guar gum, vital for the SA's oil exploration drive, through Malawi and Mihindra jeeps through Mozambique.

Gandhi had perceived the vital truth that, sanctions and high public moral postures notwithstanding, there is practically no limit to trade between SA and black Africa.

"There is not a single one of the 50 members of the OAU with which we do not have trade," Glenn Babb, former deputy director-general responsible for black Africa in the foreign ministry. He estimates that SA's trade with its continental neighbours to the north was worth about $6bn in 1988, up from about $2bn in 1985.

'Babb's babes'

SA possesses 40% of the African continent's industrial capacity and a third of its manufactured goods cross the Limpopo by plane, train, truck and individual heads and backs for distribution in black Africa.

Babb was the leader of a young team of khaki-clad SA diplomats who from the early '80s pioneered a robust thrust into Africa to win trade and establish relations.

Before "Babb's babes" began their work, only Greek and Lebanese traders based in SA were venturing beyond Zimbabwe, Zambia and Mozambique. Now three main hubs of SA trade have been established far to the north in Ivory Coast, Zaire and Rwanda-Burundi.

"In each hub there are massive warehousing facilities for SA products," says a senior official of the SA Foreign Trade Organisation (Safto) which each year produces a 1 000-page exporters' manual. "Trucks, trains and planes come from neighbouring West African countries to pick up our goods in the Ivory Coast. Zaire services Central Africa, and Rwanda-Burundi is the centre for Uganda, Kenya, Tanzania and eastern Zaire."

He adds that only the amount of foreign exchange available to the African countries limits the amount of trade. — Sunday Telegraph.

Babb classifies black Africa's relations with SA on three levels: the rhetorical, which is extremely hostile; the official, which is correct but cold; and the real — where "hardly a black African country raises an eyebrow at the trade which goes on".

Fears of Coates disinvestment

ALAN FINE

THE Chemical Workers' Industrial Union (CWIU) has begun agitating for negotiations on disinvestment procedures with British-owned Coates Brothers, fearing that the company plans to pull out of SA.

However, company spokesmen denied any disinvestment plans were afoot.

A CWIU spokesman said the union was demanding negotiations, and also wished to meet the chairman of British parent company, Coates plc, who was on a visit to SA. Bidday 2/2/90

But Coates plc chairman D J Youngman was refusing to meet either union officials or employees.

The spokesman said workers at the Cape Town plant of the printing ink producer had staged a protest work stoppage this week during Youngman's visit.

He had since travelled to the company's Durban plant.

CWIU claims to represent 80% of the 250-strong workforce of the firm, which is 68% owned by Coates plc.

The union has a standing policy of attempting to negotiate disinvestment of subsidiaries with foreign-owned companies. (280)

The spokesman said concern had arisen when the union learned of a restructuring of ownership of the British parent, with ownership tranferring to French company Orkem.

Local and British Coates spokesmen denied any knowledge of plans to disinvest, and Youngman could not be contacted yesterday.

However, Coates SA Durban GM Dennis Jordan said the union had been demanding discussions on a disinvestment procedure.

The company's response had been that there was no need for these talks as there were no disinvestment plans.

The CWIU spokesman said that the Sterling Drug experience (where the disinvestment happened soon after the parent company was taken over by Kodak) meant the union would not accept assurances that the restructuring would not effect the SA operations.

US author Walker reverses her SA boycott

W/Mail 2/2 – 8/2/90 · (280)

BLACK American author Alice Walker, who withdrew her books from the South African market nearly four years ago, has now agreed to their distribution here — with royalties to be used to encourage writing by black women.

Walker's share of the proceeds of the sale of her books will go to the Congress of South African Writers. According to national co-ordinator Junaid Ahmed the money will probably be used by Cosaw's regional women's forums set up to "initiate, encourage and stimulate writing by women in South Africa".

Walker asked that her books be withdrawn at about the time the film of her best-known book, *The Color Purple*, came on circuit — although the film was never released in South Africa.

"She had decided she didn't want to profit from having her books sold here," said a representative of her local distributors, David Philip publishers, "and so she stopped it."

But last year the University of the Western Cape English Department wanted to prescribe *The Color Purple* for first-year students, and contacted the distributors, Walker's publishers

Weekly Mail Reporter

The Women's Press and Walker herself. The author agreed the book could be sold to UWC students only, said the representative.

During the year, according to The Women's Press, there was "discussion with representatives of the African National Congress and members of the Mass Democratic Movement" and now Walker "has agreed to allow her books to be distributed, subject to an arrangmenet whereby all her royalties will be donated to support black writing, especially writing by black women, in South Africa".

"We feel very happy indeed with this decision," David Philip co-director Marie Philip said this week. "We have felt strongly that her books have work to do here."

David Philip buys books outright from The Women's Press; the publisher, not the distributor, will pay royalties to Cosaw, which is planning a national workshop of women writers early next month to examine, among other things, precisely how the money will be used.

Walker's arrangement is not the first time such a deal has been made, according to an ANC representative. Miriam Makeba asked that the royalties from the sale of her autobiography be used for women's projects; a well-known British writer of children's books and several other writers have made similar requests.

"We had been campaigning for people not to have their books distributed and sold in South Africa before the ANC released its policy statement in May 1989, the first statement by the National Executive Committee on the cultural boycott." The statement notes, in part, that "the NLM (national liberation movement) and the MDM support the inflow of progressive cultural products, artefacts and ideas into our country..."

GREEN VINTAGE COLLECTION · DOUGLAS GREEN VINTAGE COLLECTION · DOUGLAS GREEN VIN

Reform moves raise hopes of major sanctions relief

STAR 3/2/90

FINANCE STAFF

SOUTH Africa's business community is expecting a significant reduction in sanctions following State President F W de Klerk's historic policy statement yesterday.

In hectic trading on the Johannesburg Stock Exchange buoyant share prices reflected the mood of optimism that swept the country yesterday.

But more fundamental economic changes are expected to emerge from the speech, which many economists described "as the first step in ending our international economic isolation".

Reports that US President Goerge Bush would seek a mandate from the US Congress to reduce sanctions, buoyed trading on the JSE.

Prices surge

Stockmarket dealers said one effect of Mr de Klerk's moves may be that economic sanctions against South Africa will be eased, resulting in improved trading prospects for South African companies.

Prices on the stockmarket surged to record highs yesterday as the overall index climbed by 2,7 percent, or 86 points, to close at 3280.

Both local institutions and foreign investors pursued industrial shares in particular — the JSE industrial index closed the day 3,2 percent or 98 points up at 3031.

South African gold and industrial shares also surged on British and European share markets.

Mr Les Boyd, president of the SA Chamber of Business, said: "Mr de Klerk has gone much further than expected. These steps should significantly enhance South Africa's business image. We hope this new approach will see a lifting of punitive sanctions."

The chairman of Anglo American Corporation, Mr Gavin Relly, said: "We would hope that these acts of courage and statesmanship on the part of President de Klerk will create matching acts of courage and statesmanship both within South Africa's borders and beyond."

Dr Carl Hahn, the international chairman of the motor giant Volkswagen, who is on a visit to Johannesburg, said: "The announcement will contribute greatly towards bringing South Africa back into the mainstream of the international business community."

Reserve Bank Governor Dr Chris Stals said the historic speech had greatly improved prospects for the South African economy.

"Most foreign banks will take their lead from their country's politicians, but short-term trade credits will be more easily accessible," Dr Stals said.

He also expected significantly reduced foreign debt repayments as a result of improved political sentiments, with the possibility that as much as R3 billion of this year's total R7 billion debt could be rolled over.

● See PAGE 13

ANC wants sanctions to remain

Cutt Tmi's 3/2/90 280

STOCKHOLM. — ANC leaders visiting Sweden welcomed the lifting of the ban on political organisations but said economic sanctions against South Africa must be maintained.

Former ANC secretary-general Mr Walter Sisulu told a news conference that President F W de Klerk had done a great deal by lifting a 30-year-old ban on the organisation Mr De Klerk had shown "he is a man the ANC can and will talk to".

"But he has not yet gone far enough," Mr Sisulu said, and economic sanctions against South Africa must be maintained.

The ANC would like to have seen Mr Nelson Mandela and other political prisoners set free immediately and South African soldiers removed from black townships.

ANC leaders here issued a statement saying the ban's removal "goes a long way towards creating a climate conducive to negotiations".

"Victory is in sight," said Mr Sisulu, who was imprisoned with Mr Mandela for 26 years till his release last year.

No armistice now

Mr Andrew Mlangeni, one of the ANC leaders released last October, said he was surprised at Mr De Klerk's lifting the ban on the SA Communist Party. "We did not expect that."

The ANC and SACP are to hold a caucus meeting to review the political situation after Mr De Klerk's speech.

In Harare the ANC secretary for information and chief spokesman, Mr Pallo Jordan, said the organisation would continue guerilla operations till a climate for constitutional negotiations had been created through preparatory talks.

"An armistice can only take place once a democratic government is in place."

He said the lifting of the ban met only one of the conditions for talks laid down in the ANC's August 1989 Harare Declaration on the basis for a peaceful settlement in SA.

A senior ANC spokesman in Harare said the unbanning of the organisation was an important victory for the people of SA and a response to irresistible international pressure.

'All together'

"Although the ANC, SACP and PAC have been unbanned, repressive measures can still be deployed against them, because the capacity is there in terms of statutes," he alleged.

Ms Barbara Masekela, of the ANC's cultural affairs department and sister of fellow exile and famed trumpeter Mr Hugh Masekela, said the news had dribbled through to Harare in "bits and pieces".

Ms Masekela left South Africa in 1960 and has not returned since.

Asked whether she intended returning to South Africa, she said: "We won't come one by one, we'll all come back together."

In London, a senior political analyst of the ANC said Mr De Klerk's speech heralded a "new era in the history of South Africa".

The analyst, who goes only by the name of "Mzala", said the ANC was "absolutely committed to a negotiated solution for South Africa".

The next step, now that the ANC had been unbanned, was facing the question of a new constitution for South Africa and the dismantling of the present one.

Responding to a question from the interviewer, "Mzala" confirmed that his gut reaction to Mr De Klerk's announcements was "thank God things are moving". — Own Correspondent, Staff Reporter and Sapa

Outlook augurs 'very well' for SA debt

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CAPE Times
3/2/90

Own Correspondent

JOHANNESBURG. — SA's position with regard to US Congress and its international debt commitments could be substantially altered by the implications of De Klerk's speech, Nedbank economist Edward Osborn said yesterday.

"I think it was a tremendous speech and showed tremendous wisdom and courage," he said. "It was a giant step forward politically and of fundamental importance for the economy.

"The immediate effect on the economy is very difficult to assess. One has to weigh up carefully what De Klerk is saying about the restrictions on government expenditure. These noises have been made already but the length to which he went does certainly illustrate government's determination.

"This is very good from the overall financial point of view to get state finances in order and improve taxes but there are lurking behind it other big dangers, namely unemployment. If government go overboard in cutting back large enterprises they could exacerbate the recession.

"As far as external pressures are concerned, I think there are two. Firstly the US CAAA and secondly financial sanctions in the form of the debt obligation.

"The CAAA of 1986 set out very clearly what is required of the SA government to bring about a suspension of the act. De Klerk in one swoop has come very close to that.

"You will recall that it required the release of all political prisoners and four of five items which are spelt out in the act and the amendment of 1988.

"These were firstly the repeal of the state of emergency, which has not been done. Secondly the unbanning of democratic political parties, which has been done. Thirdly the repeal of the Group Areas Act and population registration, which has not been done. Fourthly the entering into negotiations with the black majority on which the speech showed an open door policy. Fifthly it required the withdrawal from Namibia and the implementation of UN 435, which has been done.

"Two of five have not been implemented and only one more would complete the required four.

"De Klerk has come pretty close to it and things augur very well for a change in attitude on the part of the American administration. There is no doubt that very active negotiations are going on behind the scenes.

"But you have to be cautious and sceptical about this. The US Congress is separate from the administration and even from the US President. It is hard to predict what attitude it will take."

Osborn said the second element in international opinion was related to financial sanctions.

"There are two parts to the debt. The first is debt inside the net which has been nicely buttoned up in the September/October agreement.

"Debt outside the net is more tricky and the only way we can get through the implications of this are by the re-negotiation of the debt with creditor banks either by rolling over or finding substitute finance or paying a bit.

"Most important is to have a satisfactory attitude on the part of the creditor banks. De Klerk's speech is very important in influencing the attitudes of these banks and negotiations with the banks will be infinitely eased by this speech."

But, Osborn added, SA still had tremendous problems and things would not change overnight.

Bush wants to review sanctions, Pope may visit

STAR 3/2/90

(280) **DAVID BRAUN and CORRESPONDENTS** (STAR)

SOUTH Africa's international relations have taken a giant leap forward following President F W de Klerk's speech at the opening of Parliament yesterday.

The United States government will review its sanctions policy, and British Prime Minister Mrs Margaret Thatcher has formally invited Mr de Klerk to an "early meeting" at her country residence, Chequers. Mr Mandela would also be invited once he had been released.

In other favourable reaction yesterday Vatican sources said it was now likely that the Pope will visit South Africa.

President George Bush told reporters on board Air Force One, the presidential aircraft, yesterday he wanted to talk to congressional leaders and various South African leaders about reviewing sanctions and other aspects of US policy on South Africa.

● See PAGES 8, 9 and 11

But first he wanted to see the announcements made by Mr de Klerk developed and Mr Nelson Mandela released, he said.

Mr Bush said earlier this week he would be inviting Mr Mandela to meet him in the White House once he was released. Similarly, he would invite Mr de Klerk. He planned to discuss with them how the United States could be of assistance to South Africa in promoting a democratic nonracial society.

But congressional sources were yesterday more guarded about Mr de Klerk's speech.

One source pointed out that Mr Bush could not lift sanctions against South Africa until certain specific conditions stipulated in the 1986 Comprehensive Anti-Apartheid Act (CAAA) had been met. While Mr de Klerk may now have met most of these, there were still some, such as the repeal of apartheid, which had not been met.

Sympathy

On the other hand, there is a degree of sympathy on Capitol Hill with the view that Mr de Klerk's far-reaching moves should in some way be encouraged.

A bipartisan task force in the House of Representatives and key senators hopes to hammer out a common policy with the Administration.

Anti-apartheid congressmen believe a package of incentives and sanctions would be appropriate.

The major US media yesterday reported Mr de Klerk's speech as the lead item, together with generally favourable reaction from prominent spokesman for the South African opposition.

Foreign Minister Mr Pik Botha told US television

● TO PAGE 2.

P.T.O.

World welcomes for SA's

STAR 3/2/90

NEWS

Some terms for 'lifting sanctions met'

By DAVID BRAUN
Weekend Argus Foreign Service

WASHINGTON. — Mr F W de Klerk's announcements went much further than was expected, U S Assistant Secretary of State Mr Hank Cohen said in an interview at the weekend.

He said the South African government had met some of the preconditions required by United States law to modify or suspend sanctions.

If South Africa met more of the conditions, such as lifting the state of emergency in its entirety and releasing Mr Nelson Mandela, there could be a stage where the requirements for lifting sanctions had been met.

That would be the stage when it was likely President Bush would consult with Congress as to whether he should use his power to lift sanctions.

The text

Here is the text of the interview with Mr Cohen:

Q: How soon can Mr Mandela and Mr de Klerk expect to be invited to the White House after Mr Mandela's release?

A: I would say the President's invitation doesn't carry a time date. As you know, the President has a very busy schedule, so does F W de Klerk and we are quite sure Mr Mandela is going to be very busy at home for a while.

Q: Is there any disappointment on your or the U S government's behalf on the failure of Mr de Klerk to lift the state of emergency in its entirety?

A: Certainly, we would like to see all the restrictions on normal political life abolished. However, those steps that were taken were very sweeping, were far more than were expected and we think they go a long way toward normalising political life.

Q: Mr de Klerk continued to adhere to group rights in his speech. What is the U S position on this sticky issue?

A: We see it strictly as a negotiating element. It is not a prerequisite to negotiations. What the details are and how it is going to be handled is a negotiating problem we do not want to get into at all. We want to stay out of negotiations.

Q: When you returned from South Africa recently, you said the U S would start putting pressure on both sides to start negotiating. Have you started doing this and if so, could you be more explicit?

A: Well, we have seen elements on both sides of the political spectrum who are opposed to negotiations. I think we must send a message to both sides, whites and blacks, that this is not acceptable and that the only appropriate procedure is negotiations without preconditions where there are no losers.

Q: How would the U S react if now, after Mr de Klerk's speech, new preconditions for negotiations were introduced?

A: I said in my statement in Johannesburg there was a triple commitment needed on both sides. The three-part commitment by the government should be to normalise political life, make a commitment to fundamental change and make a commitment to negotiations. The reciprocal triple commitment on the part of the anti-apartheid side should be to engage in normal political life lawfully and in a non-violent way, make a commitment to negotiations without preconditions beyond those needed to create a climate and a commitment to a new democratic system.

Q: You will be testifying later this month at hearings of the House of Representatives into proposed financial sanctions against South Africa. Can you tell us what message you are likely to take to the Hill?

A: My basic position is that the Comprehensive Anti-Apartheid Act (CAAA) already contains the sanctions and the incentives that we need. I don't see there is any need for new legislation.

Prohibited

Q: The question being asked by some is has Mr de Klerk now done enough to warrant the lifting of sanctions?

A: We are constrained by the language of our legislation. Section 311 (of the CAAA) lists certain changes that must take place before sanctions can be lifted. The announcements of F W de Klerk has taken care of some of those. When Mandela is released and the state of emergency lifted, more will be taken care of.

So as of today, the legislation prohibits us from lifting any of the sanctions.

If all but one of the requirements are met, then the president has the authority to modify or suspend any sanction. If all the requirements are met, the sanctions are automatically rescinded.

IT'S A BREAK

ws/t Argus 3/2/90

Weekend Argus Political Staff

Sanctions: Should they now be lifted? A debate hots up

PRESIDENT De Klerk's watershed speech has been heralded worldwide as a breakthrough and the dawn of a new era for South Africa.

The reaction generally has been one of astonishment; that he has far exceeded expectations.

There is consensus that he has gone a long way towards setting the scene for the start of negotiations over a new democratic South Africa. And debate is already raging over whether sanctions should be lifted.

International doors are also opening for Mr De Klerk. He has accepted an invitation from Mrs Margaret Thatcher and has also had one from President George Bush of the United States.

Thabo Mbeki

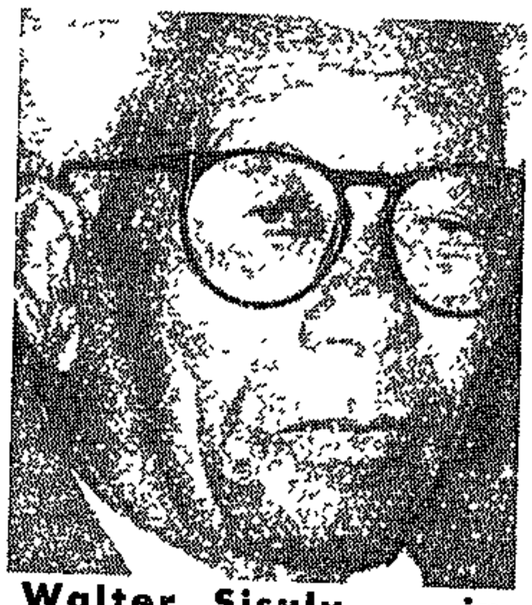
In the most significant reaction from the African National Congress so far, its international expert, the charismatic Mr Thabo Mbeki, has said of the speech· "This is good news. If these decisions are carried out, they will be very important.

"Obviously this is going a very long way to meeting our demand that political conditions must be created for everybody to participate in a peaceful political process."

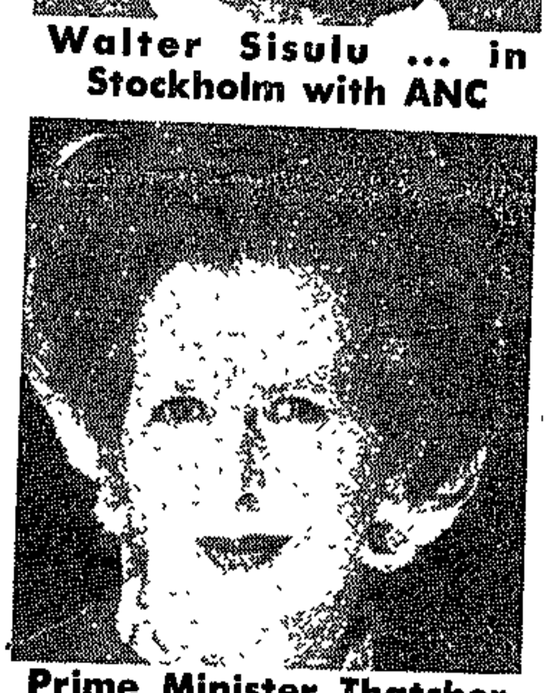
Speaking in Stockholm where recently released ANC prisoners Mr Walter Sisulu and others have been discussing developments with ANC leader Mr Oliver Thambo and other exiles, he cautioned, however, that political prisoners still needed to be released, all troops still had to be taken out of the townships, the legislation which had been used to ban the ANC be repealed and the emergency lifted in its entirety.

But he added: "If Mr De Klerk says the time for talking has come then I believe we may be saying the same thing ourselves soon."

The Weekend Argus bureau in Washington reports that Mr De Klerk's unbanning of the ANC and other announcements have sparked intense debate on what the appropriate next step for the US would be.



Walter Sisulu ... in Stockholm with ANC



Prime Minister Thatcher ... invitation to De Klerk

Mr De Klerk's speech was the main news on all the major television channels on yesterday. Most commentators described it as the most historic event in South Africa in 40 years.

A furious debate has already started on whether sanctions should be lifted or tightened.

The US Assistant Secretary of State for Africa, Mr Herman Cohen, described the steps announced as sweeping and said the South African government had now met some of the preconditions required by US law to modify or suspend sanctions.

Pointing out that the Bush Administration was prohibited by law from lifting sanctions, he added that if more conditions were met, such as the lifting the state of emergency entirely and releasing Mr Nelson Mandela, a stage could be reached where all but one of the requirements for lifting sanctions had been met.

Requirement

It appears the remaining requirement would be that of starting negotiations.

He said· "So it seems to me that at such time as all but one of the requirements are met, and I think a couple of them have been met now, we would then consult with Congress to determine whether the President should move ahead and use his authority to suspend or modify sanctions."

In South Africa, white conservative reaction has been vehement and from some on the left there have been claims that Mr De Klerk has still not gone far enough.

But the general response is typified by that of even a long-standing opponent of the government like Archbishop Desmond Tutu: "This is incredible. We expected he might deliver something, but what he said has taken my breath away."

The struggle

Kwazulu Chief Minister Mangosuthu Buthelezi described Mr De Klerk's address as a truly historic occasion. "South Africa's long line of heroes and martyrs should applaud the statement that black leaders can now realise the dreams of the struggle."

The chairman of the Organisation of Frontline States, Zambian President Kenneth Kaunda, advised against lifting sanctions but said the unbanning of the ANC was just the first step that should lead to other steps in the right direction.

W|E Argus
3|2|90

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Mandela may have been moved

By BRONWEN DAVIDS
and VIVIEN HORLER
Weekend Argus Reporters

SPECULATION was mounting today that Mr Nelson Mandela, the man who holds the key to the future of South Africa, may have been moved from Victor Verster prison in Paarl prior to his release.

But sources in the Department of Justice emphatically denied he had been moved, and refused to comment further.

Today Mr Mandela's son Mr Makgatho Mandela, who had arranged last Tuesday to see his father today, failed to arrive on a flight from Durban. Church leader Dr Allan Boesak's planned visit to Mr Mandela on Thursday was cancelled by authorities.

The unconditional release of Mr Mandela, promised by State President F W de Klerk in his watershed speech at the opening of parliament yesterday, is the next major step for South



Africa on the road to reform.

Mr De Klerk, who said Mr Mandela would be released within "a short passage of time" and "without delay", said Mr Mandela could play an important part in the negotiations for a new dispensation in South Africa.

There was puzzlement at Mr Mandela's son's failure to arrive in Cape Town today. Said Mrs Farieda Omar, who accompanied her civil rights lawyer husband Dullah to the airport to meet Mr Mandela: "This is most unlike him. It's unlike him not to come, and it's unlike him to fail to inform us and save us an unnecessary trip to the airport. It's very strange.

"Last week Dr Boesak's visit was cancelled by the State, and now this. It seems that something is going on."

Surviving son

Mr Mandela, Mr Nelson Mandela's only surviving son, had been due to see his father from 11am to 3pm. He last saw him about two months ago.

When Weekend Argus rang Mr Mandela's shop in Cofimvaba in Transkei, the man who answered the telephone said he thought Mr Mandela was in Durban. He said: "He lives his life, I live mine."

Outside the prison today it was quiet with few journalists present and no visitors for Mr Mandela at all, just a few for other inmates.

F W'S MOVES GAZETTED

PRETORIA. — Government Gazette proclamations enacting the announcements by State President F W de Klerk yesterday were published in Pretoria today.

Justice Minister Mr Kobie Coetsee published notices repealing the prohibition of the ANC, PAC, SACP and their subsidiary organisations.

A total of 55 names — including those of Joe Slovo, Helen Joseph, Marius Schoon, Albie Sachs, Archie Sibeko, and Rowley Arenstein — were removed from the Internal Security Act consolidated list.

However, the names of a number of ANC members — including Oliver Tambo and Tom Sebina — apparently remain on the list.

There was no immediate clarification available from officials in Pretoria.

The media and education emergency regulations were repealed. — Sapa.

STAR 3/3/90 (280)

Jubilant businessmen await lifting of sanctions

South Africa's business community, jubilant over President de Klerk's reforms, are now anxious for the international community to lift economic sanctions and let capital flow in.

The Johannesburg Stock Exchange has already reacted positively and market prices are expected to rise higher with speculation that sanctions will be lifted.

"There is no doubt the recent strength of share prices has been influenced by the reform expectations. The measures announced fully justify this confidence. They will also go a long way towards restoring overseas confidence in our markets," said the chairman of the JSE, Mr Peter Redman.

Delighted with the announcements, Mr Les Boyd, president of the SA Chamber of Business said: "Mr de Klerk has gone much further than expected. These steps should significantly enhance South Africa's business image. We hope this new approach will see a lifting of punitive sanctions."

Issued a challenge

Mr Ken Maxwell, president of the Chamber of Mines said Mr de Klerk deserved the congratulations of all South Africans.

"By virtue of his bold decisions, he has crossed the Rubicon and opened the way to a new South Africa. Indeed, he has issued a challenge to the business sector and mining industry to help facilitate the new processes that must inevitably ensue.

"The President has altered the political environment fundamentally and it is hoped that all freedom-loving South Africans will now come together in a positive and constructive manner to negotiate a constitution for the country that will stand the test of time and pave the way to prosperity for all.

"We look forward to a positive response from the international community including the lifting of sanctions," Mr Maxwell said.

The chairman of Anglo American Corporation, Mr Gavin Relly, said the steps announced would normalise political life.

"In particular, we welcome the release of political prisoners, the unbanning of political parties, the lifting of restrictions on normal civil liberties and the media, and the suspension of the death penalty.

"We look forward to the complete lifting of the state of emergency."

Mr Relly added: "We would hope that these acts of courage and statesmanship on the part of President de Klerk will create matching acts of courage and statesmanship both within South Africa's borders and beyond."

The chairman of De Beers, Mr Julian Ogilvie Thompson, said it was a "pity" that violence in parts of the country required aspects of the state of emergency to remain in force.

"It is to be hoped that all parties will respond positively to the moves with a view to creating a climate for national reconciliation," he said.

HELEN GRANGE and SAPA

Mr Tom de Beer, president of the Afrikaanse Handelsinstituut, has also welcomed Mr de Klerk's speech, saying it has long been pleading for negotiations as the "proven way to alleviate tension and reconcile interests.

"A precondition for this is naturally freedom of association. People should be allowed to group according to their interests, appoint leaders and give them a mandate to negotiate.

"As businessmen, we believe this is the right path to prosperity for all our people," he said.

Small business has also welcomed the moves.

"We are confident that the normalisation of the political situation will positively influence the economic outlook, leading to new opportunities for entrepreneurs and the creation and distribution of wealth.

"The role of small businesss development takes on an added relevance, on account of the flexibility and adaptability of the small enterprise as a vehicle of entrepreneurship," said Dr Ben Vosloo, director of the Small Business Development Corporation.

Mr Leon Louw, executive chairman of the Free Market Foundation and co-author of the books "South Africa — The Solution" and "Let the People Govern", has added a note of caution to the excitement.

"This is the first sign that the ultimate question of an alternative constitution will be addressed. It is the beginning of a tough era when people will be facing the fundamental issue of power. It will be a long and complicated process marked by numerous meetings.

"We'll see a lot of walk-outs in these meetings, and there could be ugliness unless people subscribe to realistic expectations. The mere process of relaxation could create a climate that tempts the Government to clamp down again."

Mr Louw said that from his dealings with representatives of Government and the ANC, he could sense strong optimism on both sides.

Joy of coming home

"The ANC does not expect the issue of a new constitution to be resolved soon. More relevant now is the joy over being able to come home," he said.

As the largest employer organisation in South Africa, the South African Chamber of Business (SACB) "heartily welcomes the bold initiatives", said the director-general of the SACB, Mr Raymond Parsons, said.

Mr Parsons said the initiatives "will undoubtedly create a positive political climate for business confidence, bearing in mind the close interdependence between economics and politics.

"They ought to exert a favourable influence on foreign perceptions of South Africa, and ease pressures for further sanctions, disinvestment and other economic action against this country."

Jesse tells Bush that sanctions must be stepped up

Sunday Times Reporter

ON the eve of his departure for a 10-day visit to South Africa, US civil rights leader the Rev Jesse Jackson called on President George Bush to step up sanctions against the country. (280)

At a rally in front of the SA mission in New York, Mr Jackson said that although the South African Government had lifted restrictions on anti-apartheid groups and had agreed to free Nelson Mandela, apartheid still remained.

ANC representative Tebogo Mafole was among the 500 anti-apartheid rallyists.

Meanwhile, mystery surrounds a report that Mr Jackson is to preach a sermon in the whites-only NG Kerk in Rondebosch, Cape Town. ST Times 4/3/90

Warned

The regular minister, Dr E J van der Walt, would not comment on the report, saying it was Mr Jackson's prerogative to make details of his tour programme public.

Dr Allan Boesak said he doubted that Mr Jackson would preach in a whites-only church, adding: "Jesse is not going to preach in a church where I am not welcome."

The executive council of the Afrikaner Weerstandsbeweging has warned it will take action if the Government allows Mr Jackson to enter the country on Wednesday as planned.

Excited

An AWB spokesman said Mr Jackson would be made to realise he was not welcome in South Africa.

In London this weekend, Mr Jackson said he was "excited" by Mr De Klerk's speech.

"The true signal that irrevocable change is under way is the release of Nelson Mandela. He has come to symbolise the best in struggling and suffering humanity," he said.

Mr Jackson is to meet British Prime Minister Margaret Thatcher tomorrow, a meeting he said would "broaden the base of leadership moving towards some consensus to encourage the dismantling of apartheid".

Mr Jackson flies to Zambia on Tuesday and to Johannesburg on Wednesday. He hopes to meet Nelson Mandela while in South Africa.

FSS, February 4, 1990

C/Press 4/2/90

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Bishop drops anti-sanctions stand



About-face for Pretoria's Bishop Mzilikazi Masiya. ■ Pic: BONGANI MNGUNI

By CHARLES MOGALE

PRETORIA sanctions buster Bishop Mzilikazi Masiya this week made a dramatic about-turn when he announced: "I was used."

Masiya, an arch-critic of Archbishop Desmond Tutu, said he would start steering clear of "sensitive" issues such as sanctions because he had been misused by some whites, and American companies in particular.

"When I entered the matter I did so because of my sincere beliefs.

"I campaigned for investment, in return for the false promise that these companies doing trade in South Africa would help ease the burden of my people. They have not kept their side of the bargain and I realise now that I was misused by some people."

Looking back, he said, his sponsors just needed a black face to bolster their anti-sanctions arguments.

"I did what I did with the belief that the companies involved, (in anti-sanctions campaigns), would donate money towards my people's education, housing and the general upliftment of their lives.

"If you go to these companies now, they will tell you what they do for their top or middle-management guys. There has not been one attempt on a national scale to do anything for black people," Masiya said.

"What I said and did made some people hate me and I do not want to be hated. I am black and I suffer the same things suffered by my people. Anyway, I was done down by the 'other side', so why persist with something like that?"

Masiya would not comment on whether he sincerely believed sanctions would not work.

"Some people say it is the blacks who will suffer, some say the money maker will suffer more. Anyway, the money maker is not keeping his promises, and I am going to stop being used by him. My people have not benefitted from my campaigns, so why continue?

"To those people who were hurt by what I did, I apologise. We should start forgiving and working towards reconciliation."

Ungrateful city cuts SA links

FRIENDLY links between Maritzburg in South Africa and an English city have been smashed in a stormy row between Tory and Labour councillors.

Labour says Lincoln should have nothing more to do with the capital of a province in the "apartheid regime". ST Times 4/2/90

Tories — outnumbered on the council at 27 to six — say the ties are already there, whether they're wanted or not. Lincoln has streets, avenues, buildings and council houses named Pieter Maritz. Maritzburg has a suburb — Lincoln Meade — named after its British counterpart.

By JEREMY BROOKS
London

Simmered

The friendship goes back to 1947 when Natal farmers shipped out thousands of kilogrammes of potatoes to help flood victims in the Lincoln area The mayor of Lincoln expressed his thanks to his counterpart in SA by telephone during a South Africa Night Ball at the city hall.

Since then Lincoln mayors have received small gifts from SA every year.

But, in 1986, Labour-Tory fortunes in the area were reversed The Conservatives, who had been ruling the city for decades, were trounced in local elections

Labour councillors immediately passed a resolution banning all official links with SA or companies operating in the Republic.

The feud simmered for three years but finally erupted last week when Lincoln formally pulled out of a world travel fair in London. The reason, said a statement from the Labour group, was that Satour would also be exhibiting

The Tories, led by councillor Winston Crumblehulme, said Lincoln could not turn its back on the past — which included a close relationship with Maritzburg

"The decision on South Africa is out of order We believe that the SA Government is moving in the direction the West wants it to, and yet Labour is still keeping up the pressure"

Labour leader Derek Miller countered "We will have nothing to do with South Africa until a state of democracy exists in that country.

280 Proud

"Several people have suggested that Maritzburg and Lincoln are sister cities We have looked through all the correspondence in our archives and can find no evidence of formal twinning."

● TERRY VAN DER WALT writes that Maritzburg mayor Mr Mark Cornell said there was no doubt about there being a link between the two cities and that Maritzburg had ample proof of its existence

Although correspondence from Lincoln dropped off after the Labour Party gained control in the city in 1986, Maritzburg was never formally told the ties had been severed, he said

Mr Cornell said the city was proud of its long-standing association with Lincoln and he hoped the matter would be resolved

(280)

South S/2 - 14/2/90

AMERICAN COMMITTEE ON AFRICA SAYS DE KLERK STATEMENT FALLS SHORT CALLS FOR TOUGHER SANCTIONS

South African State President F.W. de Klerk's announcement today is a significant first step, but the time has long passed for first steps. Apartheid has not ended in South Africa. In terms of practical restrictions the country is now back to where it was in 1960.

If F.W. de Klerk is serious about dismantling apartheid, he must embrace the South African peoples' demand for one person, one vote. Until that demand is met, the U.S. should intensify the economic pressures which helped to force these initial concessions.

The people of South Africa have forced F.W. de Klerk to take these actions, and for them it is certainly a great victory. At the same time, de Klerk's concessions clearly demonstrate the need for stronger international pressure; the government made these moves precisely because they have lost more the $32 billion through direct and indirect sanctions over the last five years.

Apparently the government is not prepared to meet the minimum conditions necessary for free political dialogue. To end the bans and restrictions on organisations, especially the African National Congress, and the people and suspended political executions in an important first step, and the release of Nelson Mandela will also be an advance.

But how can the government call for a dialogue when the troops remain in the townships, the harsh emergency laws remain in effect and thousands of people remain in jail? The government must meet the minimum conditions for negotiations as established by the people of South Africa.

Behind the rhetoric of de Klerk's statement, we note that the cornerstones of apartheid still remain intact: The Group Areas Act, the Land Act, the Population Registration Act all remain in force. Above all, 75 percent of the people of South Africa still cannot vote to elect their nation's leader.

The United Demcratic Front today called for sanctions to be intensified. We will continue to work with people in every part of America to intensify the drive for comprehensive and meaningful sanctions. These sanctions would be the best guarantee that freedom will at last come to the suffering people of South Africa.

--Statement Issued by Jennifer Davis, Executive Director American Committee on Africa
New York City, NY, USA February 2, 1990

Defiant Thatcher 'lifts SA sanctions'

Cape Times 5/2/90 (10) (60) 280

Own Correspondent

LONDON. — British Prime Minister Mrs Margaret Thatcher — who could be in South Africa by April — is preparing to defy the world and her own Foreign Office by permitting new British investment in South Africa, it was claimed here yesterday.

The Observer said Mrs Thatcher would relax "those sanctions which Britain can alter unilaterally, repealing the ban on the promotion of tourism and lifting restriction of government loans and the ban on the funding of trade missions".

The Independent on Sunday said she had already put an end to the "voluntary" investment ban on South Africa — against the advice of the Foreign Ministry which felt it would cause conflict with Britain's EEC partners and the United Nations.

Meanwhile, there was widespread speculation yesterday that Mrs Thatcher is investigating the possibility of visiting South Africa as early as April.

UK to renew cultural ties with SA

From IAN HOBBS

LONDON. — Britain's traditional cultural and academic links with South Africa, which have been lost to a full generation because of sanctions, are to be renewed immediately — although there will be fierce anti-apartheid resistance.

The first tangible foreign recognition of President F W de Klerk's historic reform speech on Friday was confirmed yesterday by the British Council.

Mr Colin Perchard, controller of the Africa Division of the British Council, responsible for state expenditure on cultural and academic links, said links with South Africa would "very soon be restored".

Mr Perchard said he expected the "considerable difficulties" of exchanges between university staffs would now end and that there would be a "major expansion of academic links with South Africa".

"I know on the South African side they are very anxious and some academics, too, in Britain are keen. It is something we are anxious to push ahead with."

Mr Perchard said he looked forward to organising artistic tours — and claimed the ANC was encouraging this idea.

"I was in Lusaka just before Christmas and the cultural group of the ANC called on me and urged me to get the British Council to think in terms of bringing British cultural groups out to South Africa."

Mr Perchard made it clear that now that the British Council had the all-clear from Mrs Margaret Thatcher personally, it would restore all links it could — with or without the co-operation of Equity, the British actors' union, and the British Musicians' Union.

Merrill Lynch to rethink stance

(280)

Own Correspondent.

LONDON — US stockbroking firm Merrill Lynch says it will review its decision not to provide brokerage services or share analysis of South African companies after President F W De Klerk's decision to lift the ban on the ANC and release Nelson Mandela.

The Sunday Telegraph reported yesterday that in November Merrill said it was halting services for investors in SA stocks, a move criticised by Barron's, the leading US investment magazine at the time as "thoroughly misguided".

A Merrill spokesman said: "At present we will not act for investors wishing to buy SA stocks, but we will now review our position in the light of what is going on."

Although the review may mark the start of a shift away from an outright official freeze on South African investment by top US institutions, it may also be inspired by fears that the firm has been caught wrong-footed on its reading of SA and may be losing client business. B/Day 5/2/90

According to senior sources in the JSE on Friday, the latest buying surge which swept the JSE Industrial Index up by 92 points to a new high and the gold index by 72 points was fuelled by overseas buying, much of it American.

Jackson urges world to keep up pressure

STAR 5/7/90

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The Star Bureau

LONDON — The Rev Jesse Jackson has welcomed what he called "new hope" in South Africa, but has warned that the country could never take its proper place in the world until apartheid had been abolished.

Speaking in London yesterday before his visit to South Africa later this week, he called on the rest of the world to encourage South Africa to keep up the pace of change.

He spoke of a "new South Africa without apartheid, in which all the children of God could walk together in the sunlight of freedom".

NOT RIGHT

He added: "A new South Africa, and a free South Africa represents more security for white and black alike."

But Mr Jackson stressed the time was not right for sanctions to be lifted.

He was scheduled to meet the British Prime Minister, Mrs Margaret Thatcher, today, when he was expected to urge her to maintain the pressure.

Later yesterday, Mr Jackson visited the huge scultpure of Mr Nelson Mandela on the South Bank and indicated he hoped to meet the man himself this week.

strike was over a disciplinary issue, he said.

'Coates won't pull out'

Fears that British-based Coates Brothers might be planning to disinvest sparked a factory demonstration at the firm's Durban plant on Friday.

This followed a half-day stoppage at the printing ink manufacturer's Cape Town plant on the issue earlier last week, said the Chemical Workers Industrial Union. About 300 workers are employed at both sites.

Coates' British parent, Coates Plc, recently came under the effective control of French petro-chemical giant Total, and the union believes Total's large US holdings could lead to disinvestment pressures. It wants Coates to negotiate a disinvestment procedure — a demand the company has refused.

The firm's Durban manager, Mr Dennis Jordan, said that Coates Plc chairman Mr John Youngman was in South Africa and had assured shop stewards that disinvestment was not on the cards. — Labour Reporter.

No plan to quit SA — Coates

ALAN FINE

COATES PLC chairman John Youngman has accused the Chemical Workers' Industrial Union (CWIU) of attempting to stir up trouble by spreading unfounded rumours that the company intends to disinvest from SA.

Youngman is on a visit to Coates SA — a subsidiary of the British-based printing ink supplier. He said as far as his company was concerned there were absolutely no plans to pull out of SA.

The recent takeout of Coates PLC by a French multinational would have absolutely no effect on his board's policy, which was firmly against disinvestment.

Coates SA owns two plants — in Durban and Cape Town — and the CWIU says it represents 80% of the 250-strong workforce.

The union said last week that Youngman had ignored its requests to meet officials and shop stewards, and this had added to their fears that a withdrawal was in the offing.

The CWIU has been demanding of local management for more than two years that it, along with other multinationals, negotiate a disinvestment procedure with the union.

Youngman said he had met shop stewards in Durban on Friday. The only reason he had not responded to requests sooner was his tight schedule.

He said the company's position on negotiating a disinvestment procedure was unchanged — there was no point, because disinvestment was not an issue.

Still life in cultural ban

By IAN GRAY

Superstars for the Sun City Superbowl again, British programmes on television, a free exchange of cultural activities — could that be the new show business scenario for South Africa and the homelands in the wake of President de Klerk's reforms?

Perhaps in the not too distant future, but certainly not overnight.

British Prime Minister Margaret Thatcher's call to relax the cultural boycott and United States President George Bush's plea to ease up on sanctions might smooth the way for entertainers waiting in the wings for a chance to visit this country and lend weight to those campaigning for a relaxation of the Equity ban.

But it's going to take time.

Sun International director of entertainment Hazel Feldman, who brought most of the world's top entertainers to Sun City, said at the weekend. "The situation is not going to change overnight, but at least doors will open that weren't open before and the scene is being set for reasonable negotiations with big-name stars."

The big stumbling block to a free exchange of entertainers is the South African Musicians Alliance (Sama), which works through anti-apartheid groups in SA and overseas to prevent artists from coming to this country and to neighbouring states and makes it difficult for local white artists to work abroad.

However, Sama has shown a more pragmatic approach of late and might be inclined to ease its attitude in the light of latest developments.

The SABC could not be reached for comment at the weekend but unless there has been a major change in thinking at Auckland Park, there would be no sudden flood of British programmes on television if Equity were to lift its ban.

Research needed

The attitude, certainly until quite recently, was that the SABC would tread carefully, for two main reasons, if British entertainment programmes became available: viewer reaction would have to be researched in view of the steady diet of American and Continental programmes for the past 14 years, and there would be no rush to drop suppliers who were loyal to the SABC in the face of boycotts and sanctions.

However, the SABC would definitely buy suitable programmes if they were available.

M-Net subscribers would probably see more British programmes than the SABC would screen.

The pay station's director of programmes Mr Tim Ellis said yesterday: "I think I would buy quite heavily. There is a pent-up reserve, a vast number of accumulated gems, so that we could pick only the best."



Exiled singer Miriam Makeba . . . could not believe what she heard.

It's music to Miriam's ears

By ABEL MUSHI

Reacting to President de Klerk's parliamentary speech, exiled songbird Miriam Makeba — popularly known worldwide as "Mama-Afrika" — said she almost fainted and still could not believe what she had seen and heard on Belgian television.

"If what is happening is true, we can't help but be very happy," she said at the weekend.

Speaking from Brussels, Makeba told The Star her desire to "come back home" had never waned.

"I'm still very much a child of the soil. South Africa is where I belong," she said.

"The release of our father, Nelson Mandela, is something we've always been fighting for, something we've always been working towards.

"I'm very glad the Government has finally realised they have to talk to our true leaders."

Makeba, who has worked with Harry Belafonte and has had some of her music banned by Pretoria, left South Africa in August 1959 to pursue a career overseas and could not come back because she was later banned.

Asked whether she might return, she said. "I can't comment on that at this stage."

Makeba, who is based in Guinea, is currently in Brussels, where she co-ordinates her business, and is preparing for a tour which starts in Italy on February 7 and will include Spain, France and the United States.

Clash with Foreign Office looms

Maggie eager to open door for the new SA

LONDON — Mrs Margaret Thatcher is ready to overrule Foreign Office objections to lifting the ban on new British investment in South Africa once Nelson Mandela is released and the remaining emergency powers are lifted.

This is the prediction of *The Sunday Correspondent*, which goes on to say the British Prime Minister is determined to take the lead in ensuring that South African industry gets renewed access to international and British capital following President de Klerk's speech on Friday.

"Mrs Thatcher, who is expected to receive Mr de Klerk in London in the spring before she goes to South Africa, has put an end to the voluntary investment ban — agreed to by the European Community — as an urgent priority if the pace of reform continues as expected," the newspaper reports.

It suggests that Britain is expected to lift its ban even if it fails to win the agreement of EC members.

"It is this strategy which is likely to meet with resistance from the Foreign Office. It will argue that it could upset some Western opinion, which believes that such an early move by Britain would be going too far, despite the wide international welcome for Mr de Klerk's speech in Cape Town."

The British government is also hoping to persuade Commonwealth leaders to ease sanctions on Pretoria, diplomats said at the weekend.

> Commonwealth leaders are cautioning Margaret Thatcher over her eagerness to lift the ban on new British investment in South Africa following President de Klerk's latest reform moves.

It intends to approach Malaysian Prime Minister Dr Mahathir Mohamad, current chairman of the Commonwealth, so that the easing of pressure on South Africa can be announced before British Foreign Secretary Douglas Hurd visits SA on March 20.

Mr Hurd is planning to combine the trip to South Africa — the first by a British Minister since 1986 — with attendance at Namibia's independence celebrations.

Pressure point

Asked whether the visit would be conditional on Mr Mandela's release, Mr Hurd said: "No, I am not imposing conditions."

The Foreign Secretary emphasised that it had been the combination of pressure and encouragement which had brought Mr de Klerk to announce the historic changes.

"His approach is a step-by-step approach, which strikes me as very sensible. He cannot be expected to do everything at once, but equally we cannot be expected to relax all the pressure points at once," Mr Hurd added.

Mrs Thatcher emphasised that Britain believed in carrots as well as sticks, and so would seek an end to "petty sanctions".

But Dr Mahathir said at the weekend that it was too early to take any action: "It is a major development and I think progress will be made further, but there will also be a lot of resistance from the orthodox whites. This is not the end of the black struggle."

Commonwealth Secretary-General Mr Sonny Ramphal also cautioned against early change.

"To ease the pressure would be to take away the incentives to negotiate," he said.

Labour Party leader Mr Neil Kinnock is eager to confront Mrs Thatcher during Commons questions tomorrow on her argument that President de Klerk's commitment to unban the ANC and release Mr Mandela are a triumph for her policy of blocking comprehensive Commonwealth sanctions.

And Labour and the Liberal Democrats will also challenge Mrs Thatcher to reconcile her flexible line on sanctions with her determination to maintain Britain's military strength in Europe despite the collapse of communism.

Mrs Thatcher maintains that to underline or toughen sanctions now would be counterproductive. — The Independent.

Washington Letter by SIMON BARBER

No chance now of sanctions noose being pulled tighter

IF QUOTED correctly, the Reverend Jesse Jackson has made an insightful analogy by comparing sanctions to NATO.

No one is rushing to sunder the alliance because the Berlin Wall has fallen and the Warsaw Pact has become a *de facto* fiction. The West still needs an institutional framework to deal collectively with change in the East where the anti-communist revolution is in its infancy and may still get out of hand.

However wrongly, sanctions have become the one solid constant in the developed world's treatment of South Africa.

Their sudden abandonment could, in its way, be as destabilising to the prospects of a negotiated settlement as the instant dissolution of NATO would be to Europe.

Gorbachev's reforms and the almost overnight collapse of the world made at Yalta have ensured that NATO will get no stronger in military terms By the same token, Mr F W de Klerk's epochal speech to Parliament on Friday effectively rules out any further tightening of the sanctions noose. Of that, all sides in South Africa should now be certain.

Assessment

It has been agreed among the appliers that sanctions have served their purpose in bringing Pretoria to its present position, just as it is a slightly less debatable article of faith that it was Western resolve as embodied in NATO that confronted the Soviet elite with the impossibility of its grim Utopia. Neither argument is satisfactory.

The assessment of sanctions is, however, a fact of life which is in no way incompatible with its being an outright lie, but, being a fact of life, it must be dealt with as such There is little point in quarrelling with it in any other forum than a negotiation which will create new and truer facts.

It would be a grave mistake for De Klerk to seek relief from anyone other than his negotiating partners, a mistake he himself appears to have eschewed even if some of his colleagues and representatives have not.

Sanctions, henceforth, must be seen not as the tool of intrusive, neo-imperial uitlanders — tempting and partly true though that may be — but as one of the cards in the hand of the parties on the other side of the table.

To plead with outside powers to pluck away or weaken that card unilaterally does several things, none of them helpful.

First, it preserves what finally seems to be an illusion the idea that Pretoria would rather do business with white or yellow foreigners than its own people Second, it makes the card seem stronger than it is, thereby encouraging those who would strengthen it further and raising the price that will ultimately have to be paid for its abandonment.

Useful effect

Third, and equally important, it will get in the way of the helpful role at least some outsiders now envisage playing.

Nobody wants to be seen doing Pretoria's bidding. Furthermore, there can be little doubt that, for all its odiousness in most respects, the Comprehensive Anti-Apartheid Act has had one potentially useful side-effect.

This may have taken a while to show itself but the CAAA has allowed a smart, interested American president to enter the action.

Without US sanctions, George Bush would not even have been able to consider inviting De Klerk to Washington last year, let alone actually announce an invitation as he did last week.

Nor would he be in any position to engage in the sort of honest brokerage he evidently intends. "Even-handedness" is now his administration's watchword To promote negotiation, pressure and incentive will be applied equally to both the government and the ANC in the manifestly correct belief that the door to South Africa's future has keys on both sides.

The acceptance of sanctions, as confusing and even alarming as it has sometimes seemed over the past year, has given Bush the political cover he needs to proceed in a manner that Randall Robinson, Congressman Howard Wolpe and their ilk will declare automatically to be biased and immoral since its purpose is peace, not the raw installation of the ANC in power.

Section 311

Be assured that he will hold the line against new measures — just as he did in moving heaven and earth to prevent Congress seizing more of his foreign policy prerogatives over China two weeks back.

But do not expect him to blow his cover by suspending or repealing the CAAA's sanctions until Pretoria has so convincingly met the conditions laid out in Section 311 that his overall policy or objectives would not come under serious and debilitating challenge.

Such a challenge would not only weaken the president's ability to do the right thing, it would also send confusing signals to South Africa with dubious consequences for negotiation.

When he senses the timing to be right, Bush is very much his own desk officer, short-circuiting all the layers of bureaucracy between policy development and implementation.

He now has that sense on South Africa which is why, last Thursday, he personally decided that De Klerk should be invited to the White House as well as Mandela. Just a few days earlier his Secretary of State, James Baker, had said the opposite to British Foreign Secretary Douglas Hurd on the grounds that a De Klerk visit would still be too controversial.

Bush is a profoundly careful politician, both meticulous and cautious While Baker and other advisers still agonised, he had been quietly consulting his democratic friends on Capitol Hill as well as a broad array of black American leaders to gauge their response.

In the case of the latter, it was not so negative as to be prohibitive, especially with Jackson comparing De Klerk to Gorbachev. From the former there was, as there had been last year, strong if quiet support. Senator David Boren, chairman of the Senate Intelligence Committee, even made it public in his formal reaction to the Speech.

Consultation

"I look forward to the release of Nelson Mandela soon and hope that he and President de Klerk will be able to meet President Bush in this country."

In his own reaction, Bush was at pains to use neutral words such as "interesting" and, while he raised the possibility of reviewing sanctions, he quickly stressed that this was a matter for consultation both with congressional and, importantly, South African leaders of all persuasions.

Clearly, he has decided how he wishes to proceed but is determined to keep the avenue as free from political obstacles as possible as he heads down it.

Institutionally, he cannot proceed as fast as British Prime Minister Margeret Thatcher or, under the special circumstances of American political life, would it be wise.

A good guess is that he will not recommend any change to current sanctions law until early next year, after the November congressional elections. Even then, he is likely to measure carefully the effect on the course of negotiations in South Africa.

Once he is firmly back in control of this country's policy, Bush will have no little power to decide how substantial the ANC's sanctions card is, particularly since much of the rest of the developed world and its bankers will be waiting on his lead. If he feels the ANC needs prodding, he can reduce the card's value Likewise, he can keep it at par if he sees Pretoria needing a shove.

The best thing the government can do is leave the matter in Bush's hands and get about its domestic business. One of the many merits of De Klerk's announcement is that it has helped return US policy to its rightful maker — the president.



MARGARET THATCHER: Faster mover than the US president.



PRESIDENT BUSH: He now has the political cover to proceed.

LP leader calls for halt to sanctions



Mr Hendrickse

Political Staff

LABOUR PARTY leader Mr Allan Hendrickse called yesterday for a moratorium on sanctions.

During the debate on the State President's opening speech, Mr Hendrickse, while reacting with praise to many of the steps Mr F W de Klerk announced on Friday, said the fundamental problem of racism still had to be removed. Mr De Klerk intended to remove the Separate Amenities Act, but the Group Areas Act and the Race Classification Act — the cornerstones of apartheid — still remained.

Mr Hendrickse said he had been dismayed by calls for the continued application of sanctions and even some for increased sanctions and violence.

'If — as they claim — this pressure has been successful in bringing about a change in government attitudes, then I believe now is the time for a moratorium," he said.

Sanctions restrict growth, says govt

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B|Day 6/2/90

MIKE ROBERTSON

CAPE TOWN — SA could increase its economic growth rate three to four times if sanctions were dropped, Administration and Privatisation Minister Wim de Villiers said yesterday.

Addressing a briefing for parliamentary and foreign journalists, De Villiers said sanctions had reduced the growth of employment opportunities in the indutrial sector to just 1% a year.

If sanctions were removed, he said, SA could achieve growth rates of three to four times those which had been talked about in the past.

De Villiers said most of the utilities which government had earmarked for privatisation would have to go through a period of commercialisation first.

However, there would be an announcement in the budget on a privatisation issue scheduled for this year.

SA, he said, could no longer afford inefficiency in its parastatals.

Rather than investing in parastatals there should be investment in private sector industrial organisations which needed less capital in order to create more employment opportunities.

"We have enough infrastructure in this country. We have to get economic growth in those areas where we can create the most work with the least amount of money," he said.

Government, he said, was giving attention to measures designed to create employment opportunities in the industrial, agricultural, mining and construction sectors. An announcement on this could be expected in the budget.

Eskom, De Villiers said, had made great progress towards restructuring its operations which in future would be run on a return on capital basis.

Eskom and other utilities would have to compete in the capital market in future and not rely on loans.

The first target was to make Eskom a taxpayer which could happen in 1991/92. Only then would a decision be made on whether to tranfer ownership of the utility to the private sector.

The process of commercialising the operations of SATS and the Post Office would take between two and three years, he said.

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US companies 'not rushing to return to De Klerk's SA'

PITTSBURGH — The SA government might have demolished a few pillars of apartheid, but US businesses are not rushing to re-enter the country, according to yesterday's Wall Street Journal.

While corporations praised government's promised political reforms as a step in the right direction, few seem eager to return to SA.

"We have no plans to go back into SA," said a spokesman for General Motors Corporation, which sold its SA manufacturing subsidiary in 1987.

Only 123 of more than 300 US companies that owned assets in SA five years ago own them today, says David Hauck, who tracks foreign investment in SA for Washington's Investor Responsibility Research Centre.

Most left at the urging of Rev Leon Sullivan, a Baptist minister from Philadelphia known for the fair labour principles he drafted. He persuaded GM, IBM, Xerox Corporation and Eastman Kodak, among others, to quit SA.

But those that remained, including such corporate heavyweights as International Paper, United Technologies Corporation, Johnson & Johnson and Minnesota Mining & Manufacturing, now feel vindicated.

"We never severed or finessed our interests in SA," said Bill Lane, a trade specialist at Caterpillar Inc whose parts warehouse in SA supports 650 US jobs.

Yet few who left seemed eager to return. After years of shareholder unrest and boardroom indecisiveness over moral issues, some saw the country as more trouble than it was worth.

The journal said they doubted the white-minority government would ever yield its "opposition to true democracy"; and they saw SA's economy, already burdened by unrest and economic sanctions, as potentially at risk of future bloodshed.

For the moment, at least, businesses that got out could not return even if they wanted to. US Congressional sanctions prohibit most new US investment from abroad, and neither President George Bush nor Congress is ready to move immediately to lift them.

But Bush said on Friday he would like to meet Congressional leaders to review US sanctions in the light of SA's decision to legalise the ANC and its announced intention to free ANC leader Nelson Mandela. — AP-DJ.

Quick removal of EC sanctions dismissed

STAR 6/2/90 (280)

The Star's Foreign News Service

BRUSSELS — European Community foreign Ministers are to discuss the dismantling of sanctions at a meeting in Dublin in two weeks.

But a quick removal of trade sanctions on coal and steel and new investments is being dismissed by the Irish government which is chairing the EC meetings until June this year.

An Irish spokesman said: "I don't think sanctions will come off for quite some time. South Africa has quite some way to go."

A statement issued after yesterday's meeting of foreign Ministers said they "expect further measures leading to the complete abolition of apartheid".

Ministers welcomed the reforms announced by President de Klerk last week and looked forward to the implementation of these measures in the very near future.

Limited sanctions were imposed by the 12 EC states in September 1986 on South African coal and steel, Krugerrands and new investment.

The Dublin meeting in two weeks will review progress on Mr de Klerk's reforms. The United Kingdom favours the relaxation of sanctions most strongly of all the members.

In Washingtom, the Bush administration remains firmly opposed to economic sanctions against South Africa, in spite of renewed calls to increase pressure on Pretoria in order to hasten the pace of reform.

White House spokesman Mr Marlin Fitzwater said the Bush administration had long been concerned that sanctions caused more damage than good to the blacks.

Most major American newspapers have endorsed the ANC's appeal that sanctions not be relaxed following Mr de Klerk's recent announcements. In their editorial commentaries, the newspapers say it is too premature to think of lifting pressure on Pretoria.

● In Windhoek, The Star's Africa News Service reports that Canada's special representative for Southern Africa and Commonwealth affairs, Mr Walter McLean, says although the latest developments are "very encouraging", Ottawa and its Commonwealth partners do not believe they constitute a dismantling of apartheid, and will therefore not be lifting sanctions on Pretoria "just yet".

FW de Klerk's reforms not likely to reverse divestments

LONDON — There is little prospect of any early reversal of the strategy of disinvestment from South Africa in the wake of the lifting of the ban on the African National Congress and other measures announced by President FW de Klerk recently

Barclays Bank, which pulled out of South Africa in November 1986, said "Our position has not changed in the last few days."

The international business community is still absorbing the implications of Mr de Klerk's speech Its initial response is likely to be cautious.

Post-disinvestment links remain close in many cases. On most occasions the departing company negotiated agreements with new owners on licensing, servicing, future technology transfers and use of patents and titles, so that the businesses could continue to perform profitably as a recent study, Apartheid and International Finance, commissioned by the Commonwealth Secretariat, points out.

If perceptions of the investment climate in South Africa change the likely first response is to upgrade these links rather than provide new capital. Secondly there may no substantial easing in the pressure for disinvestment, particularly powerful in the US where state and federal legislation has penalised ties with SA.

Although several Western governments have responded favourably to Mr de Klerk's speech, saying they will review sanctions, disinvestment is more the product of anti-apartheid lobbying than sanctions legislation itself.

In the US in particular, stockholder pressure co-ordinated by church groups, students, universities, and trade unions, backed by a powerful black lobby have led companies to pull out.

Another powerful factor in the US is Congress's Rangel Amendment of December 1987. This requires American companies to pay US taxes on their South African profits as though they were income earned in the US, without credit for taxes paid in SA.

High returns

The Commonwealth study estimates that this change in the law cost Mobil $5 million in 1988.

Thirdly, many foreign businessmen suspect that the days of high return from South African investments are over. Even four years ago, profits from Barclays's associate company, Barclays National Bank (now First National Bank) had fallen sharply, and were less than 10 percent of group earnings. Barclays was subjected to substantial pressure from several groups to disinvest, including the National Union of Students. The damage being done to its student business was one reason for the bank's decision.

The combination of political uncertainties in South Africa, as well as concern about the ANC's recent renewed commitment to nationalisation of banks and main industries, leave most investors and ex-investors cautious.

The bulk of disinvestment from SA took place between 1986 and 1988, by which time most of the companies vulnerable to pressure had pulled out.

Stocks of foreign direct investment in SA have fallen sharply.

Britain is the largest foreign investor (40 percent of total direct foreign investment), but estimates of the size of the investment vary, affected as it is by different calculations of the book value, and the weakening of the rand.

One study by Merle Lipton for the Economist Intelligence Unit, suggested that their book value had declined from almost £3 billion at the end of 1984 to £2 billion at the end of 1985.

British-based companies which stayed include ICI, which owns a trading company and has a 38 percent stake in AECI. BP and Shell also stayed They welcomed the political changes in the country as vindicating their decision not to disinvest.

ICI said it had always felt it could contribute more to change in South Africa by staying in the country. "We have felt we could change the system from within by keeping our activities in South Africa," an ICI official explained.

He also stressed that ICI never condoned apartheid and that moves to change the system were welcome. He added the company had adhered to both the UK government's directions and the EC code on doing business with SA.

BP sold its South African coal interests last November. However, the British oil group said the coal sale was not part of a broad programme to withdraw from SA.

Political change

Shell recently pointed out that it had publicly called for many years for the abolition of apartheid, the freeing of Nelson Mandela and political prisoners and recognition of all organisations.

The political change in the country is likely to be closely watched by the two French car giants, the private Peugeot-Citroen group and the state-owned Renault company, which both withdrew from the SA market.

The two French volume manufacturers are likely to review their approach to the South African market in the wake of recent attempts by Japanese car producers to expand their penetration there.

US investment in South Africa was valued at $2,6 billion in 1981 and had fallen to under $1,5 billion in 1987, according to UN figures, while latest estimates suggest it is now under $1 billion

But SA's share of US investment abroad is insignificant and the issue is unlikely to have priority in US boardrooms. It represents less than 0,5 percent of all American direct investment abroad. — **Financial Times**

AAM against Maggie visit

6/2/90 **The Star Bureau**

LONDON — A campaign to prevent Mrs Margaret Thatcher visiting South Africa or lifting any more sanctions has been launched by the Anti-Apartheid Movement (AAM) and the ANC

Mr Mike Terry, executive secretary of the AAM, said here yesterday that if Mrs Thatcher visited South Africa her reception would be even more hostile than the one given to cricket captain Mike Gatting

"By visiting South Africa Mrs Thatcher would ensure a final and complete rupture between Britain and a post-apartheid South Africa," Mr Terry said

"Businessmen in the City must be asking why Mrs Thatcher did not simply welcome President F W de Klerk's speech as a step in the right direction and then continue to apply pressure for further change"

REJECTED CALL

Both AAM and ANC spokesmen accused Mrs Thatcher of trying to drive a wedge between ANC "moderates" and "militants".

Mrs Thatcher rejected a call by US civil rights leader the Rev Jesse Jackson yesterday to maintain economic sanctions on South Africa until apartheid was dismantled

Mr Jackson told reporters after a 90-minute meeting with Mrs Thatcher that last Friday's decision by President de Klerk to unban the ANC and free its leader Nelson Mandela soon had encouraged hopes of an end to apartheid.

Mr Jackson, who arrives in South Africa tomorrow and hopes to meet Mr Mandela, said he would pass on a message of support from Mrs Thatcher to the jailed leader.

He said he hoped to advise Mrs Thatcher and President Bush on Mr Mandela's thoughts on sanctions.

See Page 3.

EC to lift sanctions this month — Hurd

BRUSSELS. — The European Community is expected to lift sanctions against South Africa this month, Britain's Foreign Secretary, Mr Douglas Hurd, said yesterday.

The British government has persuaded other EC countries that the reforms set in motion last week by President F W de Klerk are enough to prompt a full-scale reconsideration of Common Market trade sanctions at a meeting in Dublin later this month.

Mr Hurd called Mr De Klerk's speech "a remarkable decision".

However, the Irish president of the council of foreign ministers, Mr Gerry Collins, has ruled out lifting the bans till apartheid has been wholly abolished.

Some EC ministers insist that one person, one vote will first have to be achieved.

The Dublin meeting may see a flare-up of acrimony between Britain and her Common Market partners.

Pik hits at continued sanctions

STAR 7/2/90 (280)

The outside world would only harm South Africa and its neighbouring states by prolonging sanctions against the country after last week's announcment by President de Klerk, **Minister of Foreign Affairs Mr Pik Botha** said yesterday.

In the debate on Mr de Klerk's address, he said he wanted to thank the leaders of all parties in Parliament — except the Conservative Party — for the solidarity shown on the sanctions issue.

"It's this type of solidarity that South Africa will need. Not so much against the outside world, but to persuade the outside world that we are indeed entering a new era. We hope there will be a fast tendency by responsible governments to regard the season of sanctions as being over."

If South Africa is to succeed in its goals of job creation, training and provision of more housing for lower income groups, it would certainly need economic growth and funds.

Mr Botha said in reply to criticisms from CP leader Dr Andries Treurnicht that he had never implied that Soviet leader Mr Mikhail Gorbachev had become a less fervent communist.

But it had to be asked whether it was reasonably true that the Soviet Union was no longer interested in supporting regional armed struggles. Was it likely that it would be so caught up in its economic problems in years to come that it was withdrawing from these conflicts?

If the answer was "yes", what did it matter that Mr Gorbachev was a communist?

Events in Eastern Europe showed clearly that the one-party communist system was no longer acceptable to at least 150 million people in the region. This meant only one thing for southern Africa: that communist ideology and its economic system had failed.



Mzwakhe Mbuli of the Mass Democratic Movement's Cultural Desk.

International boycotts to go on - MDM

Sowetan 21/2/90

By ELLIOT MAKHAYA

WHILE apartheid legislation is still enshrined in statute books, academic, sports and cultural boycotts must be maintained as an integral part of sanctions.

This was said by the Mass Democratic Movement's Cultural Desk at a Press conference yesterday. "On February 2 FW De Klerk announced a number of changes in Government policy which purported to have created a climate conducive to negotiations," said Mzwakhe Mbuli of the cultural desk. "The impression was created that these changes now herald the dawn of a new democratic and non-racial South Africa.

"But", said Mbuli, "the liberation movements and the Mass Democratic Movement have emphatically stated that many requirements are still to be met towards creating a climate conducive to negotiations."

Asked to elaborate on the 'many requirements' Junaid Ahmed, national co-ordinator of the Congress of South African Writers (Cosaw), said these included the "unconditional release of all political detainees, granting of absolution to exiles and the lifting of the state of emergency".

Asked about the possible return home of stars like Miriam Makeba and Hugh Masekela, Mbuli, said: "The time has not yet come to return home. The struggle is not over yet. People (exiles) should listen to their organisations abroad and not to De Klerk. But it would be a delight to see them back home to celebrate freedom with all of us."

The Cultural Desk said that the Press conference and its statements were endorsed by Cosatu, Cosaw, Soweto Cultural Forum, South African Musicians' Alliance (Sama), Photo Workshop, Film and Allied Workers Organisations, Johannesburg Democratic Action Committee, National Sports Congress, Theatre Alliance, Pretoria Cultural Forum, Nusas, Grahmastown National Congress, African National Congress, Inyaba (Port Elizabeth), Bloemfontein Arts Project, Galeshewe Cultural Group (Kimberley), Western Cape Cultural Workers Congress and Soweto Students Congress.

Thatcher in row over journalists expelled by SA

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Argus 7/2/90

The Argus Foreign Service

LONDON. — The expulsion of two British journalists from South Africa has caused a row in the British parliament, with Prime Minister Margaret Thatcher being urged not to lift sanctions against Pretoria.

Mrs Thatcher refused during question time to be drawn into criticism of the South African government for its action, saying only that her government supported freedom of the Press and had asked for an "explanation" from Pretoria.

Encouragement

She then repeated to parliament the reasons given by South Africa for the expulsions.

On sanctions, she said that while chastising Pretoria, it was also necessary to give encouragement to the reformist steps taken by President De Klerk.

The leader of the Liberal Democrats, Mr Paddy Ashdown, condemned Mrs Thatcher for using the House of Commons "to relay the South African government's excuses for expelling British journalists".

"It would be better if the Prime Minister had made it clear that Mr De Klerk's brave words will mean little if British journalists are being expelled for exercising free speech," said Mr Ashdown.

Labour leader Mr Neil Kinnock said the expulsion was "a mark of shame on the South African government, showing that apartheid's rulers have only changed their words, not their minds".

He went on to condemn Mrs Thatcher's actions in repeating South Africa's alleged reasons for expelling the journalists as "helping and defending the South African government".

Labour's Foreign Affairs spokesman, Mr Gerald Kaufmann, also criticised Mrs Thatcher for "acting as an apologist". He added: "What she did this afternoon was to act as mouthpiece for the De Klerk regime, echoing their accusations against the journalists and accepting those accusations as gospel".

"Her affection for the apartheid regime, together with her detestation of a free Press, has never been more blatantly demonstrated," Mr Kaufmann said.

Jackson, Govt in cold war

(280)
Sowetan 8/2/90.

A COLD war is looming between visiting United States civil rights leader, the Rev Jesse Jackson and the Minister of Foreign Affairs, Mr Pik Botha, over Jackson's "ambiguous" stance on sanctions.

Jackson arrived in South Africa yesterday on a week-long visit as a guest of the South African Council of Churches.

Jackson told journalists, who quizzed him during a Press conference

By THEMBA MOLEFE

at Jan Smuts Airport on Botha's statement that he was not an "honest broker": "I will talk to Mr Botha myself as I would not like to hold talks with him through the Press.

On Tuesday Botha said Jackson spoke differently in private to the South African Ambassador to Washington, Dr Piet Koornhof, to when he saw Archbishop Desmond Tutu or Dr Allan Boesak.

On allegations that he told Koornhof he was no longer in favour of sanctions while later informing British Premier Mrs Margaret Thatcher that sanctions should be intensified, Jackson said his position had always been consistent - that economic sanctions were the most viable non-violent alternative to bloodshed.

Asked whether he would indeed participate in today's anti-rebel cricket tour demonstrations in Johannesburg, Jackson was evasive and said: "I am not a hostile person."

Jackson is scheduled to meet representatives of various organisations.

SACC general secretary the Rev Frank Chikane said attempts would be made to secure meetings with Botha and State President FW de Klerk.

Asked whether he would meet Nelson Mandela at Victor Verster Prison Jackson said: "I would wish to meet him in the streets of Johannesburg."

Ex-Labour Minister campaigns for alternative to sanctions

(280)

A CAMPAIGN has been launched to mobilise the Western business community around an alternative to international sanctions against South Africa, according to Colin Legum's *Third World Reports*.

The campaign is spearheaded by Lord Marsh, a former Minister in Harold Wilson's Labour government, who now heads the British Industry Committee for South Africa (Bicsa). He has become a bitter critic of sanctions, which his Labour Party government espoused.

His strategies are based on a new book: *South Africa.. Sanctions and the Multinationals*, written by Dr DJ Venter, a former South African diplomat and now a business consultant to UK-based multinationals.

By JOSHUA RABOROKO

The policy of Bicsa, says Marsh, is clear. "We believe that a political settlement and the abolition of the last trappings of apartheid are the preconditions for economic growth. We also believe it essential that industrialists in South Africa make a practical contribution to the achievement of those items.

But Marsh's views, such as that "as with the two white tribes, the eight black tribes are far from a united group as the gruesome 'necklace' murders and general black-on-black-violence vividly demonstrated", tell a lot about his political perspective and why he is now out of the Labour Party.

In his book Venter proposes a policy of "contra-apartheid strategies" in place of what he terms the confrontational strategy of sanctions. His proposed strategies are described as an "indirect, non-violent process which acts against the apartheid structure through erosion rather than direct confrontation.

"Its aim is to achieve managed change in South Africa to obtain political, economic and social justice through negotiations as well as through example and training - the inherent requirements for achieving consensual government within the parameters of plural society".

Levels

The author argues that contra-apartheid strategies have been widely deployed both within and outside South Africa on three levels: in white and black political activities at parliamentary and extra-parliamentary levels; in micro-economic activities such as deregulation, the informal business sector, education and human resources development; and in corporate social responsibility investments and expenditure by South African and foreign multinational companies.

Corporate social responsibility is the support of black social and community services by companies through donations or the direct time involvement of their staff. Such activity, Venter claims, generates contra-partheid forces which have had a major societal and economic impact on the black South African community.

Venter writes: "It is true to say that South Africa's prospects for economic decline or renewal will to a large extent depend on its relations with the outside world, given the fact that over 50 percent of its Gross National Product is generated by foreign trade."

The businessman's campaign advocates a strategy of persuasion and compliance to be implemented by South Africa's major trading partners to help obtain on-going change in South Africa. It calls for massive economic aid for both South Africa and southern Africa to assist the development of infrastructure and human resources.

It also calls for the suspension of economic sanctions against South Africa; and a commitment by the South African Government to progress steadily towards a socio-political change in which all South African group interests will be able to participate. This, he says, is "subject to the discontinuance of further campaigns of insurgency and terrorism by the African National Congress and other terrorist organisations, if such groups are to participate in these constitutional negotiations."

US animal health firm disinvests

ANOTHER US group, Coopers Animal Health, has disinvested from SA.

Coopers, a joint venture between UK companies Wellcome and ICI, was bought out in December 1988 by US-based Pitman-Moore, which then announced its "intention to sell the SA subsidiary to a consortium of senior management," says new chairman Pat Pullinger.

No price was given, but the deal was completed at "a price that is very reasonable in relation to turnover".

The local management will acquire all local existing business and will continue to trade as Coopers. B | Day 8/2/90

Pullinger says the management buyout will not change the way in which the company operates.

JACQUES MAGLIOLO

In the period between 1985-1989, sales leapt to R36m (R15m) and the directors believe turnover will, in the current trading period to end-August, climb to R42m.

Continued supplies have been secured through an agreement with Pitman-Moore. The company has also concluded contracts with overseas countries.

Although the company seems solid, with good prospects, Pullinger says he does not believe in listing it.

The Star
Finance

Sanctions worked, say analysts

STAFF 9/2/90 (280)

Economic sanctions on South Africa have worked.

This is the conclusion of economists and political analysts who believe that the level of pain inflicted on South Africa by sanctions had become unendurable and was a major factor behind the government's recent sweeping political reforms.

Sceptical analysts who once feared that financial and trade penalties would only stiffen the white government's resolve to cling to power and increase its hostility towards the outside world now concede that sanctions played a pivotal role in bringing political change.

"Without doubt it was necessary to put pressure on the government to implement reforms. One can't deny that sanctions have played a role in this," said Sampie Terreblanche, professor of economics at Stellenbosch University.

Others agree. "It would be naive to believe that sanctions had no part in the recent reforms," said Ronnie Bethlehem, chief economist at mining house Johannesburg Consolidated Investment.

Terreblanche added: "The answer is not now to impose more sanctions. If the US lifts sanctions, it could give De Klerk a boost to carry on with the reforms he has started.

"This game of sticks and carrots has to be played with great sophistication," he said.

US LEADS

Economists expect the United States to take the lead in reassessing sanctions as it did in 1986 when Congress enacted the Comprehensive Anti-Apartheid act, barring imports of South African iron, steel, coal, agricultural produce and Krugerrands and halting new investment and bank loans.

But few believe sanctions will be rolled back until the government releases Mandela and starts power-sharing negotiations with the black majority.

"A reassessment of sanctions is now called for by the US and the European Community. But the timing is very delicate. If sanctions are lifted too quickly, it could alienate the ANC," said a Western diplomat in Pretoria.

British Prime Minister Margaret Thatcher said on Tuesday the European Community should lift its ban on new investment in South Africa when Mandela is freed.

But political analysts said Thatcher risked losing leverage with blacks if she pushed too hard to ease the pressure on Pretoria.

They added that foreign companies would not be keen to invest here as long as the ANC advocates nationalisation of major industries.

Local businessmen have become expert sanctions busters and South African companies operating abroad have learned to cover their tracks for fear of embarrassing attacks on their products and customers.

South African trade is now a murky business of middlemen, front companies, bills of lading with differing destinations and clandestine shipments through politically neutral countries.

ECONOMY

Despite the bravado associated with circumventing sanctions, the psychological impact of disinvestment by a string of big-name multinational companies and the retreat into a siege economy has taken its toll.

The annual growth rate dropped to under two per cent in the 1980s from an average four percent in the 1970s. The value of the rand has plummeted by two thirds against the dollar and halved against sterling over the past decade.

Black unemployment, estimated at 35 percent, is soaring. Economists say that without foreign investment and bank loans, South Africa cannot hope to generate the four or five per cent growth it needs to keep pace with the burgeoning population.

Capital outflows have been huge — about $12 billion since 1984 — most of it used to repay foreign debt after international creditor banks cut off loans in August 1985. Many believe this was the most damaging sanction of all.

"De Klerk realises the status quo cannot continue. The dilemma he now faces is how to get the economy moving again," said Robert Schrire, political science professor at the University of Cape Town. — Reuter

SA equities might draw UK pension funds

By Neil Behrmann

LONDON — A huge amount of funds could flow from UK pensions in a post-apartheid South Africa.

If and when restrictions on investment are lifted, the potential will be enormous.

A survey, conducted ahead of President FW de Klerk's address, shows apartheid prevented UK fund managers controlling £135 billion from investing money in SA equities.

The survey by Pension Investment Research Consultants (PIRC) covered 29 of the UK's top funds managing £130 billion of pension money.

More than 50 percent of the funds surveyed, equivalent to £68 billion, were not allowed to buy SA equities.

Moreover, 38 percent of the UK's 883 pension funds were restricted from making any type of investment in SA.

Stuart Bell, a senior researcher of PIRC, says the survey was conducted when hopes of negotiations in SA were already high

The results illustrate the cautious attitude of pension fund managers, he says.

Nevertheless, there is considerable confusion amongst British fund managers and indeed foreign investors. Conditioned by anti-South African feeling for years, they still cannot come to terms with the possibility of a democratic South Africa.

"While some fund managers avoid SA because of excessive risk, other baulk at investment restrictions," says the report.

The comment illustrates that foreign investment moods swing between hypocrisy and greed

The FT Actuaries SA index in dollar terms has doubled in the past twelve months and since December rand bonds on foreign markets have risen by 30 percent.

Although average gold share dividend yields are low, industrial shares pricey and Eskom yields have fallen below the inflation rate, foreigners don't appear to be perturbed by historically poor values.

For the first time in ages, the JSE is getting a glimpse of the vagaries of hot money.

US and Japan looking for yet more progress

In this, the first in a two-part series, the Financial Times examines prospects for relaxing sanctions and a return of foreign investment in the wake of President FW De Klerk's speech at the opening of Parliament last week.

US capital will keep flowing out of South Africa until the last vestiges of apartheid are eradicated, US business leaders and lobbyists say.

Measures announced by President FW de Klerk last week are seen as only a first step.

His government needs to do much more before laws severely restricting new US investment are lifted.

Many US companies which withdrew from South Africa in the 1980s say it is far too soon to return, even if US law allowed it.

Many of these corporations are likely to continue under attack from lobby groups which claim they have retained strong ties with South Africa.

About half the departing companies license South African companies to sell or make their products.

Strong argument

Moves such as last week's lifting of the ban on the ANC provide a strong argument for increasing sanctions and pressure for disinvestment, says Ms Donna Katzin of the Interfaith Centre for Corporate Responsibility.

The centre plans to keep up its shareholder pressure on corporations until there is basic and fundamental change in SA.

For example, at more than 100 company annual meetings in the months to come it will propose shareholder resolutions to stop dealings with SA.

"I'm still urging disinvestment until I see an actualisation of the promises that seem to have been made," says the Rev Leon Sullivan, a black Baptist minister whose 13-year-old Sullivan Principles on US investment in South Africa helped trigger the wholesale withdrawal of US capital in the 1980s.

The exodus swelled from seven companies in 1984 to a peak of 56 in 1987 before falling back to 18 last year. In total, 176 US companies have left over the past five years.

More than 120 still remain fully active in SA, according to the Investor Responsibility Research Centre in Washington.

Caltex is the largest, with 2 056 employees, followed by International Paper, with 1 966, and Johnson & Johnson, the drug group, with 1,451.

Other big names include United Technologies, Caterpillar and Minnesota Mining & Manufacturing.

"We believe our position there is a positive one for social justice," says Bill Lane, an international government affairs specialist at Caterpillar.

It has a parts warehouse serving Southern Africa and its exports to South Africa create 650 jobs in the US. At its last annual meeting 12 percent of its shareholders voted for withdrawal.

There is little chance legal restraints on US companies will be lifted as long as key friends in Congress maintain their strong position, says Richard Knight, a research associate of the American Committee on Africa, the oldest anti-apartheid lobby group in the US.

"People understand you have to look beyond the changes announced so far. The bottom line is universal suffrage in a unitary state."

The Japanese government, embarrassed in the past by highly publicised commercial ties with South Africa, has told Japanese companies that Pretoria's announcement of reforms should not herald direct investment or an increase in trade.

Although individual Japanese companies are reluctant to comment on possible changes in strategy, a senior Japanese Foreign Ministry official says the government and corporate position on South Africa should not change until after the release of Nelson Mandela and some other improvements on segregation policy occur.

Japanese exports to South Africa, which, on a monthly average, fell by 16 percent last year on a customs-clearance basis, rose 17,9 percent in December, compared to the same month in 1988, according to Ministry of Finance figures.

Japan became South Africa's largest trading partner in 1987, with bilateral volume, totalling $4,27 billion, prompting Tokyo to urge restraint and encouraging some companies to find third-country routes for products.

Trade with South Africa fell by four percent in 1988, putting Japan behind West Germany, in bilateral volume.

In early 1988, the Keidanren, the Federation of Economic Organisations, urged member companies to restrain trade with South Africa after the increasing volume had been condemned in the US.

Direct flights

The Keidanren has also emphasised that Japanese companies have honoured a ban on direct investment, while bans remain on direct flights to Japan by South African Airways and the use of the airline by Japanese government employees. Moreover, South African tourists are refused entry visas to Japan.

Jerry Matsila, the ANC representative in Japan, says companies will be tempted to upgrade commercial ties because controls were imposed only after international criticism.

The ANC estimates that Japanese brands comprise 62 percent of the car market in South Africa and take 64 percent of the car-component market.

Mr Matsila says Japan's direct imports of needed raw materials from South Africa have fallen, but that imports via third countries have risen by a similar percentage.

Mr Matsila wants Japan to impose even tougher commercial sanctions, an action he says would ensure Tokyo a leading role in the construction of a new South Africa. — Financial Times.

Easing of sanctions indicated

Cape Times 9/2/90

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Own Correspondent

WASHINGTON.— Pretoria has now met two of the five conditions laid out in section 311 of the Comprehensive Anti-Apartheid Act for the "modification of suspension" of sanctions, a senior administration official said.

He added that Congress was signalling the administration to "consider seriously" an alleviation of sanctions once two further conditions had been met, which he predicted would happen "soon". These were the lifting of the state of emergency and the release of all political prisoners, including Mr Nelson Mandela.

In an authoritative briefing on US policy in the light of President F W de Klerk's speech last Friday, the official said the administration was studying the possibility of ending the effective US veto on South Africa's access to international monetary fund loans, which was not subject to the CAA act's conditions.

The official, who called President De Klerk "a very courageous, moral individual", said the focus of US diplomacy was to push both sides into negotiation "at the earliest possible time".

"We are letting both sides know that we will criticise the first one we see undercutting that movement."

S/Times 11/2/90

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Faith restored

By Robyn Chalmers

PRESIDENT De Klerk's speech has probably halted the disinvestment trend of US companies from SA, says California Institute of Technology's Professor Ned Munger.

Professor Munger is a member of an advisory group set up to advise US companies operating in SA about how to bring about the removal of apartheid and discriminatory laws.

He says the group would be surprised if any more of the remaining 59 signatory companies operating in SA were to leave after President De Klerk's positive speech. A total of 121 firms have disinvested.

"The State President has opened up new vistas and opportunities for American organisations in SA. However, it would be premature to say whether or not firms which have disinvested will return."

The group, which arrived in SA this week, will visit US companies in the Transvaal, Natal and Cape.

Professor Munger says many American organisations which have not disinvested have outstanding records in promoting racial integration at all levels, assisting employees and devoting large sums to black advancement.

"However, there is a need for this advisory council to help American companies work toward the elimination of apartheid.

"We need to look at the next step that these companies can take. It may be funding more black suppliers, but this needs to be explored more deeply."

Before US Congress approved economic sanctions in the early 1980s, the Sullivan Principles governed US firms operating in SA. The advisory council is expected to take over this role.

The rand's world value

	R1 equals		One foreign unit equals (R)	
	9 /2 /90	9 /2 /89	9 /2 /90	9 /2 /89
US $	0,3941	0,4082	2,5377	2,4438
UK £	0,2330	0,2341	4,2914	4,2709
Deutschemark	0,6576	0,7644	1,5207	1,3082
Japanese yen	57,03	52,96	0,0175	0,0188
Swiss franc	0,5872	0,6502	1,7029	1,5379
French franc	2,2353	2,8025	0,4474	0,3843
Canadian $	0,4713	0,4846	2,1218	2,0639
Italian lira	489,225	557,565	0,0024	0,0018
Zimbabwean $	0,9013	0,80701,10	95	1,2392
Australian $	0,5225	0,4589	1,9139	2,1791

Trade weighted value of rand, % change against 1974 base 40/47

Domestic interest rates

MONEY MARKET

	Friday 9 /2 /90 %	Friday 2 /2 /90 %	Friday 26/1 /90 %
SARB accommodation: rediscount rate TBs	18,00	18,00	18,00
Treasury bill tender rate	18,00	18,00	18,00
Basic call of discount houses	19,25	20,50	20,50
Three-month banker acceptances	18,55	18,65	18,00
Three-month NCDs	20,00	20,00	20,00
Three-year RSA stock	15,49	15,52	15,44
Prime overdraft rate	21,00	21,00	21,00
All-in yield of finest acceptance credits	19,65	19,77	19,77

CAPITAL MARKET

SECONDARY MARKET — RATES ON MOST TRADED STOCKS

	Average Previous Month	As on Friday
Long-term RSA stocks	15,53	15,49
Long-term Escom stocks	15,34	15,32

Best sections this week

	Av % Mv	Av D/Y	Av E/Y
Diamonds	6,9+	4,7	11,6
Mining Houses	3,2+	3,3	9,5
Beve, Hotels, Leisure	2,9+	5,5	11,9
Building and Constr	2,8+	6,2	19,5
Coal	2,8+	7,2	19,5

Overall market this week

(Ordinary Shares Only)

	Mining	Non-Min	Total
Volume	23 800 676	40 981 133	64 781 809
Value traded	R592 268 491	R233 235 219	R826 924 710
Up	41	235	276
Down	76	104	180
Unchanged	38	249	287
Number traded	137	506	643
New highs	28	72	100
New lows	4	17	21

London gold fixings

	am	pm
Monday	$418,75	$423,00
Tuesday	$421,40	$421,05
Wednesday	$419,90	$423,75
Thursday	$418,50	$418,00
Friday	$418,50	$415,50

JSE Actuaries Index

	THIS WEEK	LAST WEEK	WK$% MOVE		THIS WEEK	LAST WEEK	WK$% MOVE
OVERALL	3341	3280	1,9	FINANCIAL	1875	1811	3,5
				BANKS&OTHER	1661	1622	1,8

UK bells ring out for freed ANC leader

LONDON. — Church bells rang out across Britain yesterday to mark the release of ANC leader Mr Nelson Mandela after 27 years in prison.

Thousands of people gathered outside the South African embassy in central London for the biggest of several parties hurriedly planned across the country by Mr Mandela's supporters after President F W de Klerk announced his release on Saturday

And Mrs Margaret Thatcher yesterday said the "die is cast" for peace and progress in South Africa and the world should immediately end sanctions, which she described as "meaningless".

After attending a church service in London, she said the time had come to encourage, not further damage reform.

"The way is open for peaceable negotiations. What is the use of trying to hit out? Why not help the process?" she said.

But outside the SA embassy, where thousands of people had gathered to celebrate Mr Mandela's release, anti-apartheid leaders, who have maintained a non-stop night-and-day picket for 1 395 days, decried Mrs Thatcher, saying sanctions should continue.

Demonstration leader Mr Andre Schott said sanctions had to remain till apartheid was completely eradicated and all South Africans were free and equal.

Archbishop Trevor Huddleston, president of the British Anti-Apartheid Movement (BAAM), who preached at a special service relayed by the BBC, said Mr Mandela's freedom marked the beginning of a "new stage in the struggle to end apartheid and to secure freedom for all the people of South Africa".

But he added: "We wish to stress that Mandela leaves behind him thousands of prisoners and returns to a country under a state of emergency with a police force with a licence to kill." — Sapa-Reuter and Own Correspondent

Bush phones FW to offer congratulations

CAMP DAVID, Maryland. — US President Bush praised President F W de Klerk in a telephone call on Saturday for arranging the release of Mr Nelson Mandela and invited Mr De Klerk to visit the United States, the White House said.

Mr Bush also told Mr De Klerk he intended to keep his earlier promise to invite Mr Mandela separately to the White House "to exchange views on how best to move rapidly toward a negotiated solution" to South Africa's racially segregated policy of apartheid.



Mr Bush

Praising Mr De Klerk for "bold and imaginative" leadership, Mr Bush said the release of Mr Mandela was "another significant step on the road to the non-racial, democratic South Africa we all desire".

White House spokesman Mr John Herrick said Mr Bush's congratulatory phone call lasted five minutes.

"The two presidents discussed the challenges that face all South Africans in this time of impending transition," Mr Herrick said.

Observers expect Mr Bush's administration to use the meetings with Mr De Klerk and Mr Mandela to encourage negotiations on a new constitution.

"We'd like to talk to them before negotiations begin," said a US official who asked not to be named.

The United States was instrumental last year in facilitating the peace settlement that tied an end to Angola's civil war to independence for Namibia and it seems eager to try its hand as a mediator again in South Africa.

Observers believe it will be some time before sanctions are lifted.

● Mr Sipo Mzimela, an Episcopal priest in Atlanta who is a former staff member of the ANC office in New York, said that with Mr Mandela's release "the legend ends and the human being comes out".

The ANC would now be transformed from a liberation movement to a political party and he predicted it would split into three ideological wings espousing Marxism, social democratic thought and free-market theories, complicating its role as an opposition force. — Sapa-Reuter and UPI





Mrs Thatcher



Archbishop Huddleston

US 'could soon lift sanctions' to reward FW

LONDON. — The American administration could soon lift sanctions on South Africa, Assistant Secretary of State Mr Herman Cohen said on British television last night.

Extolling President F W de Klerk, Mr Cohen said his government agreed "to an extent" with Mrs Margaret Thatcher that Mr De Klerk deserved rewarding, including the lifting of all sanctions.

Mrs Thatcher is formally asking the 12 nations of the European Economic Community (EC) to acknowlegde Mr Mandela's release by lifting sanctions on new investment in South Africa.

Observers see this as a clear warning to her European partners that Britain is prepared if necessary to declare UDI on the sanctions lobby.

On Saturday she said she would unilaterally end cultural, educational and scientific boycotts.

Britain hopes that the lifting of the ban on new investment will win an emphatic majority when the EC foreign ministers meet in Dublin on February 20.

ANC spokesperson Ms Freney Ginwalla yesterday said it would be damaging to progress if the EC backed Mrs Thatcher's determined drive against sanctions as sanctions remained the pillar of peaceful resistance to apartheid.

Mr Cohen said the Bush administration would see if there was US consensus for lifting sanctions.

"On the basis of my soundings to date I believe that there is such a consensus and you are likely to see some forward movement on that in the near future."

'Sanctions 'stay' until apartheid pillars lifted'

PRETORIA — US presidential hopeful the Rev Jesse Jackson said at the weekend that the lifting of sanctions required the release of all political prisoners, the lifting of the emergency and the abolition of the "pillars of apartheid".

These he defined as the Group Areas, Population Registration, Land and Separate Amenities Acts

In addition, he told a press conference, "negotiations must be in place".

Addressing newsmen at a Sea Point hotel on Saturday evening, Mr Jackson and Dr Allan Boesak alleged that police opened fire on a crowd of about 2 000 which gathered in Crossroads on Saturday to welcome him.

One man was wounded, they said.

Police in Pretoria issued two statements about the incident, saying initially that police had not used firearms "at any stage".

This was corrected later to state that shots fired near vehicles in the entourage of Mr Jackson had not been aimed in the direction of the vehicles.

The second police statement said "a black man in possession of an R4 rifle fired on an opposing group and at other SAP members in the area".

"An SAP foot patrol returned fire but the man escaped.

"The shots heard by Mr Jackson were thus not fired in Mr Jackson's direction," the police report said

● A man was forcibly ejected and another was asked to leave the hotel after harranguing Mr Jackson

In a further altercation outside, one of the men was knocked down by a punch from a hotel staffer. — Sapa

Thatcher moves to end EC's ban

280 IAN HOBBS

LONDON — British Prime Minister Margaret Thatcher is formally asking the 12 EC nations to acknowledge Nelson Mandela's release by immediately lifting sanctions against new investment in SA.

Her insistence that the world's biggest trading bloc must reward President F W de Klerk's reforms is a clear warning to her European partners that Britain is prepared, if necessary, to declare UDI on the sanctions lobby.

Thatcher underlined her strength of feeling that sanctions must be eased by confirming at the weekend she was unilaterally ending the cultural, educational and scientific boycotts.

Spokesmen for the prime minister and for Foreign Secretary Douglas Hurd denied yesterday that Thatcher had already taken an active decision to turn a blind eye to new trade that would breach sanctions agreements with the EC.

But they confirmed that the UK government had already set in motion the political machinery to persuade Britain's partners, particularly France and West Germany, to create trade incentives.

This was to promote the "new sense of hope and optimism" De Klerk had created by delivering his pledges on reform.

Britain hopes the lifting of the ban on new investment — which will undermine any other form of trade sanction — will win an emphatic majority when the EC foreign ministers meet in Dublin later this month. BDay 12/2/90

Sanctions against SA will be at the top of their agenda.

Hurd is to spearhead Britain's argument in the debate.

It is understood he has already won indications of support from West Germany and Italy, with France prevaricating.

He is expected to press Thatcher's argument that economic stability and growth are vital to peaceful progress in SA and "the steps President de Klerk has taken merit a positive, practical response".

Thatcher's government rejected out of hand Labour Party leader Neil Kinnock's argument at the weekend that nothing should be done to ease sanctions until Mandela and the black majority in SA said so.

Hurd is expected to visit SA next month, before or after he attends Namibian independence celebrations in Windhoek.

He will also set the scene for De Klerk to visit Britain and for Thatcher to make her long-promised visit to SA later this year.

Hurd will also urge Mandela to accept Thatcher's invitation for him to visit Britain as soon as he can.

☐ To Page 2

EC ban

BDay 12/4/90

☐ From Page 1

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ANC spokesman Freney Ginwalla, who reflected the thinking of the movement's president Oliver Tambo, said yesterday it would be damaging to the progress in ending apartheid if the EC backed Thatcher's determined drive against sanctions.

Ginwalla said sanctions were the pillar of peaceful resistance to apartheid, which remained along with government's "determination to proceed with separate group policies".

She said the world needed to realise it was sanctions which had "forced Mr de Klerk to his knees" — but he had not yet even started to remove the pillars of apartheid.

The ANC felt he had timed the release of Mandela to try to impress the EC foreign ministers' meeting — but the ANC would have representatives present to warn against the sanctions pressure being eased, Ginwalla said.

'Time for a gesture to encourage SA'

STAR 12/2/90 (280)

WASHINGTON — The issue of easing sanctions against South Africa must now be looked at, says former US Assistant Secretary of State for Africa, Dr Chester Crocker.

He told NBC television yesterday it was very important that President de Klerk's bold step to release Mr Nelson Mandela be seen as one that paid off.

He added that the precise timing and the tactics for easing sanctions was for discussion between the Bush administration and Congress.

"This is a new era. We've got to support that new era in a way that's balanced and that brings our influence to bear on all parties."

US Assistant Secretary of State for Africa, Mr Hank Cohen, said the time had come for a US gesture which effectively told South Africa it was at last making progress.

He said President Bush had already made an important gesture by telephoning President de Klerk at the weekend to congratulate him on the decision to release Mr Nelson Mandela and invite him to the US.

This was "a tremendous symbolic gesture" because no South African president had ever been invited to Washington.

Economists see many different benefits coming

LIZ ROUSE

THE release of Nelson Mandela was welcome from every point of view for SA's economy, said Anglo American group senior economic consultant Aubrey Dickman.

Hopefully it would lead to the lifting of restrictions and sanctions and the creation of a state of stability essential to long-term planning of a sound economy.

Economist Louis Geldenhuys said businessmen should not be naive in thinking the economy would go into a boom in the short-term but the outlook in the longer term was positive.

However, if negotiations succeeded in creating political confidence, business would see this as positive, resulting in investments in new ventures in the short term.

An immediate relaxation of the authorities' current tight monetary policy or any significant tax relief in the coming budget should not be expected.

But the disappearance of sanctions would have an important impact on exports, which would automatically lift the domestic sector, although international economies were stagnant.

If government continued putting its house in order, SA's balance of payments and foreign reserves would improve, to put SA in an under-borrowed position when international economies begin an uptrend in about 18 months.

Executive director of UAL Merchant Bank Alister Colquhoun agreed with Geldenhuys's optimism about SA's ability to raise new foreign funds to improve growth rate, or in the short term to roll over current debts.

The most important immediate issue would be the ending of sanctions, which would strengthen the rand. That would have a negative impact on local equity prices.

Colquhoun questioned the extent to which recent foreign buying of SA equities stemmed from short-term market operators or from genuine investors. He therefore did not foresee a rush of funds into SA through equities.

He said if government had taken strong measures to right the political situation — "playing wild cards" — the man in the street should derive some financial relief from the Budget.

Rand Merchant Bank chief economist Rudolph Gouws said most important to the situation was the disappearance of all sanctions, which would allow SA to roll over its outside debt.

Gouws said financial markets would react positively this week.

Hurd puts sanctions on the agenda of next EC meeting

LONDON — British Prime Minister Margaret Thatcher has ruled out an immediate visit to SA although her last condition for the trip was met yesterday with the release of Nelson Mandela.

Speaking to reporters at the Young Conservatives conference in Torquay, she said a "huge task" in preparing the way for negotiations now lay ahead.

It is expected Thatcher will visit SA later this year.

Meanwhile, Canada, the Netherlands, France, Australia and Italy joined in welcoming the release.

UK Foreign Secretary Douglas Hurd, speaking at a Press conference, said there was a "surge of hope" all over the world.

Echoing Thatcher's statement on immediately lifting some of the sanctions against SA, Hurd said the EC agreed that measures, particularly the ban on new investment, "are no longer logical".

He would be raising the matter with his EC counterparts at their next meeting in Dublin, on February 20, he said.

The UK Labour Party welcomed the release but said it believed international pressure had to be maintained.

The party would consider reviewing its stance on sanctions and boycotts only once Nelson Mandela and the ANC called for these to be lifted, it said in a statement.

From Ottawa, Canadian Prime Mister Brian Mulroney welcomed Mandela's release.

Influence

He commended President F W de Klerk and said Canada stood ready to help in negotiations.

"We will continue to try to find the most effective means of exerting our influence on the situation," he said.

Australian Prime Minister Bob Hawke said in Canberra the release was the most positive sign the world had had that "the walls of the abhorrent apartheid system may soon be breached".

He called on SA urgently to build on the goodwill flowing from the move, with the goal of extending equal rights and democracy to the nation's black majority.

Foreign Affairs Minister Gareth Evans also welcomed the move, but said more reforms were needed before Australia would consider relaxing sanctions.

In Paris, French President Francois Mitterrand welcomed the release but urged SA to press on towards full democracy.

He said it was "an event for human rights".

In Amsterdam, Foreign Affairs spokesman Andre Haspels said: "We are highly satisfied with the release of Nelson Mandela and hope it is the first step towards greater democracy and the development of a multiracial political system in SA."

Amsterdam anti-apartheid groups hung ANC flags from windows, along with a banner hailing Mandela and denouncing apartheid.

Italian Prime Minister Giulio Andreotti said in Rome the release would be a great boost to dialogue among all South Africans.

It was "a gesture which could give a fundamental push to dialogue between all South Africans, and which has as its aim the end of all racist discrimination", Andreotti said. — Sapa-Reuter-AP.



A member of the British Anti-Apartheid Movement outside SA's London embassy yesterday. The organisation says the permanent protest in Trafalgar Square will continue until apartheid is abolished. Picture REUTER

STAR 12/2/90 (280)

Sanctions, disinvestment could ease after release

Nelson Mandela's release could help ease punitive anti-apartheid sanctions by Western nations and halt the stream of foreign disinvestment from South Africa, financial analysts said.

The black nationalist's freedom on Sunday after 27 years in prison was also likely to have a big impact on financial markets.

"Mr Mandela's return to public life creates opportunities for all parties to engage in reasoned de bate about how to structure democratic politics in a future South Africa," said Gavin Relly, chairman of Anglo American.

Financial analysts said this would give powerful impetus to the economy, battered by a flight of foreign capital, high inflation, surging unemployment and slow growth in the past five years.

Said Wayne Mitchell, executive director of the American Chamber of Commerce: "The move could help stop disinvestment by ending double taxation on US companies operating here and possibly lead to the lifting of other sanctions such as the prohibition on landing rights for South African Airways," he added.

Mandela's freedom could also persuade international bankers to ease a clamp on loans to South Africa, cut off in 1985.

Certainly capital inflows are likely to increase. Over the last week, since President de Klerk's opening of Parliament speech over R1 billion has come into the county and more is expected now that the ANC leader is released.

But some analysts cautioned against over-optimism, saying Mandela's release should not be seen as a panacea for SA's economic problems. — Sapa-Reuter

Kaunda urges ANC to suspend guerilla war

There was immediate world-wide reaction yesterday to Mr Nelson Mandela's release.

President Kenneth Kaunda of Zamiba last night urged the ANC to suspend guerilla actions in South Africa in the wake of the release of Mr Mandela. He added that the ANC's military capability should remain in place to counter the presence of white right-wing extremists in South Africa.

□□□

President George Bush spoke by telephone to Mr Mandela last night and offered to use US influence to help resolve racial tensions in South Africa. He said he invited Mr Mandela to the White House for talks. Mr Bush extended a similar invitation to the State President, Mr F W de Klerk.

□□□

In London, Britain's official opposition Labour Party demanded that Mrs Margaret Thatcher's government make a clear statement in parliament today on her controversial move to lift some sanctions against South Africa. Labour leader **Mr Neil Kinnock** said Mr de Klerk had not yet earned a relaxation of sanctions.

□□□

Mr Thabo Mbeki, ANC secretary for international affairs, said Mrs Thatcher should carefully study the speech made by Mr Mandela after his release and should not lift sanctions.

□□□

The The Reverend Jesse Jackson, in Cape Town to witness the release of Mr Mandela, brought one shocking accusation into US coverage of the event yesterday when he was quoted as saying he had seen a policeman shoot an innocent bystander without provocation. The statement was made by **Mr Randall Robinson**, head of Trans-Africa. Mr Robinson said he had been telephoned by Mr Jackson, who told him the police had fired on a crowd of blacks who had gathered to meet him at Crossroads.

□□□

Canadian Prime Minister **Mr Brian Mulroney** invited Mr Mandela to Ottawa for talks. External Affairs Minister **Mr Joe Clark** said he was planning a visit to South Africa.

□□□

Mr Marcelino dos Santos, chairman of Mozambique's People's Assembly and number two in the ruling Frelimo Party hierarchy, said Mr Mandela's release showed sanctions were needed against South Africa. — Sapa-Reuter-Associated Press-The Star's Foreign Service-The Star's Africa News Service.

The Argus, Tu

World consensus that sanctions must stand in short term

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ARGUS 13/2/90

The Argus Foreign Service

WASHINGTON. — South Africa was rapidly reaching the point where the United States could start to lift sanctions because of progress being made, said US Assistant Secretary of State for Africa Mr Hank Cohen.

In a television interview yesterday he said the South African government had made some courageous and bold decisions which deserved to be recognised because it had political problems at home and needed support from the outside world.

Asked if that meant lifting sanctions or some other step, he said· "That's one possibility, and certainly we're going to consider that carefully."

US legislation provided for relaxation of sanctions when there was progress. Some of the conditions set out in the law still had to come, but he thought South Africa was rapidly reaching that point.

Mr Cohen said: "When they lift the state of emergency and release all the final political prisoners, I think they will have fulfilled the main conditions."

Senator Richard Lugar, Republican and chairman of the senate foreign relations committee in 1986 when the congress passed sanctions legislation, said yesterday that talk of easing sanctions was premature.

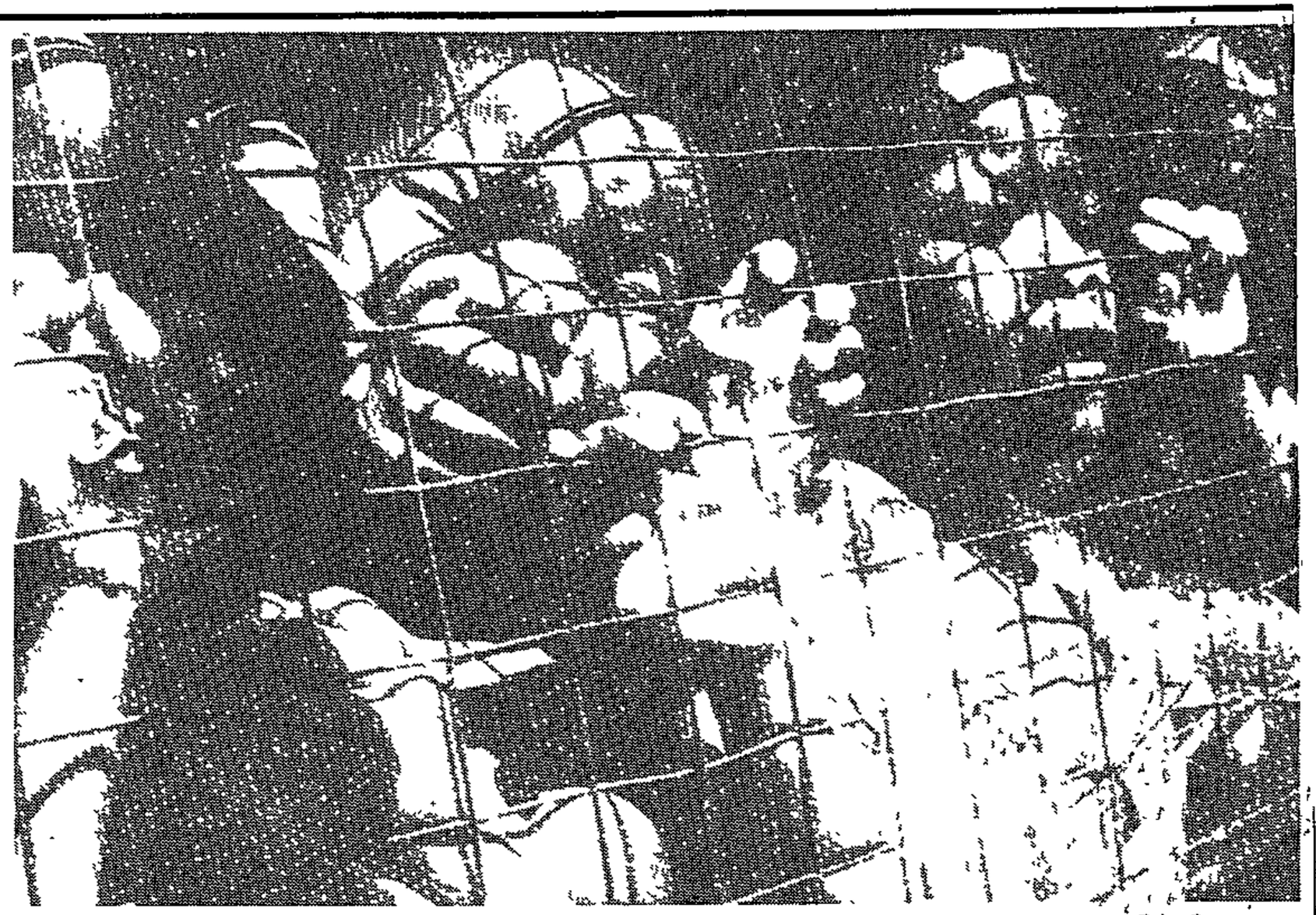
"Clearly, the ending of the state of emergency, the freeing of the rest of the political prisoners, the movement toward negotiations, these are the obvious steps for the South African government to take."

Mr Bill Gray, the most senior black congressman, said congress should listen carefully to the leadership of the majority population in South Africa before acting

It is reported from London that British industrialists will want to see more political changes in South Africa before increasing business there.

The news came as Prime Minister Mrs Margaret Thatcher was preparing to push for the lifting of some of the current trade sanctions

A spokesman for ICI, one of the British companies still doing business in South Africa, said it was unlikely that Mr Nelson Mandela's release alone would lead to increased investment in South Africa "for short term reasons".



CRUSHED: A boy screams in pain as he is crushed against a fence at Orlando stadium in Soweto by a crowd that had gathered to wait for Mr Nelson Mandela. Several people were hurt in the crush. ● Report page 1.

Sanctions stay until terms are met – Bush

(280) STAR 13/2/90

WASHINGTON — President George Bush said yesterday he would not lift any sanctions against South Africa — despite the release of Mr Nelson Mandela and other changes — until Pretoria met all conditions set by United States law.

"We can't do that," Mr Bush said at a news conference when asked whether he would modify any economic curbs against South Africa on the basis of the South African Government's steps to change its policies of racial segregation. "I'm bound by the law.

"What I do want to do is discuss these provisions with Mr Mandela and (State President F W) De Klerk," Mr Bush said. He has invited both men to separate meetings in Washington.

Mr Bush acknowledged that he found some sanctions counter-productive. But he noted that under US law establishing sanctions in 1986, a number of specific conditions must be met for them to be changed or lifted. They include:

- The release of all political prisoners.
- The lifting of the state of emergency.
- Negotiation with the black majority.
- Freedom for all political organisations. — Sapa-Reuter.

Link likely between tour move and Mandela release

Cricket test called off

Argus 13/2/90

The Argus Correspondent

JOHANNESBURG — The second unofficial cricket test at Newlands between South Africa and Mike Gatting' English team has been cancelled, as have two of the limited-overs internationals scheduled for the same venue, informed sources said today

A statement is expected to be released at a news conference here today outlining reasons for the cancellation of the three matches

Members of the touring media were expected to be told of the cancellations at a meeting to be held by Dr Ali Bacher, managing-director of the South African Cricket Union

Sacos delight

Mr Yusuf "Joe" Ebrahim, president of the South African Council on Sport (Sacos), expressed his delight "This justifies our opposition to the tour

"It was a very belated decision, but we are pleased our opposition helped in the decision Our opposition will not cease until the rest of the tour is called off

"This is not the end of the battle It is obvious that Sacu is losing money on the tour and it is not a question of conscience but finances which has ruled their decision"

The National Sports Congress and Mass Democratic Movement had said they would make "life unbearable" for Gatting's team in Cape Town They had promised continual protests during the tourists' visit, according to a statement

Referring to the bomb blast at Newlands yesterday, the statement said the NSC/MDM understood the anger of people opposed to the tour

Sparked anger

The anger had been sparked by Dr Bacher "making a mockery" of protests by applying for permission to hold them, and Mr Gatting s "arrogance" in hotels and restaurants when NSC/MDM supporters refuse to serve him

"If he makes his own food, then he should be quite capable of arranging his transport back to London in an emergency situation," the statement said

An alleged offer to end the tour if the NSC/MDM guaranteed three protest-free days for three one-day internationals would be rejected

Not even traditional supporters of the multi-racial Sacu supported the tour as it was "wrong for the times", the statement said

● Demonstrations against the tour had a negative effect on crowd attendances Dr Bacher has admitted

In an interview published in The Times newspaper, Dr Bacher also disclosed that the Sacu'S development schemes in the townships had been "put on hold" because of political pressure .

Dr Bacher also disclosed that, following a meeting with the NSC at least one member of his board had had "second thoughts" about going ahead with the tour, but did not name the person concerned

He denied the tour had done harm to the government's reform programme, citing the release of Mr Nelson Mandela and the unbanning of the African National Congress as proof



Picture DOUG PITHEY The Argus

kled up and ready to go, Mr Nelson Mandela and his wife Winnie one more picture before take-off for Johannesburg

US business in no rush to come back — analysts

NEW YORK — US business is in no rush to return to SA and will look on Nelson Mandela as a touchstone for determining when and if to reinvest there, economists and analysts said.

"A great deal not only depends on the goverment, but on Mandela himself. Much depends on him and the government's ability to work with him," said Philip Braverman of DKB Securities, a unit of Dai-Ichi Kanygo Bank Ltd.

"Mandela is the sort of guy they'd love to have negotiating the change. He is a moderate by black southern African standards," said Ian Giddy, a professor at the Wharton School of the University of Pennsylvania.

Giddy said Mandela's role in SA will be determined not only by government willingness to bargain, but whether he can unite SA's divided black groups.

Analysts said the pullout from SA by US corporations during the 1980s had been painful and costly and would be reversed only slowly, even if SA's power shifts were orderly and non-violent. Sanctions would remain and retard investment.

Two hundred US companies got rid of their SA holdings between 1984 and 1989, while dozens more have retained direct investment or sell products in SA.

"Those still involved will stay. They will not close down as they might have done. But those who have pulled out won't be in any rush to go back in," said Giddy.

According to Katharine Kine, an economist at the Wefa group, most US corporations have set their spending plans for 1990 and were unlikely to make major adjustments as far as SA was concerned.

The sharp rise of the rand since February 1, when President F W de Klerk announced the end of a 30-year ban on the ANC, indicated an infusion of foreign capital to SA, Giddy said. But SA policy makers knew very well "this hot money" could leave just as quickly if events warranted it and they could not afford to slow the reforms.

Gold prices, which rose 15% since September to $415 an ounce in London on Friday, closed unchanged on February 2, the day after De Klerk announced the freeing of Mandela and the legalisation of the ANC.

"Gold has, on a world basis, picked up some of the 'safe haven' status of the dollar," Braverman commented. — Reuter.

Thatcher lone dissenter in community

Sanctions to stay until apartheid is scrapped – EC

STAR 13/2/90 (280) (EEA)

BRUSSELS — A European Community (EC) commissioner said yesterday economic sanctions against South Africa should be maintained until apartheid was demolished.

"I am completely in favour of maintaining sanctions," development commissioner Mr Manuel Marin said following a nine-day tour of Zambia, Mozambique, South Africa and Namibia.

The 12 EC member-states welcomed the lifting of the ban on the African National Congress and the release of ANC leader Nelson Mandela after 27 years in prison, he said.

Easing pressure

But, with the exception of Britain, they remained wary about easing pressure on South Africa to continue its reforms while apartheid was still in existence, he added.

Mr Marin said sanctions imposed by the United States had been decisive in bringing South Africa to the negotiating table. He added that EC embargoes on new investment and imports of gold coins, iron and steel had been less effective.

"The community has not been the top of the class in this respect," he said.

British Prime Minister Mrs Margaret Thatcher, often a lone voice in the community, said yesterday she would be pressing for some EC sanctions to be lifted.

"I shall be approaching the European Community and suggesting that ... Since we got Mr Mandela released that we do consider lifting some of the sanctions," Mrs Thatcher said.

"I think a little incentive and a little encouragement goes a long way in these circumstances," she said.

EC imports from South Africa declined after sanctions were imposed in 1986, but rose from $6.8 billion (about R15,4 billion) in 1987 to $15.4 billion (about R38,1 billion) in 1988.

Most imports went to Britain.

Mr Marin, who met Zambia's President, Mr Kenneth Kaunda, Mozambique's President, Mr Joaquim Chissano, and Namibia's black nationalist leader Mr Sam Nujoma during his tour, said southern African states were ready to co-operate with a multi-racial South Africa.

With the growing prospect of peace in Angola and Mozambique after years of civil war, community aid previously spent helping countries resist South African destabilisation could be used to develop the region's rich natural resources, he said.

Mr Marin said the EC aid would aim to be flexible and would focus on repairing and improving communications in the region. — Sapa-Reuter.



All roads lead to Soccer City . . . yesterday, as far as the eye could see, streets were filled with crowds dancing their way towards welcoming their leader.
● Picture by Ken Oosterbroek

Thatcher slammed by Mbeki over sanctions

B/Day 13/2/90 280

KIN BENTLEY

LONDON — British Prime Minister Margaret Thatcher's support for the lifting of sanctions against SA has been slammed by ANC international secretary Thabo Mbeki,

Speaking on the BBC's Newsnight Special in the wake of Nelson Mandela's release, Mbeki backed Mandela's call for international pressure to be retained until apartheid had been completely eradicated.

Thatcher, who had written to European and Commonwealth leaders calling for a "more positive" approach to encourage the ending of apartheid, yesterday released a statement reaffirming this standpoint.

Britain's voluntary ban on new investment in SA has already been ended, and the government here will now encourage scientific, academic and cultural contacts.

Thatcher's commitment to this course is sure to lead to another acrimonious round of talks when EC foreign ministers meet to discuss sanctions in Dublin next Tuesday.

Mbeki said Thatcher had "always been opposed to any struggle against apartheid. It is therefore not surprising that she has wanted to remove even those little sanctions that this country has imposed."

British Foreign Secretary Douglas Hurd yesterday acknowledged that sanctions had played a significant part in Mandela's release — but added that British support for positive moves had also been beneficial.

While US President George Bush was not prepared to discuss sanctions yesterday, White House sources quoted here said Congress was unlikely to soften sanctions, with the possible exception of reinstating landing rights for SAA in recognition of Mandela's release.

□ Also on Newsnight, SA Information Minister Stoffel van der Merwe was asked about the possiblity of a coalition between the ANC and the NP.

He said: "We believe that the future government of SA should be composed in such a way that all the relevant parties, all the parties that make a difference to the future of the country, should be represented in such a government.

Selecting

On whether a black election would be held prior to negotiations starting, he said: "What is clear is that at the negotiating table all the people of SA will have to be represented."

The means of selecting those leaders was something that should be negotiated before the time, he said. "But the point is that eventually all the people must be represented and must feel themselves represented."

He said negotiations would still "take some time" to get underway.

□ In the same programme AWB leader Eugene Terre'Blanche verbalised right-wing threats after footage was shown of the march in Pretoria on Saturday, including that of a white man badly beaten up for opposing the AWB. Terre'Blanche said government's "capitulation" would result in war.

13/2/99 SMC

Sanctions could be lifted soon – Cohen

South Africa was rapidly reaching the point where the US could start to lift sanctions because of progress being made, according to US Assistant Secretary of State for Africa, **Mr Hank Cohen**. He told a television interviewer yesterday that he thought the South African Government had made some very courageous and bold decisions, and it deserved to be recognised because it had political problems at home and needed support from the outside world.

Govt pressure to stop tour?

Staff Reporters

RUMOURS were rife in Cape Town last night that Mike Gatting's rebel cricket tour could be abandoned as a result of pressure from the South African government.

The rumours started after the national executive committee of the South African Cricket Union met in Johannesburg yesterday.

The speculation also came in the wake of a mini-limpet bomb blast at Newlands cricket ground, venue for the second five-day international against Gatting's English side starting on Friday. The cricketers arrive at D F Malan Airport this afternoon.

The blast happened at 1.30am, partly destroying a ticket office and causing damage estimated at R20 000.

Reacting to rumours that the SACU was under pressure from the government to cancel the remainder of the tour, or at least to amend the itinerary, SACU managing director Dr Ali Bacher said the tour would go ahead.

And Major-General Roy During gave an assurance that security at the venue would be tightened for the test match.

Dr Bacher and SACU president Mr Geoff Dakin were unavailable for further comment last night.

Mr Fritz Bing, president of Western Province Cricket Union, could also not be contacted.

ANTHONY JOHNSON reports that the latest indications that the government is anxious to have the cricket itinerary modified follow earlier fears expressed by cabinet ministers that anti-tour protest actions might delay or possibly derail Mr F W de Klerk's reform programme.

Top government spokesmen have argued in private that anti-tour militants could well delay the lifting of the state of emergency — a key ANC pre-condition to negotiations with the government.

● Parow, Newlands rocked by explosions — Page 2

ANC must change its positions, says Constitution Minister Viljoen

Sowetan 14/2/90

THE Government disagreed with certain views enunciated by ANC leader Mr Nelson Mandela since his release on Sunday but felt, overall, that they should be seen as having been made within the confines of current long-standing ANC policy which needed to be revised.

In the first top-level Government reaction to Mandela's release speech and other utterances, Dr Gerrit Viljoen, Minister of Constitutional Development, told an international news conference yesterday afternoon that Mandela had also made statements which the Government welcomed.

It was, however, awaiting an authoritative response from the ANC's National Executive Committee.

The Government specifically disagreed with with Mandela's views on sanctions, the armed struggle and economic nationalisation.

It had become incumbent on all within the ANC to readjust their positions.

Viljoen said the Government welcomed Mandela's description of President FW de Klerk as a man of integrity, that a climate conducive to a negotiated settlement should be established so that there should be no more need for the armed struggle; and his rejection of black and white domination

Sanctions

Viljoen said the Government felt the aptness of sanctions should be seen in a new light following the Government's recent actions and should be systematically withdrawn.

The unbanning of an organisation was not equal to supporting the policies of that organisation.

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Runcie softer on sanctions

B'Day 14/2/90

DHAKA — The Archbishop of Canterbury said yesterday that reforms in SA should be encouraged following Nelson Mandela's release, possibly including a relaxation of international sanctions.

"International pressure, and economic and other sanctions have played their part in the release of Mandela," Robert Runcie told a news conference at the end of a six-day visit to Bangladesh.

"I think there needs to be some measure of encouragement to the reform process taking place.

"If that requires some release of sanctions, I think that will be understandable," he added, in contrast to calls by many world leaders who want apartheid scrapped first. — Sape-Reuter.

(280)

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Thatcher gets backing of business on SA sanctions

LONDON — Thirty major companies accounting for 70 percent of British investment in South Africa have written a letter to Prime Minister Mrs Margaret Thatcher expressing support for her move lifting the ban on new investment in the country following the release of Mr NelsonMandela.

An unrepentant Mrs Thatcher is facing a barrage of criticism from domestic opposition, and isolation within the European Community and the Commonwealth for her position advocating the immediate lifting of some sanctions measures as an international signal of support for State President Mr F W de Klerk's "courageous" reform moves.

Lord Marsh, chairman of the British Industry Committee on SA (Bicsa), said in his letter yesterday: "We recognise that the measures implemented by Mr de Klerk are but the first of many which will be required before apartheid can be said to have disappeared."

RIGHT DIRECTION

"Nevertheless, the time has surely now come for some recognisable acknowledgement by the international community that South Africa has taken a number of important steps in the right direction."

Refeiring specifically to the ban on new investment in South Africa, which was agreed by the EC in 1986, Lord Marsh said: "South Africa is now more than ever in need of international investment to aid economic growth .. vital if political freedom for the black majority is to be meaningful."

Bicsa consists of some 30 major British companies, a number of which have had interests in South Africa dating back many years.

British multinational corporations hold the major foreign investment stake in the South African economy at present, having resisted international sanctions pressure in recent years to pull out.

Their argument has been that their presence, rather than their absence, in South Africa has enabled them to use their influence on the Government to move away from apartheid. — Sapa.

[redacted]

B/Day 14/2/90

Thatcher firm on SA amid uproar in House

(280)

KIN BENTLEY

LONDON — British Prime Minister Margaret Thatcher yesterday stood her ground on relaxing voluntary British sanctions as a reward for change in SA, amid one of the rowdiest debates in the House of Commons in years.

During a heated Prime Minister's question time, Thatcher was made to withdraw an "unparliamentary" statement that Labour Party leader Neil Kinnock was "possibly taking instructions from the ANC".

Ironically, earlier yesterday Kinnock received a request from Nelson Mandela — via Labour MP Bernie Grant who met Mandela in Cape Town on Sunday — urging Kinnock to keep up sanctions pressure.

Thatcher persisted with her view on the necessity of rewarding President F W de Klerk for the unbanning of the ANC and Mandela's release.

And yesterday Whitehall confirmed that a formal invitation to visit Thatcher had been passed on to Mandela through the British Embassy in Pretoria, but that no date had been fixed.

However, in the light of Thatcher's commitment to relaxing some of the European Community sanctions, particulary the voluntary ban on new investment, introduced in 1986, a question mark hangs over whether Mandela will accept the invitation.

Tom Clarke (Lab) asked Thatcher if she realised the release of Mandela was only made possible because of pressure from the free world.

Thatcher: "I do not believe we would have got the result we have had there ever been comprehensive economic sanctions."

Kinnock asked: "How can the Prime Minister think that she knows better than Mr Mandela?"

Thatcher: "Mr Mandela also said he approved of the armed struggle. I disagree with him on that and I disagree with him on sanctions.

Ritual

"The ANC stands for comprehensive sanctions. So do the Labour Party. It stands for the armed struggle. So, apparently, do the Labour Party. It stands for the nationalisation of most of the economic means of production. We do not.

"Mr Mandela naturally said he stood for all three in his — what I would call — his 'ritual speech'. I believe he is making very much better and more peaceful speeches during his press conferences."

On another question as to why she was prepared to act "unilaterally and alone" on lifting sanctions, Thatcher said:"As far as order through the EC is concerned and passed through this house ... those are order and they cannot be changed without a full agreement ...

"Sanctions to which I am referring are the ones which are voluntary."

□ Most of the major British companies with interests in SA yesterday urged Thatcher to secure an end to the voluntary ban on investment.

SA needed international investment now more than ever before to aid economic growth and make political freedom "meaningful".

The call was made in a letter to Thatcher from Lord Marsh, a former Labour minister and chairman of the British Industry Committee on SA, which comprises about 30 major companies accounting for about 70% of British investment in SA.

"The time has surely now come for some recognisable acknowledgement by the international community that SA has taken a number of important steps in the right direction," Lord Marsh wrote.

□ Irish Prime Minister Charles Haughey said he believed most European Community states would favour maintaining economic sanctions against SA when EC foreign ministers meet on Tuesday, reports Sapa-Reuter.

Asked if Mandela's call should be heeded, Haughey said: "I feel that his views will provide a very important input into EC deliberations and that he is going to be a very important figure in future developments."



DE KLERK

US firms wary of SA return

NEW YORK - Though welcoming the reforms promised by President F W de Klerk, US businesses are not rushing to re-enter South Africa, according to spokesmen for a wide range of American companies polled yesterday.

Reflecting a generally qualified US response to President de Klerk's declarations to Parliament on Friday, bankers also said that notwithstanding South African hopes for a quick economic stimulus to the changes announced by the State President, they doubted whether South Africa would find it easier to get new loans from international banks.

General Motors, which sold its South African subsidiary to local interests in 1987, appeared disinterested in the new moves, a spokesman in Detroit saying bluntly: "We have no plans to go back to South Africa."

But the man who more than anyone else set in motion the US divestment procession, the Reverend Leon Sullivan, had a more conciliatory view

"What we have seen so far is progress - real progress - but it's just one step. A statement is not far enough. We still have to wait and see what happens."

He added that he thought US corporations are prepared to assess their involvement in South Africa, "but if - and only if - the government follows through on its promises and ends apatheid."

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'Danger of right-wing reaction'

Hurd argues for relaxing sanctions

LONDON — The British government was not proposing the abolition of all sanctions on Pretoria but a "logical, measured, step-by-step response" to President de Klerk's moves away from apartheid, Foreign Secretary Douglas Hurd said yesterday.

Speaking in a Labour-initiated debate on his government's sanctions policy, he agreed that apartheid was still in place.

At the same time it had to be accepted that the first steps had been taken, and the South African Government had stated that the so-called pillars of the system were open to negotiation, with an unlimited agenda.

Mr Hurd warned that if the international community did not respond in the way his government would propose at a European Community meeting in Dublin next week, "there will be a danger of right-wing white reaction (to Mr de Klerk)".

The Foreign Secretary was presenting the latest government front-rank defence against sharp criticism of Prime Minsiter Margaret Thatcher's moves at the weekend, following ANC leader Nelson Mandela's release, to relax sanctions

The Labour Party maintains that Mrs Thatcher is once again standing isolated within the more cautious European and wider international community on the sanctions issue in her "rush" to lift sanctions

Reiterating his government's policy of a combination of "pressure and encouragement" on South Africa to end apartheid, Mr Hurd said Mr de Klerk had taken many of the steps Mrs Thatcher had urged him to implement when they met in London last June.

Mr de Klerk had also met nearly all the negotiating conditions laid down by the Eminent Person's Group in 1986, which had proposed "matching and reciprocal commitments by both sides in South Africa".

Mr Hurd said his government was now calling on the ANC, PAC and other parties involved to match Mr de Klerk's commitments with equivalent responses and to suspend violence and enter negotiations.

He drew a clear distinction between voluntary sanctions and legislatively embodied measures.

Labour's shadow foreign secretary, Mr Gerald Kaufman, said earlier that there had been momentous events in South Africa over the past two weeks, and that Mr de Klerk was to be congratulated.

Opposing moves to lift sanctions, he said: "Mandela is free within South Africa, but South Africa is not free." — Sapa.

The
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Time to set aside those rose-tinted spectacles

Many people, particularly whites, have been disappointed by some of Nelson Mandela's uncompromising comments since his release. JOHN RYAN of The Star's Africa News Service explains why the ANC leader is bound to follow his party's line.

White South Africans who were expecting rather more for their comfort from Nelson Mandela's statements since his release on Sunday need to put aside their rose-tinted spectacles and accept the reality of the probable movement to a new order in this country

To begin with, they should remember that Mr Mandela is a member of a fundamentalist organisation fighting for radical reforms such as full franchise for all citizens of South Africa in a unitary system

And, as Mr Mandela himself has been careful to point out, he is at present only an ordinary member of the African National Congress Despite his past credentials and a reverence that will probably make him the ANC's supreme leader very soon, Mr Mandela holds no formal office now

So, while his unofficial authority within the organisation is not doubted, he can issue statements only as one part of a collective leadership

Conciliatory

At the same time, there was a good deal that seemed conciliatory about the tone of Mr Mandela's speeches at the Grand Parade on Sunday and in Soweto on Tuesday He called the State President, Mr F W de Klerk, "a man of integrity who had gone further than any of his predecessors to try to normalise the situation in South Africa"

He expressed the hope that there would soon be a climate conducive to a settlement

And at his press conference on Monday, Mr Mandela said the ANC was concerned about white fears of black domination in any future political system and would seek a solution that would suit both blacks and whites

But he spoke, too, of the need to redistribute wealth and nationalise certain sectors of the economy

He also called for an intensification of the ANC's struggle on all fronts — including the military one — and an increase of international sanctions against South Africa



Since Nelson Mandela is at present just an ordinary member of the ANC, his hardline stance on the armed struggle and sanctions is governed by the organisation's national executive.

These last sentiments are straight down the party line They have been stressed by various officials in the ANC hierarchy since the first of their leaders were released from jail in October.

In Lusaka last month, acting president Mr Alfred Nzo said frankly he doubted that the ANC had the capacity to intensify the armed struggle within the country. But there could be no question, he added later, that there was an urgent need to try.

The organisation's corporate attitude is that there cannot be a unilateral ceasefire. It claims apartheid is the real source of the violence in South Africa and so violence must be suspended on both sides

On the question of sanctions, the ANC leaders fear the initiatives now being taken by Mr de Klerk may persuade the international community to release the economic noose prematurely, before the process of reform has run what they believe to be its proper course

They feel this could be happening already, which is why they stress at every opportunity that a fistful of conditions contained in last August's Harare Declaration remain to be settled

These include the lifting of the state of emergency, the release of all political prisoners and detainees, the abolition of all political trials and executions, the scrapping of the Internal Security Act and all laws inhibiting free political activity, and the removal of the troops from the townships

Even then, the ANC leadership insists, the meeting of these conditions would not automatically create the right climate for negotiations.

The director of international affairs, Mr Thabo Mbeki, said in a recent interview "It is sometimes suggested these are preconditions for negotiations

"We don't think they are preconditions for negotiations These are things that need to be done to create equal opportunities for all the political forces which are to participate in the process of negotiations

Equal terms

"It cannot be that it's okay for the National Party, with all its leadership out of prison and capable of holding any meeting, to consult its own constituency without fear of its meetings being banned under the state of emergency, while the ANC must continue to have some of its leaders in prison, some of its meetings threatened"

Before negotiations could start, Mr Mbeki said, all political forces should have an equal opportunity to take part, on equal terms.

Parties about to enter a bargaining situation are always likely to exaggerate their expectations, and the ANC may yet agree to go to the negotiating table before its full package of demands has been met as long as it is reasonably satisfied that they eventually will be

Mr Mandela suggested this at the press conference when he said he was confident the negotiating mechanism would get under way soon

Meanwhile, the man who could wield the most influence in those talks is bound to follow the consensus of the ANC's national executive and play the bullish game.

EC is asked not to lift sanctions

18/4/90 Star

The Star Bureau

LONDON — Anti-apartheid Movement branches across Europe will launch a campaign today to stop a bid by Britain to get the European Community to relax sanctions against South Africa.

The movement in Western Europe will present an open letter today to Foreign Ministers, calling for the maintenance of sanctions. This will be followed by demonstrations outside British embassies on the eve of the EC Foreign Ministers' meeting in Dublin.

British Prime Minister Mrs Margaret Thatcher has decided to lift a ban on new investment as a result of the release of Mr Nelson Mandela.

Following the unbanning of the African National Congress and other anti-apartheid groups, Mrs Thatcher announced she would no longer discourage cultural and scientific links with SA.

The British government indicated today it would unilaterally relax economic pressure on South Africa if its position was rejected at Dublin.

In a statement, the AAM said it was "concerned that any move by (the EC) to relax sanctions will undermine the prospect of genuine negotiations leading to the ending of apartheid".

SANCTIONS

Pik's ways and means

The battle against sanctions knows no ideological or political barriers. This was evident when Foreign Affairs Minister Pik Botha called on old political foes and captains of industry — some of them long-sworn opponents of National Party rule — to influence public opinion in Western capitals against the continuation of punitive sanctions against SA.

Next Tuesday, February 20, the 12 foreign ministers of the EEC countries meet in Dublin to discuss sanctions. The worst-case scenario would be intensified sanctions — not impossible, given some of the comments by Nelson Mandela and Jesse Jackson this week.



Oppenheimer



Botha



Suzman

Last week, Pik Botha appealed to a broad spectrum of important South Africans to join him in the fight against sanctions. In personal phone calls from his parliamentary office in Cape Town, Botha lobbied the support of leading industrialists, such as former Anglo chairman Harry Oppenheimer and veteran politician Helen Suzman, to use their good offices to influence overseas contacts, in order to swing the crucial vote. It is understood that Botha also made personal calls to Rembrandt's Anton Rupert, Anglo's Gavin Relly, the leaders of various European communities living in SA and black South Africans.

On Monday night in a live TV broadcast on the BBC's *Panorama* programme, Botha and Suzman joined the UDF's Murphy Morobe and released ANC member Ahmed Kathrada in debate. Suzman, known for many years as a strong opponent of sanctions, reiterated her position on the issue.

On the diplomatic side, Botha may also have scored by the private visit to SA last week of Jean Lorgeaux, a leading French socialist and close confidante of President Mitterrand. On invitation from Botha, Lorgeaux attended a cocktail party hosted by President De Klerk for the foreign correspondents. It is felt in government circles that Lorgeaux's visit could not have come at a more opportune time and that he may report back favourably to Mitterrand.

In an interview with the *FM* — after he had made the telephone calls — Botha said that the sanctions issue was one which all South Africans have to engage in. In the light of rightwing and conservative resistance to De Klerk's reforms, said Botha, it is imperative that De Klerk can show something tangible in exchange for the dramatic steps he has taken. Among some Nat supporters there is a feeling of "too much, too suddenly."

"Increased sanctions or even the continuation of sanctions would be shortsighted on the part of the West. We can only move ahead with reforms if we stay in power," Botha told the *FM*.

Mandela's release and other reform steps by De Klerk have already been hailed by some multinational companies which have remained in SA, but under enormous pressure to disinvest. Among them is Shell SA, whose CE, John Kilroe, has welcomed the release. "It is symbolic of the new hope being offered for a rapid and peaceful transition to a free, democratic and nonracial SA."

The relaxation of sanctions, as recommended by Margaret Thatcher, would be an important gesture of encouragement to De Klerk. He has vindicated her carrot-and-stick approach. ■

NATAL VIOLENCE

Hard times

As Natal and KwaZulu reel after the worst yet weekend of violence in the politically volatile region, community leaders are asking: why now?

Nelson Mandela's release was expected to bring mass rallies, marches and celebrations. Instead, more than 50 people were killed in clashes between political groups and in mob violence.

Hundreds of houses have been looted and gutted. Refugees were still streaming from the townships by the mid-week and, despite more police and army patrols, townships from Maritzburg to Durban were tense.

Unlike violence associated with Mandela's release in other parts of the country — mainly due to massive crowds, bad planning and criminals — the bloodshed in Natal has taken the old pattern: "comrades" versus "vigilantes" which, broadly, translates into the UDF-ANC against Inkatha.

Mandela rebukes UK over easing of sanctions against SA

The Argus Foreign Service

LONDON. — Mr Nelson Mandela has criticised the British government for easing sanctions against South Africa and has urged Prime Minister Margaret Thatcher to stick to European Community policy on the issue.

Mr Mandela's statement, made to a group of journalists at his Soweto home and quoted in The Times today, came as the European parliament passed a motion welcoming the African National Congress leader's release, but calling for the retention of sanctions for the time being.

According The Times report, Mr Mandela said: "The British government should not act unilaterally on this question. There is no need to review the question of sanctions at all because the conditions for which sanctions are being applied still exist."

PRESENTED LETTERS

● The Anti-Apartheid Movement yesterday presented letters to West European foreign ministers, calling for the maintenance of sanctions against South Africa.

● The Inkatha movement has opposed a call by a Labour MP, Mr Bernie Grant, that the British government give financial aid to the ANC. In a letter to Mrs Thatcher and Foreign Minister Douglas Hurd, Inkatha's representative in London, Mr B M Skosana, said the failure to distribute financial aid "equitably" to anti-apartheid organisations would lead to "internecine conflict" among black South Africans.

● Noted Irish academic Dr Conor Cruise O'Brien has endorsed Mrs Thatcher's view that a relaxation of sanctions will help prevent President De Klerk being swept from power by a white backlash.

"It is not a question of 'rewarding' De Klerk but of preventing the loss of so many of his followers to the Conservatives that he could no longer deliver his policy of getting away from apartheid," he wrote in The Times yesterday.

● US congressional anti-apartheid activists are steaming ahead with plans to introduce additional financial sanctions against South Africa later this year.

Congressman Walter Fauntroy announced yesterday that his Sub-committee on International Development, Finance, Trade and Monetary Policy would hold two days of hearings next week into proposed legislation on financial sanctions.

AMERICAN INVESTORS

● American investors offloading their holdings on the Johannesburg Stock Exchange will not be able to re-invest in South Africa in terms of US sanctions legislation.

The Comprehensive Anti-Apartheid Act of 1986 expressly prohibits new US investment in the South African economy.

Boycott 'breakthrough' for G'town festival

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W/Mail 16/2-22/2/90

The Grahamstown arts festival seems finally to have shaken free of its snow-white image — at least free enough for progressive cultural organisations to call off the boycott

CULTURAL, community and sports organisations in Grahamstown have given conditional approval to participation in this year's National Festival of the Arts, after two years of boycott threats by progressive organisations.

At a meeting convened in Joza township last week by the Grahamstown Cultural Workers' Committee, 1 000 representatives of local groups agreed it was "inappropriate" to call for a boycott of this year's Grahamstown Festival, which begins on June 28.

Final approval, however, will depend on the outcome of a national meeting planned for next month, bringing together cultural organisations from around the country.

In a statement issued this week the CWC listed "local problems" whose resolution would be sought including: "the festival's Eurocentricity, its inaccessibility and its costs, as well as the issue of free tickets and of not imparting skills to local artists on a year-round basis".

The latter two points — free tickets and workshops — were tackled last year by the festival committee in an attempt to make the 10-day event relevant for the local black community.

About R12 500-worth of free tickets were distributed through community organisations for last year's festival; workshops were scheduled in movement, fine art, acting and music to run in township venues concurrently with the festival.

These strategies — plus the use of three township venues — were only partly successful. Some of the township shows were attended and others were not; some of the workshops were successful, while others were boycotted.

Delegates to last week's meeting accepted the broad concept of free tickets, township venues and workshops. But they noted certain problems with their execution. For example, the meeting agreed to free tickets, but wanted more say in the selection of the shows; they agreed

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Grahamstown festival eludes boycott

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to the use of township venues but wanted the distinction between "main" and "fringe" Festival to be reconsidered when venues were chosen and tickets issued (For the most part, shows on the main festival, generally mainstream, receive subsidy, while those on the fringe, ostensibly experimental, do not.)

Arts workshops were welcomed "because the skills were needed in the community" — so much so that the meeting wanted the workshops held throughout the year

According to the Grahamstown Cultural Workers Committee, the meeting agreed that talks with the festival organisers should continue — and a meeting between the festival committee and the CWC steering committee was scheduled for this week.

"Our participation in the Festival is based on some goals," said a CWC member. "These include ironing out some of the people's problems with the festival and drawing it closer to the community."

Although last year's festival drew a record number of visitors, it was beset by threats of boycott after its attempt at consultation with the community foundered — largely on the issue of whether the people with whom the festival had consulted had acquired mandates from interested organsations.

When the CWC invited organisations to last week's meeting, it asked them to come with a mandate from their members.

"We have been working with the Grahamstown Cultural Committee since it was formed," Festival Officer Lynette Marais said this week. "We posed some particular problems and asked for feedback from the community. This meeting was addressing some of these issues I am very pleased there was such a unanimous willingness to continue and go forward."

● The meeting endorsed a statement by the National Cultural Desk calling for a continuation of the international cultural boycott. There was also approval for the formation of a Grahamstown Cultural Congress to take the place of the CWC, which was devised as an interim body.

Maggie criticised

LONDON — Mr Nelson Mandela has criticised the British government for easing sanctions and has urged Prime Minister Mrs Margaret Thatcher to stick to European Community policy.

His statement, quoted in *The Times*, came as the European Parliament called for the retention of sanctions. — The Star Bureau.

(280)

Even before Mandela stepped out, Thatcher had leapt the queue

THE WORLD SHOWS FEW SIGNS OF FOLLOWING BRITAIN
By ARTHUR GAVSHON in London

EVEN before Nelson Mandela walked out of Victor Verster Prison, British Prime Minister Margaret Thatcher lifted the ban on new investment in South Africa and other minor voluntary curbs

Hours later, in his first pronouncement as a free man, Mandela urged the continuation of international sanctions until apartheid is completely eradicated.

Briefing British journalists the next day, Bernard Ingham, Thatcher's influential press secretary, said unattributably: "The truth is that the prime minister is in command in this situation ... she is leading the world."

The only trouble with Ingham's statement and with Thatcher's perception of world opinion is that few, if any, governments share Britain's formal view And none appears to be led by Thatcher.

The picture that has emerged in the aftermath of Mandela's release is this:

●US President George Bush's administration is bound by law to keep its sanctions programme in place until apartheid ends. Bush made this clear to Thatcher in a series of telephonic and other exchanges in recent days.

Nor, according to State Department officials, is Bush prepared in a mid-term congressional election year to try to persuade legislators to amend that sanctions law or to influence institutions like the International Monetary Fund to ease its embargo on credits for the South Africa.

●All 48 Commonwealth countries are refusing to slacken their sanctions pressure despite Thatcher's written plea to them at the weekend to adopt what she described as a "more positive" approach to President FW de Klerk's reforms. Informally, the British leader has been seeking to reinforce that plea with warnings that De Klerk could be ousted by a far-right backlash if his peace programme is not internationally acclaimed and rewarded.

Commonwealth secretary-general Sonny Ramphal has made it privately and publicly clear that neither he nor those Commonwealth countries with which he has consulted will buy the Thatcher line unless and until the State of Emergency in South Africa is lifted, discriminatory legislation repealed, troops pulled out of the townships and negotiations for a new democratic constitution started.

●The commission which presides over the 12-nation Community has taken a hard line against easing its collective trade embargo against South Africa no matter what Britain cares to do about it.

Manuel Marin, the responsible commissioner, on Monday ruled out any change while the main elements of apartheid remain. Marin, who recently visited South Africa, thus heralded a likely clash between British foreign secretary Douglas Hurd and his 11 fellow foreign ministers in the community when they meet in Dublin next Tuesday

In his stance, he appeared to be backed by Irish Prime Minister Charles Haughey to whom Thatcher wrote at the weekend as part of her international campaign to achieve an end of the worldwide investment embargo on South Africa

Haughey is the incumbent president of the community and he has signalled his own view that ending sanctions now would be premature.

European Community sanctions are not, however, unduly significant. They cover less than one percent of South Africa's exports at a time of rising trade.

The timing and manner of Thatcher's attempt to project herself into a leadership role in the unfolding South African political drama have been assailed editorially in influential British newspapers, politically in the House of Commons, but most significantly in key sectors of the British business community.

Lifting of the voluntary ban on investments, for instance, concerns the major banks whose directors report that they were not consulted by the government. Their criticism of the Prime Minister is that she may have prematurely raised South African expectations that new lines of credit might become available immediately when that is not the case.

The factor that led British as well as US and European credit institutions to refuse to roll over existing loans in 1985 and onwards was the fear of not being repaid. Market forces — so often cited by Thatcher as sacrosanct — seemed to make nonsense of her insistence that sanctions have been, and always would be, ineffective.

The meaning of all this is that the international lending institutions are unlikely to become available to South Africa while the political landscape remains clouded by uncertainties. De Klerk's initiatives have by general consent promised a brighter outlook, but bankers, traditionally, are far more cautious than politicians and they would want to see greater stabilisation before returning to the South African market.

Right now the situation is that South Africa has repaid just 15 percent of the $14-billion of frozen debt and has undertaken to work off another 15 percent by 1993. Therefore the general feeling is that banks in Britain at least will want to wait and see more clearly what lies ahead before committing themselves to volunteer any more funds for investment.

Thatcher's rush to identify herself with De Klerk's reform programme has constrasted with her foot-dragging approach to the prospective reunion of East and West Germany. It also is being seen in Washington, according to US officials, as part of her refusal to display any enthusiasm for the progress the Americans and Russians are making in the field of arms control and cutbacks.

In these attitudes, one common denominator has become evident: her isolation from mainstream strategic and geopolitical thinking in the US and Europe The consequence has been that the Bush administration is paying more attention to West German and French leaders than they are to Thatcher.

Visit us, say Lesotho workers to Mandela

(185)

W/Mail 16/2 - 22/2/90

By MZIMKULU MALUNGA

WORKERS in Lesotho plan to invite Nelson Mandela to their country — even though they know they may wait a long time.

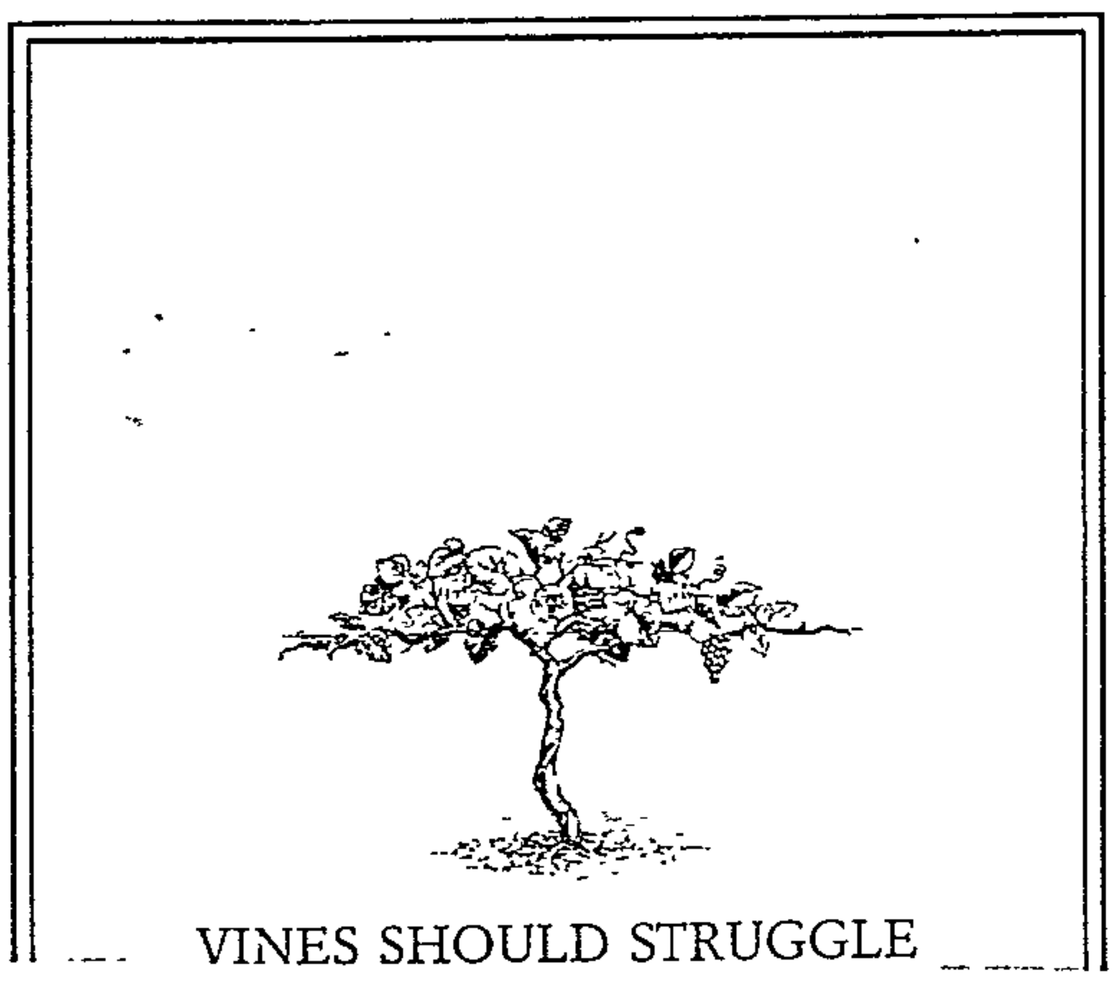
"It does not matter how long it takes as long as we know that he will come to this country and address the thousands of Basotho mineworkers who have contributed a great deal to the South African struggle," said Puseletso Salai of the Basotho Mineworkers Labour Co-operatives (BMLC).

Consequently a National Reception Committee has been established in Lesotho to cater for the contemplated visit.

"We do not want the government to receive him, we want him to be received by the workers," added Salai who said the main reason for their move was the fact that since 1986 the Lesotho government has been discouraging migrant workers to South Africa from participating in trade union activities.

Salai said in addition to the induction course conducted at Chamber of Mines recruiting centres where workers were being discouraged from joining trade unions, the government sent a delegation from the ministry of labour to the South African mines to emphasise the message.

"They said Basotho workers should stop chanting 'Viva Mandela' because he is a *Xhosa* whom they did not even know, but we were surprised that they were among the first to welcome his release," he said.



Coal and steel exporters start counting the days to the end of sanctions

Steel and coal producers are hoping political change will regain them the markets they lost when sanctions were imposed. ANN FRIEDMAN reports

COAL and steel are two industries which will be watching political developments carefully in coming months

Both were severely affected by the imposition of sanctions in 1985 and 1986. And although they have found new export markets, they are hoping the lifting of sanctions will allow expansion and/or improve profits in the medium to long term.

For steel producers, higher exports could mean they could expand capacity. The coal mines, on the other hand, hope for higher prices — they have had to increase exports by lowering prices, offering a "political discount" on their coal.

Highveld Steel chairman Leslie Boyd said this week: "The far-reaching announcements made by State President FW de Klerk at the opening of parliament will not only have a positive impact on the South African economy, but should also lead ultimately to the lifting of sanctions and the reopening of Highveld's steel markets in North America and the EEC."

Anglo American's Highveld, South Africa's second largest steel producer after Iscor, increased its after-tax profits for the year ended December by a whopping 165 percent to R322-million, in large part as a result of export earnings from steel and particularly from vanadium. More than 60 percent of Highveld's sales of R1,6-billion in 1989 came from exports.

Vanadium has not been affected by South Africa's political status in the world as it is regarded as strategic by most countries. Highveld produces 40 percent of the world's vanadium and so can set its own terms.

But with sanctions, the South African steel industry lost access — at least officially — to what were at the time its most important markets, in the United States and Europe.

Since then it has found new markets, particularly in the Far East, in a context in which the world market for steel has been growing rapidly. Last year it reached a record 791-million tons, 9-million higher than in 1988.

Thanks to exports and strong domestic sales, Highveld's rolling mills and iron and steel plants were running at full capacity last year. A one percent downturn in the world steel market is expected this year, as is a slowdown in the domestic market. But Highveld is still looking healthy.

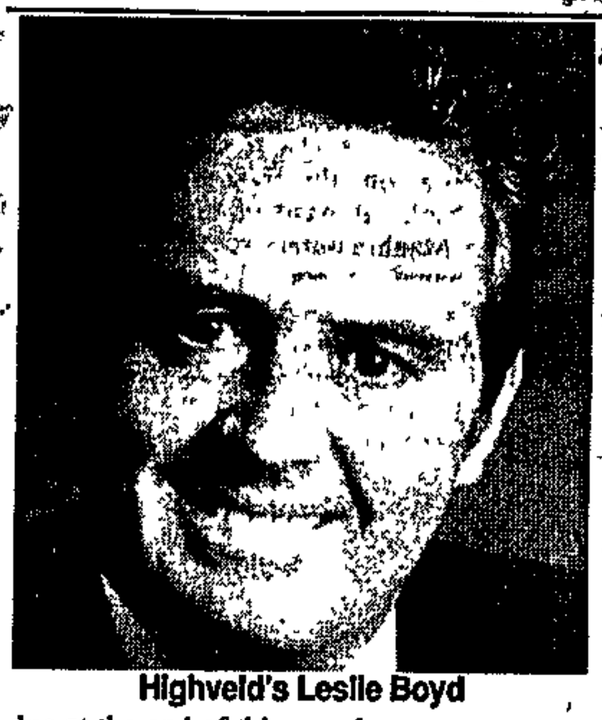
So is Iscor, which is due to release its interim results next month, the first since it was privatised in November. Analysts expect the corporation, which produces more than three quarters of South Africa's steel, to be on target to meet its forecast 20 percent growth in earnings for the year.

So it seems that, if sanctions were to be lifted, the South African industry would have to be looking at increasing capacity.

This might be the case for the coal industry too. But what coal producers want most is higher export prices The "political discount" varies from country to country, but is as high as 10 to 20 percent on ruling market prices.

Their ability to increase volumes immediately would be limited, because the bulk of coal exports go through the Richards Bay Coal Terminal. At the moment it can move 44-million tons a year, although it is increasing capacity to 48-million tons. It has plans to raise this still further to 53-million tons, assuming export prospects improve.

But if political developments did change the sanctions scenario, this would not necessarily affect the South African industry immediately — coal contracts with the big buyers (particularly the public utilities such as Enel in Italy, the equivalent of our Eskom) are negotiated for a year in advance Contracts with European buyers have already been concluded for this year. Negotiations with the Japanese are due at the end of this month.



Highveld's Leslie Boyd

Three countries which specifically imposed sanctions on South African coal were Denmark, France and the US — together they had accounted for one quarter of the country's exports prior to 1986. In several other countries, state-owned public utility companies stopped buying South African coal. Japan was an important market and became more so after 1986. But that country's Ministry of Trade and Industry (MITI) froze imports from South Africa at 1987 levels in money terms. This has meant export tonnages to Japan have dropped.

Japanese buyers showed some enthusiasm following De Klerk's speech, enquiring about options to increase their tonnages, according to Trans Natal Coal chairman Brian Gilbertson. But it's not clear that any of this will affect export prospects — Gilbertson is cautious.

But the fact that South African coal mines have been successful in finding new export markets was highlighted by Trans Natal's interim results, released last week.

Bottom line profits, at R56,9-million for the six months to December, were 113 percent higher than in the same period in 1988. "This increase is due largely to an increase in sales revenue, mainly because of higher export volumes, improved dollar prices and a weaker rand/dollar exchange rate," said parent company Genmin (Gencor mining). Exports of 5,1-million tons made up one third of total tons sold, compared to 26 percent for 1988.

Trans Natal is the most export-dependent of the coal mining houses — and has therefore been most vulnerable to sanctions. Anglo American Coal (Amcoal) and Rand Mines' Witbank Collieries have much higher domestic sales, most of this to Eskom.

Trans Natal's fortunes plummeted in 1987 and 1988. This was not only due to falling exports but to problems in the structure of the company.

And for South Africa's coal industry, sanctions in that period simply exacerbated the situation on world coal markets, where there was oversupply. But markets have since swung into balance.

Coal export volumes dropped from over 45-million tons in 1986 to 42,5-million tons in 1987. They then increased by one percent to 43-million in 1988.

South African coal producers too have found new markets in the East and South East Asia A significant amount of South African coal is also said to travel to Eastern Europe, although this trade goes through middlemen and predates sanctions.

Coal and steel exporters start counting the days to the end of sanctions

Steel and coal producers are hoping political change will regain them the markets they lost when sanctions were imposed. ANN FRIEDMAN reports

COAL and steel are two industries which will be watching political developments carefully in coming months.

Both were severely affected by the imposition of sanctions in 1985 and 1986. And although they have found new export markets, they are hoping the lifting of sanctions will allow expansion and/or improve profits in the medium to long term

For steel producers, higher exports could mean they could expand capacity. The coal mines, on the other hand, hope for higher prices — they have had to increase exports by lowering prices, offering a "political discount" on their coal.

Highveld Steel chairman Leslie Boyd said this week: "The far-reaching announcements made by State President FW de Klerk at the opening of parliament will not only have a positive impact on the South African economy, but should also lead ultimately to the lifting of sanctions and the reopening of Highveld's steel markets in North America and the EEC."

Anglo American's Highveld, South Africa's second largest steel producer after Iscor, increased its after-tax profits for the year ended December by a whopping 165 percent to R322-million, in large part as a result of export earnings from steel and particularly from vanadium. More than 60 percent of Highveld's sales of R1,6-billion in 1989 came from exports.

Vanadium has not been affected by South Africa's political status in the world as it is regarded as strategic by most countries. Highveld produces 40 percent of the world's vanadium and so can set its own terms.

But with sanctions, the South African steel industry lost access — at least officially — to what were at the time its most important markets, in the United States and Europe.

Since then it has found new markets, particularly in the Far East, in a context in which the world market for steel has been growing rapidly. Last year it reached a record 791-million tons, 9-million higher than in 1988.

Thanks to exports and strong domestic sales, Highveld's rolling mills and iron and steel plants were running at full capacity last year. A one percent downturn in the world steel market is expected this year, as is a slowdown in the domestic market. But Highveld is still looking healthy.

So is Iscor, which is due to release its interim results next month, the first since it was privatised in November. Analysts expect the corporation, which produces more than three quarters of South Africa's steel, to be on target to meet its forecast 20 percent growth in earnings for the year.

So it seems that, if sanctions were to be lifted, the South African industry would have to be looking at increasing capacity.

This might be the case for the coal industry too. But what coal producers want most is higher export prices. The "political discount" varies from country to country, but is as high as 10 to 20 percent on ruling market prices.

Their ability to increase volumes immediately would be limited, because the bulk of coal exports go through the Richards Bay Coal Terminal. At the moment it can move 44-million tons a year, although it is increasing capacity to 48-million tons. It has plans to raise this still further to 53-million tons, assuming export prospects improve.

But if political developments did change the sanctions scenario, this would not necessarily affect the South African industry immediately — coal contracts with the big buyers (particularly the public utilities such as Enel in Italy, the equivalent of our Eskom) are negotiated for a year in advance. Contracts with European buyers have already been concluded for this year. Negotiations with the Japanese are due at the end of this month.



Highveld's Leslie Boyd

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STAR 16/2/90 (280)

New anti-SA sanctions plan in Congress

By David Braun
The Star Bureau

WASHINGTON — US Congressional anti-apartheid activists are steaming ahead with plans to introduce additional financial sanctions on South Africa later this year.

Congressman Mr Walter Fauntroy said yesterday that his sub-committee on international development, finance, trade and monetary policy would hold two days of hearings next week on proposed legislation on financial sanctions.

"If there were ever any doubt as to whether sanctions are an effective tool for nudging the South African Government, that doubt has been dispelled by the events of recent weeks. I believe Nelson Mandela said it best: the pressure must be kept on until victory is complete," he said.

Mr Fauntroy said there appeared to be general agreement that the financial sanctions had been the most effective part of the sanctions package.

CONCESSIONS

"The shrinking of bank loans to South Africa has put that economy in a bind, one which it hopes to relieve by rolling over eight billion dollars (R20 billion) by next June.

"In an effort to thwart this move, I introduced a bill last fall which would restrict the ability of our banks to participate in such a loan rollover, or to participate only if the South African Government were to make some very specific concessions toward the ending of apartheid," he said.

Among the witnesses at next week's hearings will be Mr Rodney Wagner, vice chairman of Morgan Guaranty Trust, Mr John Simons, executive vice-president of Manufacturers Hanover Trust, Ms Jennifer Davis, executive director of the American Committee on Africa, Mr Hank Cohen, US Assistant Secretary of State for Africa, Mr Richard Newcomb, director of the office of foreign assets control and Mr Randall Robinson, director of TransAfrica.

CT Times 17/2/90

Sharpe hits out at Thatcher

280

LONDON. — "If sanctions are lifted now, the promise of (Mr Nelson) Mandela's statesmanship will be dissipated and the future will be handed to terrorists who believe in revolution by 'necklacing'."

In a hard-hitting letter in the Independent newspaper yesterday, author Tom Sharpe, who was deported from SA in the late 1950s, described British prime minister Mrs Margaret Thatcher's praise for Mr F W de Klerk's "so-called boldness and courage" was "as incomprehensible as her silence about Mandela's years of imprisonment and hard labour is insulting".

He said the "guerilla war of liberation" remained justified and would continue until the dismantling of "apartheid legislation like the Group Areas Act is genuinely begun".

Maggie on the sanctions rack

(280) ST Times 18/2/90

MARGARET THATCHER'S lonely stand on sanctions comes to a head this week amid signs that her party faces its toughest battle yet in restoring its popularity among the electorate.

On Tuesday, European Community ministers will meet in Dublin to discuss the sanctions issue. Britain's Foreign Secretary Douglas Hurd faces a stormy session over his Prime Minister's "premature" moves to ease pressures on SA.



LONELY STAND: Margaret Thatcher

By JEREMY BROOKS: London

Some Tory backbenchers are unhappy at the way Mrs Thatcher has again isolated herself among EC governments. But up till now they have kept their thoughts private.

The degree of dissent among the Conservatives was reflected on Thursday in a European Parliament vote. Only 11 out of 32 Tory MEPs voted to support the government's view against a pro-sanctions resolution.

Mrs Thatcher can — and already has — dispensed with "voluntary" bans relating to tourism and new investment in South Africa. But she needs the agreement of her EC partners to lift other restrictions on imports of South African iron, steel and Krugerrands.

Worry

No one knows how the British public is divided on the sanctions issue, except through letters to the Press which have been equally for and against.

But recent polls show growing disenchantment — possibly over Mrs Thatcher's belligerent attitudes on a number of other issues.

One survey made headlines not only because it showed a 15-point lead by Labour over the Conservatives — it also found that Neil Kinnock, for the first time ever, was considered the leader "best equipped" to be Prime Minister.

Another survey in the Tory stronghold of Mid-Staffordshire, about to hold a by-election next month, showed a two-point lead by Labour. The Conservatives won the seat in the last election with a majority of over 14 000.

The degree of worry was reflected in Friday's popular Sun newspaper which usually supports government policy blindly.

"Even diehard Thatcherites admit that disillusionment with the Government cannot be shrugged off as mid-term blues," said political editor Trevor Kavanagh.

He quoted an influential Tory grandee as saying Mrs Thatcher could not assume there would not be another challenge to her leadership.

Isolated

Danger signs the Tories could not ignore, said the Sun, included anger over poll tax (which replaces city rates), soaring repayments on home loans, increasing rail fares, power bills and job losses.

Against that background, Mrs Thatcher faced one of the rowdiest Prime Minister's Question Times ever last Tuesday. Speaker Bernard Weatherill, who entered the Commons nearly 30 years ago, said it was the worst he had witnessed. The Telegraph remarked that Mrs Thatcher seemed "unsettled" over Labour criticism that she had become isolated over her decision to lift South African sanctions.

After several attempts to be heard above the uproar, Mrs Thatcher agreed to withdraw a charge that Neil Kinnock was "taking instructions" from the ANC.

Again, it was the first time anyone could remember a British Prime Minister being forced to withdraw a statement in the Commons.

The next day Foreign Minister William Waldegrave warned of fears that President F W de Klerk could be swept away by a white backlash. The sanctions decision arose from the need to "underpin" the president.

Gold rises

GOLD in Hong Kong rose the equivalent of 2,90 US dollars an ounce yesterday to close at $415,59, compared to Friday's $412,69.

FW has Wolpe in cleft stick

By SIMON BARBER
Washington

BY DOING what US proponents of sanctions never thought he would do, President F W de Klerk has hoisted arch-sanctioneer Congressman Howard Wolpe with his own petard.

A confidential discussion paper — drawn up by Mr Wolpe and his "task force on SA" before Mr De Klerk's February 2 speech and the release of Mr Nelson Mandela — sets out a plan that could have resulted in the rapid elimination of most US sanctions if certain conditions were met.

Closer

Those conditions are now closer to fulfilment than Mr Wolpe ever imagined they would be and he is now trying furiously to wriggle out of a cleft stick.

The measures to be repealed included bans on US investment and air links, plus the embargo on SA exports of coal, uranium, textiles and products of State-owned firms.

Ironically, not even President George Bush or his Assistant Secretary of State for Africa, Mr Herman Cohen, now envisage so rapid a timetable for the removal of these sanctions — all of which are contained in the Comprehensive Anti-Apartheid Act.

Under the Wolpe plan, the CAAA's sanctions would have terminated automatically once Pretoria met four tests — the release of all political prisoners, the unbanning of political organisations, the lifting of the state of emergency and a commitment "to enter into meaningful negotiations".

If Pretoria only met the first three conditions, Mr Wolpe was even willing to suspend the landing rights ban for a trial period.

Leverage

All of this would have required major changes to the CAAA which both the Administration and Congress regard as sacrosanct.

Under the CAAA — which Wolpe seemed only too eager to scrap just a few weeks ago — sanctions are not automatically lifted the above four conditions AND scraps Group Areas and Population Registration laws.

The law gives President Bush authority to suspend or modify sanctions once the SA Government has scored four out of five, but makes this subject to Congressional approval — approval Mr Wolpe is now likely to oppose in deference to demands by the ANC.

Mr Bush now says he will do nothing about sanctions until he has conferred with Mr Mandela.

Although Mr Cohen favours the lifting of some sanctions, he still contends that until SA has scored five out of five, at least some sanctions must remain — because they give the US

Anglo bosses urge ending sanctions to bolster peace

MG45 19/2/90 (280)

The Argus Foreign Service

LONDON. — Two powerful South African industrialists have spoken out here against continued sanctions.

Anglo American chief Mr Gavin Relly and Mr Julian Ogilvie-Thompson, chairman of De Beers and deputy chairman of Anglo, both felt apartheid had damaged the South African economy but that more sanctions would inhibit the chances of peaceful change.

Mr Relly, interviewed in the Observer, said the worst aspect was the constriction of South Africa's international banking relationships.

"Unless we have a reasonably vital and growing economy, we are not going to be able to pick up the costs of change and establishing a more equitable constitutional system."

TWO SCENARIOS

He saw one of two scenarios for South Africa: "I can see a growing economy where the equality is achieved by dealing out the growth, so to speak, to those who have been deprived.

"The other is to try to do the same in a stagnant economy where the only way you can distribute is by taking it substantially away from those who are maybe thought to enjoy it at present.

"When one discovers that that does not work because the economy starts going backwards further still, you resort to the control measures of a one-party state."

Mr Ogilvie Thompson, in the London Sunday Times, urged European Community foreign ministers, meeting tomorrow in Dublin, to drop sanctions.

Peaceful change "is much easier in a prosperous and growing economy, where more for some does not necessarily mean less for others".

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No need for more sanctions

CAPE TIMES 19/2/90

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By AUDREY D'ANGELO
Financial Editor

CHANGES in SA Government policies in the past six months "which are set to continue, have taken a lot of point out of the calls of those sincere people who look for more sanctions," the British Consul Patrick Sullivan said in Cape Town on Saturday.

He was speaking at the International Night dinner of the Cape Town Business and Professional Women's Club.

He said that, based on the number of passport applications received every year, at least 280 000 British citizens lived in SA. And if family members who had claims to British citizenship were taken into account the number could be close to a million.

"A figure of that kind implies a lot of British commitment to SA — a lot of investment, a lot of work time."

In 1988 "Britain exported more than R4 000m worth of goods to SA and you sold R3 200m worth to us. Last year we again sold more than R4 000m worth of goods to you. You improved your exports to us to R3 500m.

"People in the recent past found it difficult to understand why, in spite of our total rejection of the apartheid concept, we continued to trade with you. They argued that in some way it showed inconsistency. It indicated bad faith.

"But, as a British minister said at the end of last year, we do not break our links with SA because we want the system to change.

"Isolation is not conducive to healthy evolution. Quarantine does not cure disease, it locks it in.

"People now argue that sanctions may have their place but they also recognise that we stand a better chance of getting our views across if we are still able to communicate with the parties.

We deprive ourselves of the opportunity to influence this process — or to keep ourselves informed of it — if we cut off all our contacts with SA.

"The Prime Minister has persisted with this policy in the face of considerable opposition from the Commonwealth and other countries."

The Commonwealth had acknowledged that the purpose of sanctions was not punitive, Sullivan continued.

A statement issued at the end of the meeting of Commonwealth heads of government in Kuala Lumpur last October "noted that a relaxation of sanctions could be considered once there is evidence of clear and irreversible change.

"The (State) President set his foot very firmly on that path in his speech to Parliament of February 2.

"We are hopeful that the ANC will react positively to the president's statements and we look forward to steady progress towards talks, and eventually negotiations, between all the parties concerned."

Sullivan said that British ministers, missions and officials had been acting for a long time as facilitators to get dialogue going. And British aid to black South Africans totalled R30m this year. This was addition to R13m which Britain contributed to the European Community programme to help black South Africans.

"As SA moves on down its new path it will have to tackle the results of decades of neglect that the old system imposed on the majority of its citizens.

"Up to now they have had to try to make progress in the face of a network of laws that affected their education, their living conditions, their health and their business activities.

"In spite of these obstacles some black South Africans have become successful in the professions, in business and administration. But more will need to be done to provide the tradesmen, the artisans and technicians who are the bedrock on which 20th Century society functions.

"It has already been recognised that the education system will have to be reviewed. But long before this Britain realised the importance of offering help to communities and training to individuals.

"In 1988/89 the British Embassy spent R2,4m in helping communities to set up community projects and self-help schemes. In 1989/90 the figure rose to R3m.

"In 1989 we provided 700 scholarships for black South Africans to study at universities and colleges here and in Britain We shall be increasing this figure this year.

"Last October we announced a contribution of R2m to the Urban Foundation's low-cost housing programme and last year contributed R200 000 to Operation Hunger to set up self-help projects in Natal and the Eastern Cape."

Castrol

Investment, tourism bans go this week

UK will defy EC on some sanctions

Star 19/2/90 (88)(280)(Sunday)

The Star Bureau

London

Britain will defy its European Community partners this week and lift investment and tourism sanctions against South Africa.

Although Prime Minister Mrs Margaret Thatcher will formally consult Common Market leaders at the summit in Dublin, she is determined to press ahead with her own plans immediately, say Whitehall sources.

She believes, they say, that the state of emergency will be lifted by President de Klerk within three weeks — and then she expects other European Community countries to follow Britain's stance.

She is keen to take a strong lead in encouraging the South African Government to find a negotiated solution.

The executive director of the United Kingdom South Africa Trade Association (UKSATA), Mr Nick Mitchell said in Johannesurg today that businessmen were generally very optimistic that a move to lift sanctions could have numerous positive spin-offs in the form of new trade links, although immediate investments were not expected.

"While the EC won't shift its position, the UK is at least making a start. It would create more impact if she could convince the entire Community rather than Britain going it alone."

'Some encouragement'

He added: "But even if the investment channels are freed, there is no great bank of money waiting to pour down into this part of the world."

Two of South Africa's most powerful industrialists have hit out in newspaper interviews against sanctions.

Anglo American chief Mr Gavin Relly and Mr Julian Ogilvie-Thompson, chairman of De Beers, both said more sanctions would inhibit the chances of peaceful change.

Mr Relly, who was interviewed by *The Observer*, said the worst aspect of the international community's attitude is that South Africa's international banking relationships are constricted.

"And the sooner that stops the better, because it is inhibiting growth, and we all know, as night follows day, that unless we have a reasonably vital and growing economy we are not going to be able to pick up the costs of change and the costs of establishing a more equitable constitutional system."

Mr Ogilvie Thompson, speaking to the *Sunday Times*, said the white minority needed "some encouragement" after the release of Mr Mandela.

Mrs Thatcher has ruled out removing other voluntary bans for now. Chief among these is the discouragement of sporting contacts.

Cricket tour

A senior British government source quoted in *The Observer* newspaper yesterday revealed that the Prime Minister was not unhappy about the curtailment of Mike Gatting's cricket tour, which she thought had endangered the early release of Mr Nelson Mandela by provoking protests and social disorder.

Mrs Thatcher believes she has hastened the progress towards democracy in South Africa by her conversations with President de Klerk when he visited London in June.

It is thought she proposed that if he were to release Mr Mandela she would lead international moves to dismantle sanctions. Reports here suggest that Downing Street began preparing, as early as the middle of last year, Britain's reaction to Mr Mandela's release.

The political developments in South Africa over the past week were given extensive coverage in London by all the major newspapers.

Most commentators welcome Mr Mandela's statesmanlike performance, but some reflected concern at his stance on nationalisation and the armed struggle. There is also concern here over a right-wing backlash.

The Independent wrote: "It has become evident in the past week that, indeed, South Africa has two presidents. Any pronouncement by Mr Mandela carries at least as much weight as anything Mr de Klerk has to say."

The *Sunday Correspondent* reported from Johannesburg that the ANC's announcement that it would seek an early meeting with the Government "is being seen here as a sign that real negotiations on the future of South Africa could begin within a year".

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Poll shows 85,7% of blacks oppose disinvestment

GERALD REILLY

PRETORIA — A majority of blacks polled in a nationwide survey — 85,7% — are opposed to disinvestment.

The survey, carried out at the end of last year on behalf of the Bureau for Information by a private market research organisation, involved 4 500 blacks over the age of 18.

Only 8,1% thought disinvestment was a "good thing".

Main reasons for the strong opposition to disinvestment were the certainty it would increase unemployment — 67,8% — and would aggravate existing poverty and starvation — 11,8%.

In the pursuit of "full equality" 97,5% of blacks supported the proposition that "a good black leader must talk to and meet the white government".

However, 18% thought talking to the white government would be a waste of time.

On violence 83,1% believed inter-racial violence would cause all to lose in the end.

On who should take part in the negotiations 95,3% said blacks, coloureds and Asians should choose the leaders to speak to government.

And asked if they could choose three things to improve the quality of the lives of blacks 33% opted for education, 27,6% for more jobs, 26,5% for equal pay, 22,3% for abolition of apartheid, 21,8% for more and improved housing, and 20,7% for better salaries.

The survey suggests most blacks are more interested in an improvement in their material welfare than in ideological issues.

Coetzee to come home with ANC

ALAN FINE

LUSAKA — Former SAP Captain Dirk Coetzee has re-emerged into the open, and says he is waiting for the ANC to contact the Harms commission to arrange a hearing outside SA where he can give evidence.

Speaking at a Lusaka hotel on Saturday, Coetzee said he expected the contact to be made soon and he planned to return home with the rest of the ANC as soon as possible.



● COETZEE

He was in the company of his former hit squad colleague David Tshikalange and said another, Vincent Malaza, was in town.

Coetzee praised the ANC for the treatment he had received at their hands, confirmed his membership of the organisation, and claimed he was accepted by the ANC leadership.

One ANC member, though, confessed to feeling a little queasy in dealing with people who had carried out assassinations against them

Coetzee said he had been in Harare since Vrye Weekblad first published his allegations, and had moved to Lusaka on February 2.

Coetzee originally left SA on November 5, soon after death row prisoner Almond Nofomela first made allegations about the existence of police death squads.

After three days in Mauritius he spent a week in London before returning to Harare.

He hoped the commission planned to investigate assassinations which had happened outside SA so as "to put the whole thing in perspective".

He said he was in possession of evidence which would refute the alleged efforts of the police, and those of former spy Craig Williamson in particular, to smear his name.

The evidence included the record of the internal investigation which led to his leaving the SAP and would also throw new light on the bombing of the ANC's London offices.

Coetzee said his decision to defect to the ANC had been criticised as an attempt to save his own skin once Nofomela's allegations emerged.

But, he said, it had actually been a personal risk as there was no guarantee the ANC would accept him

The ANC, he said, was the only organisation with the intelligence capability able to assess his story, which they had done through their records of incidents.

Coetzee said that in September, before Nofomela's allegations became public, his former friend Paul van Dyk had told him that he (van Dyk) had warned Brig Schoon to "help Nofomela or there would be trouble".

Schoon had responded justice (Nofomela's execution) had to take its course and refused to intervene.

Maggie alone on sanctions

CAPE TIMES 19/2/90 280

From KIN BENTLEY

LONDON. — Britain is expected to "go it alone" in lifting several sanctions measures against South Africa, following tomorrow's one-day meeting of the European Community Foreign Affairs Council in Dublin.

Although the foreign ministers of the other 11 nations in the EC are likely to agree that it is too soon to act, Britain is expected to issue a communique revealing its lone position.

Mrs Margaret Thatcher apparently believes the state of emergency will be lifted in three weeks' time, at which stage she hopes the other EC countries will follow Britain's lead in encouraging the South African government to find a negotiated solution to the country's future.

Britain's Foreign Secretary, Mr Douglas Hurd, will try to persuade his counterparts tomorrow to abandon sanctions, but is unlikely to get support initially.

Today Archibishop Trevor Huddlestone, the convener of the Nelson Mandela International Reception Committee, meets Mr Charles Haughey, the Irish Prime Minister and chairman of the EC Council. He will stress to Mr Haughey Mr Mandela's warning that "to lift sanctions now would be to run the risk of aborting the process towards the complete abolition of apartheid".

The Dublin meeting is seen as adequate to meet Britain's commitment to consulting its EC partners before lifting voluntary bans.

According to political commentators here, Mrs Thatcher will inform Parliament this week that the government is immediately lifting Britain's ban on new investment, the promotion of tourism and the establishment of cultural and scientific links with Pretoria.

The British government may also, they say, lift bans on new government loans to South African agencies and the funding of trade missions. However, Mrs Thatcher has ruled out removing other voluntary bans for the time being, including the discouragement of sporting contact.

ANC to monitor EC meet

Own Correspondent

LONDON. — The ANC will keep a close watch on today's meeting in Dublin of the 12 European Community foreign ministers, who will discuss EC sanctions against South Africa.

By last night a telephone call which Mr Nelson Mandela was expected to make to Mrs Margaret Thatcher on Britain's sanctions policy had not been made, according to a Downing Street spokesman.

All the ministers, apart from Britain's, are unlikely to support Mrs Thatcher's intention to relax sanctions.

On Britain's Independent TV news yesterday, Mr Mandela indicated his desire to discuss sanctions with Mrs Thatcher.

"I have got a suggestion to make and if I get a clearance from the national executive, I will do that immediately. I would like to express my views on this question directly to her," he said.

Mr Mandela declined to discuss what the proposal was, but it seems likely he is seeking some way of avoiding a head-on confrontation with Mrs Thatcher, which would make a future meeting difficult.

Acting ANC president Mr Alfred Nzo, interviewed on BBC TV last night, said he did not think Mrs Thatcher would change her stance, saying she had never backed sanctions. "It seems the lines are drawn very clearly. There is no middle ground."

The ANC's chief London representative, Mr Mendi Msimang, was part of a delegation from the Nelson Mandela International Reception Committee which yesterday met Mr Charles Haughey, the Irish prime minister and chairman of today's meeting of the EC's Council of Ministers.

He will stay on in Dublin until after the meeting, according to the Irish Anti-Apartheid Movement.

● The key sanction likely to be lifted unilaterally by Britain is the voluntary ban on new investment, adopted in September 1986.

The lifting of voluntary bans on promoting tourism, as well as scientific, academic and cultural links are also likely to be formally announced by Britain after the government has fulfilled its legal obligation to consult its EC partners.

The European Heads of Government agreed last year that "profound and irreversible change" had to be obtained before the community would consider any relaxation of sanctions and other measures.

However, Mrs Thatcher's approach has been that the South Africa government should be rewarded "step-by-step" for changes it makes.

Mandela wants urgent talks with Thatcher

Sowetan 20/2/90 280

LONDON - ANC leader Nelson Mandela said yesterday he urgently wanted to make a direct telephone call to British Premier Margaret Thatcher, to discuss her attitude to sanctions against South Africa.

"I have got a suggestion to make," he said in a live satellite television interview from his Soweto home.

Mandela said he would first consult the ANC National Executive Committee as well as the National Reception Committee on this, to get their clearance, and declined to give details of what he would tell Thatcher.



MANDELA



THATCHER

Partial

British Foreign Secretary Douglas Hurd is due to put Thatcher's case for a partial lifting of sanctions against South Africa when European Community ministers meet in Dublin today.

The 11 other EC countries have reacted more cautiously with a "wait and see" attitude to the unbanning of the ANC and Mandela's release, and Thatcher's moves to lift some sanctions, including that against new investment in South Africa, has enraged anti-apartheid campaigners.

Reiterating the demand that sanctions should remain, the ANC leader said "as soon as the Government creates conditions for negotiations we will seize that with both hands . . . we are an organisation of peace."

Commenting on Thatcher's views that President F W de Klerk's Government needed encouragement now from the international community, Mandela said:

"We are well aware of the problems Mr de Klerk may be facing, and we will try to make things as easy as possible." The ANC, he said, had been "very considerate" so far, and it had to be recognised that the precondition of "total dismantling of apartheid" had been dropped.

"This was removed so that he (De Klerk) could meet our demands without the necessity of first going to Parliament," he said.

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Mission to SA

Europe sends envoys, but keeps sanctions

DUBLIN. — The European Community agreed yesterday to send a high-level fact-finding mission to South Africa but rejected calls from Britain and Portugal for some sanctions to be lifted.

Diplomats said 12 EC foreign ministers, in a compromise agreement, decided that ministers from Ireland, Italy and France would visit South Africa — possibly within weeks — to assess the pace of reform following the release of ANC leader Mr Nelson Mandela.

But a disappointed British Foreign Secretary, Mr Douglas Hurd, said Britain would lift unilaterally its ban on new investment in South Africa as soon as parliamentary formalities could be completed.

It was supported in this by Portugal.

The EC Ministers' Council said the measures taken by President F W de Klerk were welcome, but did not go far enough and the 1986 sanctions package against South Africa was to remain until the state of emergency was fully lifted and all political prisoners released.

In a gesture of "reward" to Mr De Klerk, the EC ministers however agreed to lift the ban on cultural, academic and scientific links with South Africa, something British Prime Minister Mrs Margaret Thatcher did on Britain's behalf on February 2.

The meeting also rejected a compromise suggestion put forward by Mr Hurd that Britain would delay lifting the ban on new investment until the state of emergency had been ended, whereupon the entire European Community would drop sanctions.

Mr Hurd's failed proposal went further by urging EC members to then drop the other 1986 measures — including the ban on buying SA Kruger rands, iron and steel — when negotiations to end apartheid got under way.

In announcing the outcome of the final session of the meeting, Mr Hurd also said Mrs Thatcher had been told by US President George Bush that he supported her call for the phased lifting of sanctions.

However, Mr Bush told Mrs Thatcher, he was legally unable to take similar steps

Concerning the other 1986 sanctions measures, Mr Hurd said the UK could not act unilaterally because they were legally binding and their repeal required EC co-operation.

Mr Hurd said Britain supported the troika decision and that the visit would go ahead once the French Foreign Minister, Mr Roland Dumas, had been consulted Mr Dumas was not present at the meeting as he was in Pakistan.

Joining Mr Dumas in the troika will be the foreign ministers of the next president of the EC Commission (Italy) and the current president (Ireland). They are respectively Mr Jannie Michelis and Mr Gerry Collins.

France is the past president of the commission.

Mr Hurd said that since 1987 British investment in South Africa had dropped while that of West Germany and Japan had increased. He said the British decision to lift the voluntary ban on investment as well as those on promoting cultural and scientific contact and tourism, would be formalised soon in the House of Commons.

In London earlier, Mrs Thatcher strongly defended her government's sanctions standpoint during question time in the House of Commons.

She said President De Klerk had taken "fundamental decisions which have gone further in the direction of ending apartheid than any other previous government" and he was determined to end it.

But in a statement released from Lusaka, the ANC urged European governments before the meeting to ignore British calls to ease economic sanctions.

"We asked them to keep sanctions and reject Margaret Thatcher's view," ANC international affairs chief Mr Thabo Mbeki told reporters in Lusaka.

Mr Mbeki said the ANC reminded European governments of an agreement in Strasbourg last December by their leaders, including Mrs Thatcher, that sanctions would be reviewed only after there was "profound and irreversible change" to end the apartheid system of racial separation in South Africa.

Mr Mbeki also said the ANC condemned the proposed meeting between Mr De Klerk and African leaders because apartheid had not been eradicated.

— Sapa-AP-Reuter, UPI and Own Correspondent

● Kaunda, Mugabe not invited to 'summit' — Page 2

How growth, not sanctions, is killing apartheid

BIDay 21/2/90

280

BILL JAMIESON of the London Sunday Telegraph

A SLIM, handsome stainless steel ballpoint, set off with a gold plated clip, tells its own story of sanctions in SA.

It was made to mark the 21st anniversary of Highveld Steel and Vanadium, the steel plant based at Witbank in the eastern Transvaal. In the first six months of 1989 profits of Highveld Steel surged 400% to a record.

Highveld's Vanadium spinel is used in the Soviet Union's trans-Siberian pipeline. Another customer is the US Vanadium is used in cars and defence equipment.

Vanadium spinel, capable of withstanding extremes of temperature, is one of ten minerals which America exempts from sanctions. Six of them are worth $10 billion to the US over a five-year period.

The curious case of the Highveld pen sums up the sanctions conundrum. Do they really work? Or is all the clamour, to adapt the phrase of a black leader on SA's past attempts at reform, just "a wheelbarrow full of tins?"

Among European community ministers in Dublin this week, Mrs Thatcher seemed on her own. But when words come to deeds, how alone is she?

In the four years 1985 to 1988, France's imports of SA goods more than doubled, from $275m to $638m. At the same time, French exports to SA rose 20% to $575 million.

Impact

Over the same period, Germany's imports from SA almost trebled from $567m to $1,6bn; its exports to SA have shot up from $1,7bn to $3,3bn.

So-called "trade" sanctions have had a measurable impact in only two areas, coal and vegetable produce. But together they account for less than 5% of SA's total exports.

Last year the SA economy grew by 3% and its balance of payments surplus soared 31% to a record R13,4bn. It is not the weakness of this economy but its resilience that has been a striking feature of recent years — to the point where shortages of black skilled talent are acute.

What then, if not sanctions, forced President de Klerk to release Nelson Mandela?

Danie Venter, economist and author of South Africa: Sanctions and the Multinationals, says: "It is economic growth that has cracked apartheid, not economic sanctions."

Ironically, where sanctions have hurt is slowing this growth. The cutting edge has been the ban on new international bank lending and repayments of existing debt.

The most recent assessment of this "lost" growth was given last November by Chris van Wyk, chief executive of Bankorp. Studies by the bank showed a cumulative foreign exchange loss of R40bn due to sanctions and disinvestment since 1985.

Van Wyk said: "The effect of the total foreign exchange loss of R40bn has been a total production loss of about R80bn and a total spending or "standard of living" loss of about R100bn. Real consumer spending is about 15% lower than it could have been and the country's GDP is at least 10% lower than without sanctions.

"Employment is about half a million lower than it could otherwise have been ... 80% of new job seekers are black people. The harshest burden of sanctions has fallen on them."

Practise

The most dramatic examples of how sanctions rewards and punishments have been reversely switched can be found in the "corporate social responsibility" pull-outs by American multinationals. A total of 161 American companies have disinvested, 51 by way of sale to South African buyers, many at bargain prices.

Meanwhile, the number of American companies observing the Sullivan Code of good employment practice fell from 128 to 42. Venter calculates that in 1984 the per capita benefit for black "Sullivan" employees totalled R340. By 1987 that figure had climbed to R2 350 and could have been much higher but for disinvestment. Some, such as Kodak, shut down altogether, with resulting unemployment.

"Those who suffered from disinvestment were blacks. Those who were supposed to be punished were rewarded whites were able to buy these businesses at knock down rates."

Nelson Mandela's call for continued sanctions is not echoed by all blacks. Inkatha, representing seven-million Zulus, has spoken against. Last Friday Fabcos, which represents 1,2-million black self-employed and small businesses, met Mandela to express concern over the ANC's nationalisation and sanctions policy.

Such voices strain to be heard over the wheelbarrow full of tins.

LETTERS

US keeps disinvestment law

WASHINGTON — The US Supreme Court yesterday left intact a city law requiring public employee pension funds to sell holdings in firms doing business in SA.

The judges acted on a 1986 law from Baltimore, Maryland, that was similar to numerous measures adopted around the country requiring the divestiture of billions of dollars in US firms that do business in SA.

The trustees of three Baltimore employee pension funds then sued, challenging the validity of local legislation that, they said, sought to influence the internal policies of a foreign nation. (280)

The law, they claimed, infringed on the exclusive power of the US government to conduct foreign relations.

But a trial judge and then the Maryland Court of Appeals upheld the law. B (Dan 21/2/90

The court ruled that the law represented an effort by Baltimore "to ensure that the city's pension funds would not be invested in a manner that was morally offensive to many residents and many beneficiaries". The Supreme Court rejected the appeal. — Sapa-Reuter.

EC to retain SA sanctions

DUBLIN — The European Community (EC) agreed yesterday to send a fact-finding mission to SA but rejected calls from Britain for some sanctions to be lifted.

Diplomats said EC foreign ministers agreed that ministers from Ireland, Italy and France would visit SA to assess the pace of reform following the release of Nelson Mandela.

There was no immediate indication whether Britain would unilaterally lift its ban on new investment in SA.

"There was no consensus for the lifting of sanctions," said a spokesman for the Irish government, currently heading the EC. BIDay 21/2/90

He told reporters EC sanctions would be reviewed again when all political prisoners had been released and the state of emergency had been lifted completely.

No date has been fixed for the ministerial visit but diplomats said it could be in the second half of March

The spokesman said its aim was to gather information and make contact with all parties. (SABA) (280)

While the EC ministers were meeting in Dublin, British Prime Minister Margaret Thatcher told parliament in London that President F W de Klerk deserved encouragement from the EC for having embarked on courageous reforms.

In addition to a ban on new investment, EC sanctions bar imports of gold coins and iron and steel. Arms sales and oil exports to SA and military and nuclear energy cooperation are also banned.

Britain, with support from Portugal, argued that lifting the investment ban was a suitable first step in response to the legalisation of the ANC and freeing Mandela. — Sapa-Reuter.

Star 21/2/90 (280)

Bid for anti-sanctions support fails

UK defends FW's reward for change

The Star Bureau

LONDON — Britain's Foreign Secretary, Mr Douglas Hurd, has stoutly defended his country's position on sanctions, saying its policy mix of "encouragement and pressure" was "right for the situation".

He was speaking after losing a bid to persuade other European Community Ministers meeting in Dublin that now is the time to ease voluntary sanctions to reward Mr F W de Klerk's reform initiatives — a step Britain now intends to take unilaterally.

The British decision has drawn fierce criticism from across the political spectrum at home.

But in a series of television interviews last night, Mr Hurd insisted that Mr de Klerk needed encouragement now.

"We are not saying that apartheid is gone and we should dismantle sanctions, but we are saying that exactly the steps we have been pressing for have been taken. We are saying: 'Let's show a little encouragement'."

He decried the general EC view of watching for further change before taking action on sanctions, saying that was not encouragement but delay.

DANGERS

"We are prepared to compromise, but we are not prepared to hang around and refuse President de Klerk the signal of support he needs if he is to show his critics that the dangers he is running are worthwhile."

Portugal was the only other country to support Britain in Dublin.

Asked why Britain was acting counter to Mr Nelson Mandela's stated policy of maintaining sanctions pressure, Mr Hurd said Mr Mandela was "taking the ANC line, and that is understandable.

"But there are many other opponents of apartheid in South Africa who take a different line — there is Buthelezi and Helen Suzman, who actually took the trouble to send telegrams to all EC Foreign Ministers last week, saying: "For heaven's sake, revise your sanctions policy — it's doing harm and will go on doing harm unless you revise it."

Conservative MP Mr Ivor Stanbrook took issue with Mr Hurd: "We have now given the message that Britain is more interested in propping up the apartheid regime than dismantling apartheid," he said.

Labour's Mr George Robertson said change would come in South Africa only "if the outside world keeps up united pressure".

Sanctions: 'EC mission to SA a cop-out'

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Pg 6
21/2/90

By PETER FABRICIUS
Political Staff

THE European Community's decision to send a fact-finding mission to South Africa was a "cop-out", according to senior government sources.

But Britain's decision to lift the ban on investments in South Africa would have a "powerful positive psychological effect on private British investors".

The sources were reacting to developments at the Dublin meeting of the 12 European Community foreign ministers yesterday.

The community agreed to send a fact-finding mission to South Africa but rejected calls from Britain and Portugal for sanctions to be lifted.

The fact-finding mission was rejected by the sources as a "cop-out". They said it was obvious that the EC had resorted to it because it did not know what to do.

Possibly the idea had been to win time until President De Klerk did something which would make it easier for them to make a real decision.

They said the mission would have none of the clout of the Commonwealth Eminent Persons Group which visited South Africa in 1986. It was unlikely to produce anything substantive.

Meanwhile, the Independent News Service reports from London that Britain provoked dismay among its European Community partners by making plain its intention to lift unilaterally part of the community's package of sanctions against South Africa.

Foreign Secretary Douglas Hurd announced that Britain would quickly waive the ban on new investment in South Africa, after a tense session of EC foreign ministers, where the majority argued that it would be premature to ease sanctions while the main elements of apartheid remained. Only Portugal came to Britain's aid.

A clearly bruised Mr Hurd said afterwards, however, that Mrs Margaret Thatcher had received a message from President George Bush indicating his firm support for her point of view and saying that only legal difficulties were preventing him from following suit.

The Foreign Secretary was accused by his colleagues of jeopardising the community's solidarity on co-ordinating foreign policy.

The 1986 investment ban forms part of a wider package of EC trade measures, but was agreed on only as part of the foreign policy process and not as an EC initiative enshrined in law. Mr Hurd argued that Britain was therefore free to lift it, with or without the approval of its partners.

February 1990

FW's reforms 'not a result of sanctions'

Sanctions had not brought South Africa to its knees and it was a misconception to think that the State President had been forced in any way by sanctions to make concessions the Minister of Finance, Mr Barend du Plessis, said yesterday.

Replying to debate on the Part Appropriation Bill, Mr Du Plessis said it was arrogant of the ANC to think it held the trump cards on whether or not sanctions should be applied.

"The facts are that the US is providing aid to countries which are moving away from communism, socialism and other unsuccessful systems and the ANC will not be able to rely on them for too much longer.

"They are making a fatal mistake if they think the West has helped them to win.

"Now that the opportunity is being given for arguments between policies, the outdated policies of the ANC have evoked strong criticism worldwide.

"Overseas television showed an incident in Soweto at which a red flag was present. This 10-15 seconds of international TV time has enabled us to buy things we have not been able to do for many years. This exposure showed the outside world the close bond between the ANC and the SA Communist Party.

Trade sanctions had succeeded momentarily until the country was able to come to grips with the situation and found new markets. Many jobs and much wealth had been lost, but this had brought the best out of exporters.

A ceiling had been placed on economic growth.

"During the last decade we had an average economic growth rate of 1,6 percent, which was hopelessly too low. During the first eight years of the decade we had a 1,2 percent growth rate and experienced a growth rate of 2,9 percent during the last two years.

Mr Du Plessis said South Africa had signed contracts with foreign banks which it could honour and was not affected by sanctions. — Sapa.

US move to tighten sanctions

Business Day 22/4/90

280

WASHINGTON — Democrats in the US House of Representatives said yesterday they would press ahead with efforts to tighten economic sanctions on SA despite government's recent moves to open talks with the black majority.

Congressman Walter Fauntroy said there was no guarantee President F W de Klerk would "bite the bullet" on making fundamental changes "unless pressure is maintained and intensified".

Fauntroy, chairman of a House banking sub-committee, is pushing adoption of a measure to prevent US banks from rescheduling about $8bn in debt.

The measure would be added to sanctions Congress passed in 1986 banning US investment and new bank loans to SA.

Anti-aparthied activists in Congress are upset that banks have allowed SA to stretch out some of its debt repayment on loans made before 1985 until 1993.

President George Bush said he would review US sanctions against SA after De Klerk released Nelson Mandela from prison and legalised anti-apartheid organisations' activities.

But members of Congress have pointed out that the 1986 sanctions Bill spelled out specific conditions for lifting sanctions.

It stipulated that before sanctions could be lifted, SA had to free all political prisoners and meet at least three of four other criteria.

The other conditions include an agreement by government to engage in good-faith negotiations on SA's political future, the lifting of the state of emergency, and substantial progress toward dismantling apartheid.

Congressman Joseph Kennedy said he thought the Bush administration was too eager to accommodate De Klerk's government, and that the US should "sever all diplomatic and economic ties until the (SA) government is brought to its knees".

But Congressman Dan Burton, a Republican, said the US should forget sanctions and instead encourage development of SA's blacks. "To talk of new sanctions is nothing short of obscene," he said. — Sapa-AP.

Sanctions are a road to our grave

Anglo American chief Mr Gavin Relly has dismissed ANC suggestions that nationalisation can be effective. "They have either been out of the real world, talking only to Marxists, or incarcerated talking only to warders. Neither relationship is a great source of realism." However, he tells **LINDSAY VINCENT**, he is excited about creating a new future.

"I am entirely optimistic. Part of it may derive from the fact that all my adult life I have been basically unhappy with the system under which we live, and now one sees the opportunities of creating a new system which is not formally race-based. Any South African who does not find this exciting must be lacking in understanding," says Mr Relly, who succeeded Mr Harry Oppenheimer as head of Anglo in 1983.

Mr Relly has no reservations about the ANC.

Seated in Anglo's London offices on the fringe of the City, he delivers a muted tirade against the evils of nationalisation, cites the current European fall-out from the experiment of communism as proof of the follies of state-run economies and concludes. "Anyway, I do not think it will come to that."

Mr Relly, who incurred the wrath of Mr P W Botha, Mr de Klerk's predecessor, when he helped bring the ANC in from the cold with a furtive visit to its Zambian headquarters in 1985, has yet to meet Mr Mandela. It is something he looks forward to.

"The worst aspect of the international community's attitude, to us," he says, "is the fact that the country's international banking relationships are constricted.

"It gives us very little flexibility in our monetary policy by not having the facilities of the International Monetary Fund and normal banking relationships at our disposal.

"And the sooner that stops the better because it is inhibiting growth and we all know, as night follows day, that unless we have a reasonably vital and growing economy we are not going to be able to pick up the costs of change and the costs of establishing a more equitable constitutional system."

He dismisses ANC suggestions that nationalisation measures will be workable and effective. "There is still a great deal of rhetoric floating around which derives back naturally to the ANC's original charter which was a Marxist-type document. And the fact that they have either been out of the real world, talking only to Marxists, or they have been incarcerated in South Africa talking only to warders. Neither of these relationships, I would have thought, was a great source of realism or inspiration."

How does he see there being more equality of wealth? "It is absolutely vital that there is, but I can see two things. I can see a growing economy where the equality is achieved by dealing out the growth, so to speak, to those who have been deprived in terms of services, education, health and housing.

"The other scenario is to try to do the same thing in a stagnant economy where the only way you can distribute is by taking it substantially away from those who are maybe thought to enjoy it at present.

"When one discovers that that does not work because the economy starts going backwards further still, you resort to the control measures of a one-party state. And this is what the world, in its sticking to sanctions, does not realise, if sanctions are really effective they will ultimately and inevitably drive the SA economy into a state where a successor government will find it has no flexibility ... and we will end up with the conventional African reaction of a one-party state, which is ultimately a reflection of defeat."

He adds: "The ANC would naturally hope to speak for all black people. Whether it does or not is completely unclear to me, and I think probably unclear to most black people.

"I would have thought that to pretend there are no tribal differences in South Africa is simply flying in the face of reality. We have seven major tribal groupings and at least as many languages. I think any government's policy should be to emphasise the things that unite us.

"It is going to be a matter of great statesmanship to cover these very real cultural, ethnic and linguistic differences. I hope they may be covered but in the meantime we have to deal with the practical world we find on the ground."

Mr Relly is not of the opinion that apartheid, with compound labour, derisory wages and much else has been a marvellous fig-leaf.

Anglo is said to have been making huge profits from a system which it says it purports to despise.

"We would have made a damn sight more money if it were not for apartheid," he says. "The economy has been inhibited from not allowing people to do their own thing, set up their businesses where they want, live where they want and have proper education. This has resulted in the bulk of the country's labour force being untrained, and incompetent in terms of modern standards.

"The whole country has been held back by this system. And as Anglo is very much a reflection of South Africa economically, it would have been a damn sight better if, over the last 40 years, we had lived in a more equitable society." — Observer News Service.

"If sanctions are really effective they will ultimately and inevitably drive the SA economy into a state where a successor government will find it has no flexibility. And we will end up with the conventional African reaction of a one-party state."



Anglo chief Mr Gavin Relly.

History in The Star

100, 50 and 25 Years Ago

1890. The Countess de Bremont, who has arrived in London, commenced a series of lectures upon South Africa. She depicted the Transvaal as the woman's El Dorado.

1940. Mobs of starving Chinese in Shanghai — victims of war and profiteers — are daily raiding rice stores, risking prison and police batons to snatch a few handfuls of rice.

1965. South Africa has taken delivery of the first two Buccaneer naval bombers from Britain. The remaining 14 will be delivered before the end of September.

Sanctions: Maggie faces Tory revolt

Cape Times 22/2/90

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LONDON. — Mrs Margaret Thatcher faced a revolt in her own party yesterday over her stand on South African sanctions.

More than 100 MPs of all parties tabled a motion in the House of Commons urging her not to drop sanctions.

In Washington yesterday, House Democrats said they would tighten sanctions despite President F W de Klerk's recent reforms.

The British MPs — led by senior Tories Mr Ivor Stanbrook and Mr Peter Temple-Morris and including several Conservative Party backbenchers — adds to a row over Mrs Thatcher's decision to break European Community consensus on lifting some sanctions.

"The MPs are telling Mrs Thatcher ... from members of her own party as well, that she should not reduce sanctions now and so give the impression that the SA government need go no further," Mr Stanbrook, chairman of the British-Southern Africa All Party Group, said.

Western diplomats said the decision could lead to Mr Nelson Mandela refusing Mrs Thatcher's invitation to visit Britain.

In the US, congressman Mr Walter Fauntroy said there was no guarantee Mr De Klerk would "bite the bullet" on fundamental changes unless pressure was maintained and increased.

Mr Fauntroy, chairman of a House banking sub-committee, is pushing for

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From page 1

Sanctions

Cape Times 22/2/90

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a measure that would prevent banks from re-scheduling about $8 billion in SA debt held by the US.

The White House said President George Bush wrote Mrs Thatcher a "positive" letter about encouraging negotiations between SA whites and blacks, but did not discuss her decision to lift sanctions.

Mr Bush has indicated he is willing to review sanctions, but stated that Mr De Klerk's actions did not fulfill the conditions required by US law to remove sanctions.

The ANC condemned Britain's decision to lift the ban on new investment and warned that it could lead to a boycott in South Africa of British goods.

Britain and Portugal were the only two countries that voted to lift the ban on new investment.

The ANC has also appealed to the OAU, which is meeting in Addis Ababa this week, to prevent this weekend's scheduled Zaire mini-summit between Mr De Klerk and five African leaders.

ANC officials in Lusaka are confident that the OAU will rule against the meeting which apparently does not have the backing of key African leaders, including some of the frontline presidents. However a Foreign Affairs spokesman in Cape Town said plans for Mr De Klerk to attend were going ahead. — Own Correspondents and Sapa-Reuter

B/Day 22/2/90.

Major US banks pledge to keep up SA pressure

SIMON BARBER 380

WASHINGTON — Two major US banks yesterday applauded President F W de Klerk's initiatives but pledged to maintain the financial squeeze on SA by not advancing new loans and continuing to press for maximum repayment of debt.

However, both blasted financial sanctions legislation proposed by Congressman Walter Fauntroy, warning that it would force SA into default and result in "$3bn in annual debt relief for the SA government".

"There is much to be done to create a more just society that would enable the banks to change their policies," said Morgan Guaranty credit policy committee vice chairman Rodney Wagner in hearings before Fauntroy's International Finance Sub-committee.

Manufacturers Hanover executive vice president John Simone said the banks would continue "to extract a significant amount of precious foreign exchange" from SA and to deny new lending in order to "discourage much needed foreign investment" and send "the strongest signal possible that apartheid must be dismantled".

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Servicing

Defending the banks' acceptance of the third interim arrangements agreed upon last October in Brussels, Simone said the terms meant SA could expect a 3% decline in real per capita income this year and rising unemployment.

"SA's foreign debt is approximately $20bn. Based on an average interest rate of 9% and assuming a principal repayment schedule of 10 years, total debt servicing is estimated at $3bn a year.

"Even if a portion of the amount is financed through sources outside the US, our forecasts indicate that, unless gold prices average above $400, SA cannot meet total repayments under existing arrangments without further reserve loss."

Simone added that the outlook for the gold price "falls considerably short of the $445 and $437 which held in 1987 and 1988".

Fauntroy's Bill — the SA Financial Sanctions for Democracy Act — would oblige banks to demand 20% repayment of principal a year and require the divestiture of any 10-year exit agreements entered into under the second interim arrangements to be divested by 1993.

Star 22/2/90. (B) (280) (Illegible)



Mrs Margaret Thatcher . . . needed to be thanked for stand on sanctions.



Mr Harry Schwarz . . . 'some lack of morality in pro-sanctions people'.

Thatcher 'needs to be thanked'

British Prime Minister Mrs Margaret Thatcher needed to be thanked for the stand she was taking on the issue of sanctions against South Africa, Mr Harry Schwarz (DP, Yeoville), said in the House of Assembly yesterday.

Speaking during the second reading debate on the Part Appropriation Bill for the administration of the House of Assembly, he said this was especially so in view of the hostile climate in which she was operating.

Mr Schwarz said there was some lack of morality in pro-sanctions people shifting the goal-posts continuously.

The State President, Mr F W de Klerk, was quite genuine in his desire to get negotiations going, and this should be accepted both inside and outside South Africa.

Mr Schwarz said the Government's failure to put a constitutional plan on the table was a disturbing feature to many people in South Africa.

Mr W A Botha (CP, Uitenhage) said in his maiden speech that it should not be allowed that South Africa be impoverished by a small group of people influencing the masses to strike.

Mr Karel Swanepoel (NP, Gezina) said own affairs and its budget was a smaller part of a greater whole. — Sapa.

Britain defends go-it-alone stand

LONDON — The British government yesterday defended its go-it-alone stand on sanctions in an emergency statement to the House of Commons as criticism poured in from all political parties.

Delivering the statement, Foreign Office Minister William Waldegrave faced strongly worded allegations that the government had acted unlawfully, isolated Britain in the EC and had become "the last friend of apartheid".

Prime Minister Margaret Thatcher's view was backed by many Conservative Party members.

But earlier, two senior Tory back-benchers put forward a motion urging for sanctions against SA to be maintained.

JAYNE LA MONT

Waldegrave told the Commons that in Dublin yesterday Foreign Secretary Douglas Hurd had proposed that the EC should lift the ban on new investment.

"As there was no agreement to take such steps collectively the UK reserved its right to act nationally," he said.

Labour Party front-bencher George Robertson accused Thatcher of reneging on her commitment to keep sanctions at least until the emergency was lifted.

Sir David Steel of the Liberal Democrats said it did Britain no good to be identified "with the South African regime of the past rather than the regime of the future".

See Page 3

ANC says Brits broke their word

LUSAKA - The African National Congress yesterday accused the British government of breaking its word on economic sanctions against South Africa. Sowetan 22/2/90

By lifting a ban on British investment in South Africa, Britain violated the sanctions agreements of the United Nations, the Commonwealth and the European Economic Community that it once vowed it would honor, said ANC information chief Pallo Jordan.

"The British Government has gone back on its word," Jordan told reporters at the ANC's external headquarters in Lusaka.

Britain announced on Tuesday that it was ending the investment ban to encourage reform by South African President FW De Klerk.

Jordan said the British move was part of a pattern set by Prime Minister Margaret Thatcher, favouring South Africa's white minority Government.

"She has been quite prepared to be out of step with the rest of the world in her anxiety to accommodate the Pretoria regime," said the head of the guerrilla-backed organisation's information department.

He said Britain was party to international agreements that specified there would be no easing of trade and investment boycotts until irreversible change occurred in South Africa to end the apartheid system of racial separation.

"We don't think by any stretch of the imagination the measures announced by De Klerk are irreversible," Jordan said.

He said the ANC was appealing to British business interests not to take advantage of the lifting of the investment ban.

The ANC has repeatedly said Thatcher's opposition to sanctions risked delaying change in South Africa by reducing pressure on the Pretoria Government. - Sapa-Reuter.

Democrats to press for further sanctions

WASHINGTON — Democrats in the House of Representatives said yesterday they would press ahead with efforts to tighten economic sanctions on South Africa despite Pretoria's steps to open negotiations.

Congressman Mr Walter Fauntroy said there was no guarantee that State President F W de Klerk would make fundamental changes "unless pressure is maintained and intensified".

Mr Fauntroy, chairman of a house banking subcommittee, is pushing for the adoption of a measure that would prevent banks from rescheduling about R21 billion in debt held by American banks.

The measure would be added to the sanctions that Congress passed in 1986, which ban US investment and new bank loans to South Africa.

Mr Rodney Wagner of Morgan Guaranty Trust in New York told a joint hearing of the banking subcommittee and a foreign affairs subcommittee that banks opposed apartheid.

But, he said, the proposed legislation was economically unfeasible because South Africa did not have the money to repay 20 percent of its principle each year.

The legislation might force banks to write off the debt, "with no financial effect on South Africa".

Star 22/2/90 (280)

Shell's policy 'won't change'

THE HAGUE — The head of the Shell oil multinational said yesterday his company would continue its policy in South Africa of offering blacks jobs, rather than disinvesting.

Royal Dutch/Shell Group's chairman of the board of managing directors, Mr Lo van Wachem, said recent changes in the country, including the release of Mr Nelson Mandela and the unbanning of the ANC, would make no difference to Shell policy.

"Recent developments have had no effect on Shell's view vis-a-vis South Africa. We welcome them and are hopeful about the country's future, although all sorts of things can still go wrong," he told reporters.

Shell has been facing intense international pressure from anti-apartheid activists to quit South Africa and scores of its Dutch filling stations have been sabotaged in recent years.

Mr van Wachem was addressing a news conference on the group's results for the fourth quarter of 1989, which showed a 45,3 percent surge in net profits to $1,7 billion (R4,25 billion).

In London, Shell board vice-chairman Sir Peter Holmes said he would not comment on a British government decision to lift unilaterally a voluntary ban on new investment in South Africa.

Sir Peter said President de Klerk had done "a brave thing".

"Before too long it will be time for the West to think of helping the (South African) economy," he said.

"The one sanction which has hurt is the financial one," he said, referring to the freezing by banks of fresh lending to South Africa. — Sapa-Reuter.

F/M 23/2/90 280

GLOBALISATION

When sanctions go

When, at some future date, SA is free to rejoin the world community, it will find a strengthening trend towards globalisation Co-ordinated economic policy, deregulated financial markets, growth in world trade and cross-border company alliances — all of these will shape the Nineties.

This global economy is being created at several interconnected levels and their interaction will determine the context for business:

☐ Economic policy. The 1987 Louvre Accord on exchange rate stability has evolved flexibly but leading industrial powers seem likely to maintain their commitment to the sort of policy co-ordination which helped the recovery from the stock market Crash of 1987. The strength of that commitment may be tested by lower growth. After 4,1% growth in industrialised countries in 1988, growth in the OECD slowed to 3,5% last year. Both the IMF and OECD expect a further slowing this year to 3%;

☐ Financial markets. The questions economic policymakers grapple with — from the volatility of equity markets, exchange rates and interest rates to the Third-World debt crisis — are often transmitted across national borders;

☐ Trade. In the past few years world trade has grown more strongly than industrial output, this being a return to the dominant post-war pattern. Last year world trade in goods increased by about 7%, more than double the rise in production. Its continuation may hinge on whether the Uruguay round of Gatt, due to be completed at the end of the year, prevents a slide into bilateralism and protectionism;

☐ Industrial restructuring. The economic growth of the past few years has stimulated a widespread business investment boom, which should maintain productivity growth.

Since 1986 international direct investment has grown about three times as fast as trade in industrial goods within the OECD, reflecting far-reaching changes in patterns of production.

International direct investment has risen markedly during the 1980s. Outward investment from the top five OECD economies has risen from $244,6bn in the 1970s to $419,3bn between 1981 and 1988. Their inward investment has increased from $79,9bn to $107,5bn.

But investment is only one aspect of internationalisation.

International companies are now the most global of all institutions. Will political systems evolve into an orderly international system to match internationalisation of the economy? ■

23/2/90

No excitement in UK over lifted investment ban

LONDON — Barely a flicker of interest has been aroused among British industrialists and businesses in Prime Minister Margaret Thatcher's decision to lift the voluntary ban on new investment in SA.

They remain more concerned about political and economic conditions in SA than with sanctions, which are seen largely as a political gesture, the Financial Times reported yesterday.

The unilateral decision, which has angered Britain's partners in the EC, follows the release of ANC leader Nelson Mandela.

The sanctions on investment were introduced by the EC in 1986. They cover direct investment but not financial transactions and bank lending in support of normal trading. Also excluded are investments in training, health and social sectors.

Own Correspondent

Britain is SA's largest foreign investor. Since the voluntary ban on new investments, about a fifth of British companiea have pulled out. But as more US companies have withdrawn, the British share of investment has grown to about 40%.

Access

In 1988 the UK's exports to SA were more than £1bn for the first time since 1985. It is the UK's fourth largest export market outside Western Europe and North America.

According to the SA Foundation, a London lobby group for SA companies, the investment ban has hurt indigenous companies, limiting their access to Western technology and isolating them from potential international alliances.

Business investment has mainly been hit by the political instability in the country, the distortions in the economy created by apartheid and powerful domestic political and consumer campaigns.

The SA Foundation said: "It will probably require the establishment of a transitional government and moves towards democratic elections before business will have confidence that the political situation is about to stabilise."

Companies in consumer related sectors such as Barclays Bank which have pulled out of SA, have no plans to invest again.

The Anti-Apartheid Movement said: "Companies like Barclays know that if they tried to go back into SA we would come down on them like a ton of bricks."

Most banks felt it was too early to make any forecasts about the political situation there. With about £2,3bn outstanding in rescheduled loans, the banks are more concerned to reduce their exposure.

The apartheid regime has also created distortions in the economy's development. The Group Areas Act and poor black education have created endemic skill shortages. The black consumer market is relatively under-developed. The British Industry Committee on SA, a lobby group of British companies in SA, said that it was unlikely investment would increase significantly until there was enough political stability to allow these economic distortions to be ironed out.

Settlement

Investment opportunities elsewhere in the world have been a factor in other sectors. The two London-based oil majors — BP and Shell — said yesterday the UK government's decision was irrelevant to their attitudes to investment in SA.

As an Anglo-Dutch company, Shell said it would pay more attention to the EC's position than to that of the British government. BP said it would consider fresh investment in SA only if there was a settlement acceptable to the broad international community.

In the mining sector, RTZ Corporation, the world's largest mining company which has about 4% of its assets in SA ollowing the recent acquisition of BP's mining and mineral interests, said the UK government's decision would have no immediate impact on its operations because mining projects have long lead times.

Insurance groups were almost unanimous yesterday in saying that lifting the ban did not balance the risk stemming from continuing uncertainty about the political future of SA.



● THATCHER

B|Day 23/2/90. (280)

No IMF loans to SA, vow pro-sanctions members of US Congress

WASHINGTON — Sanctions proponents in the US Congress yesterday vowed to block any move by the administration to suspend the effective US veto on SA borrowings from the IMF.

Assistant Secretary of State for Africa Herman Cohen told a congressional panel that such a move was being "studied" and might be permissible under existing law.

SIMON BARBER

House Africa Subcommittee chairman Congressman Howard Wolpe said he believed SA was sounding out the fund on the possibility of a $1,9bn loan.

Cohen said he was "unaware" of any such discussions. Foreign Assets Controls treasury office director Richard Newcomb said "there have been no formal contacts between SA and the IMF".

New York Congressman Charles Schumer warned Democrats would hold hostage the administration's request for an increase in the US IMF quota if it supported an SA loan before the complete abolition of apartheid.

"Any loans to SA would kill the chances of an IMF authorisation — you will be throwing the baby out with the bath water."

UDF ready to see sanctions lifted before full democracy

B/Day 23/2/90

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IT was against the interests of SA for the economy to be smashed and the United Democratic Front (UDF) was prepared to see sanctions lifted before a democratic constitution was implemented, UDF publicity secretary Terror Lekota said yesterday.

Lekota, who was speaking at aPress conference after returning from a visit to the US and Britain, is the second opposition figure in less than a week to make conciliatory gestures toward businessmen and government.

Earlier this week Nelson Mandela told Business Day the ANC was prepared to discuss the issue of nationalisation with businessmen and that no "drastic measures" would be taken without consultation.

Lekota said it was "in our interests for the economy to be in full swing, it is not in our interests for the economy to be smashed."

But for the present "nothing should be done to disrupt the unfolding process of

CHARLENE SMITH

negotiations, pressure must be maintained on the government to speed up the process of dismantling apartheid".

He said the removal of sanctions would not necessarily be only after a new constitution had been adopted as in Namibia. Lekota said the road to a new SA constitution would not follow the Zimbabwean and Namibian models.

Lekota said the lifting of sanctions "must be weighed against whether the process of negotiations is irreversible.

Afrikaner

"We are not dogmatic about this issue. The process of lifting sanctions may begin slowly before full democratisation takes place."

However, Lekota said nationalisation was the policy of the "movement".

"The Afrikaner government maintained the economy with major sectors of the economy nationalised. This is how the Afrikaner solved the problem of poverty among their people and helped them occupy meaningful jobs.

"We won't do anything new, although we may add a bit. The question is how we will set the process in motion.

"We are fortunate in that we can study the experiences of other African and third world countries and the lessons of Eastern Europe. Our other advantage is that the people who have been running the economy of this country are citizens who belong here.

"Before they were inspanned to serve the interests of a small sector of the country, now they will be inspanned to work for the great majority.

"It surprises us that they say when we ascend to power the economy will collapse, it shows a racist attitude. We are entitled to take something otherwise we cannot transform the lives of the poor, the squatter dwellers ..."

Lekota said the UDF was not the internal wing of the ANC although both supported the Freedom Charter and held common views on certain issues.

Britain's reward for change won't impact immediately - Hurd

Sowetan 23/2/90

NEW YORK - Britain's decision to part company with its European Community partners and lift the ban on new investment in South Africa was intended to encourage reforms in the republic, British Foreign Secretary Douglas Hurd has told the United Nations. (E 280)

But in response to questions by reporters after he addressed the General Assembly special session on the drug question, Hurd said he did not think there would be much immediate impact from the British action, announced by him in Dublin on Tuesday.

"Investment is decided on commercial grounds really," he said. "The South African Government will have a very strong incentive to continue the programme of reform because the business community in Britain, Europe and South Africa is very strongly against apartheid." Business decisions were crucial and as apartheid faded there would be a greater inclination to invest in South Africa.

Hurd stressed that British investment in the republic had been declining while that by West Germany and Japan had risen sharply. He mentioned in particular the new investment by West German's BMW motor company.

Earlier, he had separate talks with the UN Secretary-General, Mr Javier Perez de Cuellar, and the President of the General Assembly, Major General Joseph Garba of Nigeria. South Africa and Namibia are understood to have been among the matters discussed.

South Africa's chief delegate at the UN, Mr Jeremy Shearer, had hoped to have a brief talk with Hurd in part to express pleasure at the British decision on sanctions, but officials said they did not think that Shearer had been able to see him.

Breyten unlikely to settle in SA

CAPE TIMES 23/2/90 280

By PETER DENNEHY

POET and author Breyten Breytenbach says he might never settle permanently in South Africa again, although he would like to spend time here and take part in debate about the future.

Mr Breytenbach, who spent seven years in jail after a Terrorism Act conviction in 1975, told students at Stellenbosch University this week that he had become "too used to the cosmopolitan character of Europe".

Mr Breytenbach was on a brief visit to South Africa with the British Channel Four television network, who were making a programme on a post-apartheid South Africa.

He addressed about 200 students and academics in the students' union amphitheatre during a break in filming on Wednesday.

He urged everyone to become involved in the process of change. By becoming involved, he said, Afrikaners would lose their fears and find that the building bricks for the new South Africa already existed.

He supported the ANC's line on sanctions remaining in place, but said it was important that the international community be given a clear cut-off point on when to lift them.

Mr Breytenbach said he wanted to see a future system which was as representative as possible, with guarantees of political and economic freedom.

US takes new stance on SA sanctions

From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — The United States Congress has formed a united front of both its Houses and the two political parties, proposing a new policy to help South Africa towards negotiations.

A bipartisan group of senators and congressmen yesterday released a resolution "relating to the release of Nelson Mandela and other positive developments in South Africa".

The resolution goes out of its way to praise both President F W de Klerk and Mr Mandela for exercising leadership towards negotiations.

MIDDLE PATH

It states clearly that Congress plans to take a middle path between the two sides, refusing to lift any sanctions until the government makes more progress, but, at the same time, rejecting the ANC's request that sanctions stay in place until there has been a transfer of power to the black majority.

Congress now will seek to enlist the support of the Bush administration for this policy, which proposes to lift sanctions one by one as and when South Africa moves towards fulfilling the conditions set out in the 1986 Comprehensive Anti-Apartheid Act (CAAA), or to reinstate sanctions if there is any backsliding towards apartheid.

The immediate effect of the resolution is to halt all further moves in Congress toward additional sanctions.

The resolution was introduced in the Senate yesterday by Mr Paul Simon and in the House of Representatives by Mr Howard Wolpe.

SACRIFICES

The resolution recognised the tremendous sacrifices made by the anti-apartheid movement and that President De Klerk had taken steps to promote a climate conducive to dialogue and negotiations.

It noted Mr Mandela and other leaders had committed themselves to negotiations to a peaceful end to apartheid and the establishment of a non-racial democracy.

It urged Mr De Klerk to initiate the real dismantling of the apartheid system, to move rapidly to meet the conditions necessary for opening negotiations and to meet the terms of the CAAA for the relaxation of sanctions

It urged Mr Mandela and other black leaders to continue to ease the climate for negotiations.

Congress resolved to remain committed to keep sanctions until the CAAA conditions had been met, but also to support the suspension or modification of one or more sanctions or their termination as soon as the conditions had been met.

The CAAA conditions are: the release of all political prisoners, the unbanning of all political organisations, the repeal of the Group Areas Act and other apartheid legislation, the lifting of the state of emergency and a commitment to good-faith negotiations with the black majority. ● See page 3.

Lekota: US will retain sanctions

JOHANNESBURG. — United Democratic Front (UDF) national publicity secretary Mr Patrick "Terror" Lekota says he has persuaded US government officials that the time is not yet ripe to lift sanctions against South Africa.

Mr Lekota, who returned yesterday from a tour of the US, said he had also convinced the Assistant Secretary of State for African Affairs, Mr Herman Cohen, that continued sanctions were needed to pressurise the De Klerk administration towards negotiation.

He said Mr Cohen had previously expressed the hope that sanctions would be lifted in view of the recent reform initiatives in South Africa.

Mr Lekota, however, indicated a flexibility on the part of the UDF towards the lifting of sanctions, saying the organisation was not rigid on negotiable issues.

"When we are satisfied that the process (negotiations towards full democracy) is in motion, we will concur with those calling for the lifting of sanctions. It is not in the UDF's interests to smash the South African economy," he said.

Mr Lekota also said he had put at ease US congressional staffers who had expressed concern at the UDF and ANC's stance on the nationalisation of major industry.

Nationalisation, he charged, was needed by a new, democratically elected government to address major economic issues such as the squatter problem.

Afrikaners had practised nationalisation of industry, for example in the steel industry, for many years for the purpose of financing apartheid structures.

To suggest that the South African economy would suffer because of nationalisation policies practised by the new-order government was racist, Mr Lekota said. The economy had survived under Afrikaner nationalisation policies. — Sapa

● Simon Barber reports from Washington that sanctions proponents in the US Congress yesterday vowed to block any move by the administration to suspend the effective US veto on South African borrowings from the International Monetary Fund.

Mr Herman Cohen told a congressional panel that such a move was being "studied" by the administration and might be permissible under existing law.

Congressman Howard Wolpe, chairman of the House Africa Subcommittee, said he believed Pretoria was already sounding out the fund on the possibility of a loan.

Mr Cohen said he was "unaware" of any such discussions.

PERSONALITY PROFILE

Sanctions to decrease — Bloom

W/EARGUS 24/2/90

TONY BLOOM, former chairman of Premier Group Holdings now living in London, talks to Garner Thomson of Weekend Argus Foreign Service about how he sees recent developments in the political arena impacting on the South African economy.



TONY BLOOM

LONDON. — Two years ago, Tony Bloom woke up to the fact that he was almost 50 and looked likely to be doing the same things, in the same company, in the same country, for the rest of his life

In spite of the fact that the company, Premier Group Holdings, happened to be one of South Africa's most successful and Bloom himself a progressive and pioneering businessmen, he decided to leave.

Predictably, because of his own outspoken opposition to apartheid, there was much speculation about the reasons behind that decision.

"I said at the time, and I've kept saying since, that I didn't leave for purely political reasons,' he says. 'But, of course, nobody would believe me. I remain devotedly and passionately South African, but where you live depends on what you enjoy doing. I enjoy living in London, but I go back to South Africa four or five times a year, so I have the best of both worlds.'

"Best" is undoubtedly the operative world. Lean, fit and relaxed, Bloom comes over as a man who has made all the right decisions.

His office, tucked away in London's quietly elegant Ely Place, is modest by comparison, his situation a lot less ulcerative than when he was piloting Premier in South Africa, and he describes the business he started in Britain as "not very newsworthy".

A committed thorn in the Botha government's side and one of the pioneers of white talks with the ANC, Bloom looks back on his experiences in South Africa with mixed feelings. There were times, he says, when he was a minority of one, even in his own company, "times when I felt I was out of step with the rest of the South African business world, or that I was on a different planet".

It's with some wryness, then, that he now looks on at the pronouncements being made in various quarters — not least among his fellow businessmen — welcoming recent developments in South Africa.

Bloom was widely vilified in some quarters for advocating the very changes that are now embraced as delivering the country from the edge of disaster — including the release of Nelson Mandela, and the unbanning and official acceptance of the ANC.

But he is "delighted and flabbergasted" at the changes now underway, and gives fulsome credit to both F W de Klerk and Nelson Mandela for their courage.

"I could never see anything of substance being accomplished under Botha. In fact, I think he did the country immeasurable harm. Now, at last we have a President who is facing political and demographic realities, and I think he should be rewarded for his courage.

"As far as Nelson Mandela is concerned, I think everybody has been impressed with his extraordinary personal dignity and surefootedness. In political terms, too, he hasn't put a foot wrong. He has an extremely demanding task, keeping a number of constituents interested — including the whites — and he has done this very effectively so far."

Bloom sees the way forward as optimistic and exciting — but he also believes there will be 'a lot of pain' ahead.

"I do worry about certain things," he says. "The right-wing is an obvious and very real worry, and it's something the government will have to deal with. More than anything else, internecine warfare between the blacks will impede any move towards peaceful settlement.

Bloom also fears "unrealistic expectations" in the black community about the timescale of change. "Already there is the feeling: *Mandela is out, we're free*, but it's going to be a long haul."

In spite of what he regards simply as "pre-negotiation rhetoric", Bloom believes the ultimate direction events will take is now inevitable.

"It's clear to anyone who looks that there will be universal suffrage in South Africa," he says. "One lesson that has to be learned is that Mandela is very deeply principled, so some things are not negotiable, and I'm sure that universal suffrage is one of them."

At the same time, Bloom thinks the South African business community is unduly downcast by talk of nationalisation. "I don't see it happening like that," he says. "I have too much respect for the intelligence of the ANC leadership to think they won't take heed of what is happening in eastern Europe. Many of them have lived in exile in countries where wholesale nationalisation has taken place and could see for themselves the devastating effects.

"Having said that, I don't expect the ANC to throw out their whole Constitution. At the same time, it would be unrealistic for South African businessmen to believe they will continue to enjoy the protected environment they've had so far."

Nor will sanctions continue to be the overriding issue it was in the past, he believes

"I'm neither a carrot, nor a stick man, but a blend of both There is no doubt that in certain fields — such as sports — there would have been no change if there had been no sanctions. But I'm one of those people who disagree with the belief that economic sanctions have brought South Africa to its knees, and that's why things are starting to change

"Of course, there are areas where they hurt badly — primarily in the financial area. And the psychological effect of sanctions was devastating. It was very difficult to be a South African businessman, having doors closed on you, and seeing other people distancing themselves from you.

UK lifts ban on tourism, investment

Cape Times 24/2/90

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Own Correspondent

LONDON. — Britain yesterday formally lifted the ban on promotion of tourism and new investment in South Africa amid charges from the Labour Party that the move had been "slipped through" in an underhand way.

The moves were announced in almost identically worded written parliamentary answers which, according to House of Common rules, meant there could be no immediate debate on them.

They were presented by Trade Secretary Mr Nicholas Ridley, who set out the government's reasoning for easing sanctions by reiterating Prime Minister Mrs Margaret Thatcher's view that President F W de Klerk had opened the way to a peaceful end to apartheid through negotiation and deserved a "constructive response" from the international community.

Accordingly, explained Mr Ridley, Britain was now withdrawing the voluntary ban on new investment in SA which it issued in 1986 in conjunction with its EC partners.

The government would no longer discourge investment. But, he added, companies and firms would have to make their own judgment whether to do so.

Britain is the first country to relax sanctions against SA in the wake of recent developments. However, Mrs Thatcher made clear earlier this week that Britain would keep in place other mandatory sanctions. These include a ban on imports of SA iron, steel and gold coins, and an embargo on arms and oil exports.

The decision has provoked strong protest, both internationally and from within Britain, where prominent Conservative backbenchers put down a motion — signed by more than 100 MPs of all parties — urging Mrs Thatcher to rethink her policy.

And yesterday, though barred from responding in the Commons to Mr Ridley's statement, the Labour Party's trade spokesman, Mr Gordon Brown, immediately condemned the move in a letter to Mrs Thatcher.

The general secretary of the South African Council of Churches has also said Mrs Thatcher has moved too soon to lift sanctions.

"The key issue is the dismantling of apartheid, and when we have reached the stage where the dismantling of apartheid is irreversible, we will blow the whistle," the Rev Frank Chikane said as he arrived at Heathrow Airport yesterday. — Sapa-Reuter-AP

US move on sanctions

'Carrot-and-stick' policy planned to aid negotiations

WASHINGTON — The US Congress has formed a united front, consisting of both its Houses and the two political parties, which has proposed a new carrot-and-stick policy to assist South Africa towards negotiations

A bipartisan group of senators and congressmen on Thursday released a concurrent resolution "relating to the release of Nelson Mandela and other positive developments in South Africa"

The resolution goes out of its way to praise both President F W de Klerk and Mr Nelson Mandela for exercising leadership in taking South Africa towards negotiations

Middle path

It states clearly that the Congress plans to take a middle path between the two sides, refusing to lift any sanctions until the Government makes more progress, but at the same time rejecting the ANC's request that sanctions stay in place until there has been a transfer of power to the black majority

The Congress will now seek to enlist the support of the Bush Administration for this policy, which proposes to lift sanctions one by one as and when South Africa moves towards fulfilling the conditions set out in the 1986 Comprehensive Anti-Apartheid Act (CAAA), or to reinstate sanctions if there is any backsliding towards apartheid

The immediate effect of the concurrent resolution is to halt all further moves in the Congress towards more sanctions

The resolution recognised the tremendous sacrifices made by the Anti-Apartheid Movement and that President de Klerk had taken steps to promote a climate conducive to negotiations.

It noted Mr Mandela and other leaders had committed themselves to negotiations to a peaceful end to apartheid and the establishment of a non-racial democracy

It also noted legislative pillars of apartheid remained firmly in place and many political prisoners were still in jail

DAVID BRAUN, JAMES TOMLINS and SAPA

● It is reported from London that British participation in the European Community's ban on new investment in South Africa was formally lifted yesterday by Premier Mrs Margaret Thatcher's government

An announcement lifting Britain's inclusion in a Commonwealth ban on encouraging tourism to South Africa was also expected yesterday

Mr Nelson Mandela yesterday criticised Britain's decision

We don't see any reason for a review of sanctions until a settlement is reached between the oppressed people of the country (South Africa) and the Government, he said in an interview with the BBC

Mr Mandela is expected to attend a concert at London's Wembley stadium in April to celebrate his release earlier this month after 27 years of imprisonment

He said he hoped to meet Mrs Thatcher on that visit

Despite news that exiled African National Congress (ANC) leaders are to meet the South African Government, possibly within weeks, Mr Mandela said the ANC would not open full negotiations under the current state of emergency

Mandate

We want to be placed in exactly the same position as the National Party We should be able to consult our people, we should be able to get a mandate from them

But Mr Mandela did offer an olive branch on nationalisation, which he said was negotiable He emphasised, however, that the issue of one-man one-vote was not negotiable.

● It is reported from Paris that President Mitterrand has received a message from President de Klerk requesting him to lift sanctions once the state of emergency has been ended.



DP leader Dr Zac de Beer leaves Mr Mandela's Soweto home.

Mandela may call on Downing St

MR Nelson Mandela conferred with parliamentary Opposition leaders yesterday, and aides released details of his forthcoming overseas trip

Aides also confirmed that Mr Mandela, who has endorsed the nationalisation of certain key industries, planned to meet the chairman of the Anglo American Corporation, Mr Gavin Relly, on Monday.

Mr Relly will apparently visit the ANC leader's house in Soweto

Mr Mandela, whose last trip abroad began with a clandestine border crossing in 1962 shortly before his imprisonment, plans to fly to Lusaka on Tuesday There, he will meet leaders of several African countries and confer with the ANC's exiled leadership

He then plans to spend three days in Zimbabwe and six days in Tanzania before flying to Sweden on March 12 to visit ANC President Oliver Tambo, who is recovering from a stroke in a Stockholm clinic

At his home yesterday, Mr Mandela met the three co-leaders of the Democratic Party. He also met the Labour Party's the Rev Allan Hendrickse

The ANC has urged boycotts of elections for the houses of Delegates and Representatives, saying their creation was part of an effort to entrench the exclusion of blacks But Mr Hendrickse said after his meeting with Mr Mandela that the ANC and the Labour Party would be able to work together.

DAVID CRARY in Johannesburg
SUE LEEMAN in London

Dr Denis Worrall, one of the Democratic Party leaders, said his delegation and Mr Mandela had agreed on the need for universal voting rights, but differed over the ANC's support for guerilla violence, economic sanctions and nationalisation.

Since his release on February 11 after 27 years in prison, Mr Mandela has reaffirmed his support for the ANC's economic policies, which supports nationalisation of mines, banks and monopoly industries.

His initial remarks lowered prices on the Johannesburg Stock Exchange Subsequently, Mr Mandela and other ANC officials have sought to reassure white businessmen, saying economic issues should be subject to negotiation and compromise

Mr Relly has spoken out frequently against apartheid, and in 1985, when the Government was condemning all contact with the ANC, he was among a group of South African businessmen who travelled to Lusaka for talks with the movement's leaders

Another member of that delegation, Tony Bloom, is also scheduled to meet Mandela on Monday

Mr Bloom was formerly chairman of the Premier Group, one of South Africa's biggest food companies, but he left the country in 1988 to work in London

It is reported from London that there is strong chance that when Mr Mandela arrives in London in April a meeting with Mrs Thatcher will be on the agenda

ANC sources have indicated that Mr Mandela will, 'out of courtesy", make contact with the British authorities

Unlike previous ANC leaders who had to make do with junior ministers, he is likely to be given the red carpet treatment all the way to Downing Street

The British government, although hesitant to recognise the ANC, has professed admiration for Mr Mandela

A Downing Street spokeswoman said last week that the invitation still stood for Mr Mandela to visit Mrs Thatcher

She declined to say whether Mrs Thatcher would now be writing to Mr Mandela to specifically invite him for April However, she added that if he did ask to see the Prime Minister, "and if her diary permits it", the meeting would take place

Observers believe Mrs Thatcher would be happy to make room in the busiest diaries for Mr Mandela

WEBSTER WATCH

Split response on ANC

UK to phase out sanctions

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MARGARET THATCHER has proposed a systematic lifting of sanctions against South Africa and has drawn up a list of Britain's planned responses to reforms introduced by Pretoria.

The Prime Minister's "carrot and stick" approach means that when President F W de Klerk lifts the state of emergency, Britain will reintroduce trade missions to South Africa and reappoint a military attaché to the British Embassy in Pretoria.

Disclosure of this proposal is a defiant gesture by Mrs Thatcher to demonstrate her dismissal of criticism heaped on the British Government this week for going it alone with her plan to lift some voluntary sanctions.

Despite the opposition of other European Community countries at last week's Foreign Affairs Council in Dublin, the Government gave formal notice on Friday that it had lifted the bans on new investment, encouraging tourism and cultural, scientific and academic links.

By JULIA LANGDON
London

The Prime Minister is dismissive of the fact that this action will be resisted by what Downing Street calls the "sanctions industry".

Influence

She believes her declared commitment to helping end apartheid is more important than any reflex reaction from those who are now pursuing an outdated campaign on sanctions.

The Government believes that restoring a British trade mission in South Africa would help restore the economy there and that the withdrawal of a military attaché from the British Embassy has been a meaningless gesture.

Mrs Thatcher wants to maximise her influence with the South African Government and is unperturbed by Mr Nelson Mandela's view that sanctions should remain.

In an interview with BBC television on Friday, he said: "We don't see any reason for a review of sanctions until a settlement is reached between the oppressed people of this country and the Government."

But he also acknowledged that the British reaction was important and said that he had no doubt the South African Government would consider "very carefully" what Mrs Thatcher did and said.

He said that he hoped to have the opportunity to discuss these matters with the Prime Minister, who has said that she would like to see him if and when he visits Britain.

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Maggie set to lift further sanctions



THATCHER

Sowetan Foreign Service

LONDON - British Prime Minister Mrs Margaret Thatcher is preparing to lift further sanctions against South Africa, according to several British Sunday newspapers.

Their political reporters believe as soon as the state of emergency is lifted, she will reintroduce trade missions to SA, and once again appoint a military attache to Pretoria. Sowetan 26/2/90

Thatcher is reported to be unshaken by the protest which followed her announcement last week that Britain was unilaterally to lift bans on new investment, encouraging tourism and cultural, scientific and economic links.

The papers see her as "defiant" and "dismissed" of criticism, insisting President FW de Klerk needs encouragement from foreign governments to help him resist rightwing pressure.

She is said strongly to believe that trade missions to South Africa would help rebuild the Republic's economy. Withdrawal of Britain's military attache was seen as a purely token gesture in its time.

B/Day 26/2/90

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Chrome ore embargo rebounds in Scandinavia

SANCTIONS against SA turned into a two-edged sword this month when a ferro-alloy producer in Sweden announced the closure of a plant, and another producer in Norway said it was putting a plant on hold at the end of March — in both cases due mainly to a ban on cheaper chrome ore from SA.

Swedechrome, a charge chrome producer, said it was closing down its 80'000-tons per year capacity plant at Malmo, leading to 120 job losses, reports London-based Metal Bulletin (MB).

According to MB the company said in a statement the closure was a direct result of "a decrease in ferro-chrome prices and an unfavourable cost position (for chrome ore) due to Sweden's

RIAAN SMIT

embargo on SA products".

SA produces about half of the world's chrome ore.

Sweden and Norway had to rely on higher priced alternatives, such as Turkish and Albanian ore, MB said.

Closures

Swedechrome's plight was compounded by technical problems with the commissioning of the plant. Full output was achieved a whole year after metal was first poured in the autumn of 1986, which meant the company could not reap fully the benefits of the near two-year bull run in charge chrome prices.

MB quotes MD Goran Wahlberg as saying the decision to close the plant "is likely to be the first in a long line of closures".

Norsk Ferrokrom, the Norwegian HC ferro-chrome producer, was expected to put its operations at Mo-i-Rana on standby at the end of March following indications from its 51% share-holder, state-owned Norsk Jern Holdings, that it would only provide financial support until the end of March, MB reported.

Earlier MB quoted unnamed sources from Norsk Ferrokrom as saying problems were basically financial and had arisen because of the higher price of Turkish and Albanian ore compared with ore from SA.

About 125 people could lose their jobs at the plant, while the majority of this remote community's population were in one way or another employed by Norsk Jern Holdings, MB said.

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Chrome ore embargo rebounds in Scandinavia

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Portuguese in SA deny they plan to quit

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Business Day Reporter

THE Portuguese community has reacted sharply to reports that an emergency evacuation of Portuguese nationals was being contemplated by Lisbon authorities.

A report on Friday said the Portuguese Foreign Ministry had confirmed the existence of plans for evacuation should the situation in SA deteriorate.

The ministry stressed there was no immediate cause for worry.

It said it was responding to pressure from the Portuguese community in SA.

However, Council for the Portuguese Community secretary Joao Fernandes said his council had kept the Lisbon authorities fully appraised of the situation in SA and at no time had there been talk of evacuation.

He said a series of regional community meetings were held at the beginning of February. As a result the council had written to the Portuguese government outlining events in SA and the present favourable climate.

Confident

"We alerted Portugal to the possibilities of increased trade and, as witnessed by the recent stand taken by Portugal in support of Britain in the European Community, the Lisbon authorities are fully aware of the import of (President F W) De Klerk's announcements."

Portugal supported British Prime Minister Margaret Thatcher's call at the EC's Dublin summit for the lifting of voluntary sanctions against SA.

"We are confident that if matters in SA develop in the way we think they are going to, many business opportunities will be opened up, not least trade with Mozambique and Angola," he said.

Fernandes added that the absorption of more than 500 000 Portuguese nationals evacuated from Angola and Mozambique in 1975 had created serious problems in Portugal.

He said it would be extremely difficult now to evacuate the 400 000 Portuguese nationals in SA.

"Furthermore, the community here is committed to staying in SA," he said.

Portuguese Association chairman Manuel Isidro denied that the local community had asked for, or wanted, such evacuation plans to be set in motion.

Maggie's plan to end sanctions

Own Correspondent

LONDON. — Mrs Margaret Thatcher is proposing a progressive lifting of sanctions against South Africa as progress is made toward reform.

And she has already drawn up a list of Britain's further responses to action by Pretoria.

Mrs Thatcher's "carrot and stick" approach means that when the current state of emergency is lifted, Britain will reintroduce trade missions to SA and once again appoint a military attaché to the British embassy.

The disclosure of this proposal is seen as a defiant gesture by Mrs Thatcher to demonstrate her dismissal of the criticism heaped on the goverment last week for unilaterally going ahead with the lifting of voluntary bans on new investment and on tourism, cultural, scientific and academic links.

She told the cabinet that it was necessary to offer encouragement to President F W de Klerk to help him stand up to the pressures from the right wing.

Cosatu lambasts easing of sanctions

Thatcher is warned of workers' anger

LONDON — British companies operating in South Africa have been warned that they could be targets of workers angered by Prime Minister Mrs Margaret Thatcher's partial lifting of sanctions.

The warning was issued by Mr Elija Barayi, president of the Congress of South African Trade Unions (Cosatu), who was speaking in London at an anti-apartheid conference on "repression and resistance".

Permission to travel

Mr Barayi, making his first visit to Britain after the South African Government finally granted him permission to travel abroad, also warned Mrs Thatcher not to make her planned visit to South Africa because the majority did not want her there.

"Mrs Thatcher's decicion to lift the ban on new investment is an affront to the people of South Africa.

"If she insists on coming to South Africa, she will feel the anger of our workers," he told the conference.

"(Rebel cricket captain) Gatting's reception will have been mild in comparison to what Mrs Thatcher can expect.

"Also, Mrs Thatcher must not be surprised if British companies in South Africa become the target of workers' anger," he said to applause from the about 200 delegates at the conference, consisting of anti-apartheid activists and trade unionists.

Mr Barayi did not elaborate on his warning, or what mass action might be taken by workers against British companies in South Africa.

Mrs Thatcher's government on Friday officially lifted its ban on new investment in South AFrica, and reversed its policy of discouraging tourism to the country.

The unilateral steps, against the advice of all her European Community partners, with the exception of Portugual, followed her earlier reversal of the bans on academic, scientific and cultural ties with South Africa.

Mrs Thatcher and government spokesmen were adamant that President F W de Klerk's government vitally needed an immediate symbolic and practical response in encouragement of its dramatic reform moves in unbanning the ANC and releasing Mr Nelson Mandela.

Hit-squad threats

Mr Barayi said: "Some people believe that after Mr de Klerk's dramatic announcements, all is suddenly peaceful in South Africa.

"This is not so . . . police attacks continue on the people, and repression is still rampant in the so-called bantustans, especially Gazankulu and Ciskei."

He said Cosatu's own vice-president, Mr Chris Dhlamini, was currently in hiding after threats from the hit-squads. — Sapa.

Trade groups may start up once again

The Star Bureau

LONDON — Prime Minister Mrs Margaret Thatcher is preparing to lift more sanctions against South Africa, according to several British Sunday newspapers.

They believe that as soon as the state of emergency is lifted she will reintroduce trade missions to South Africa, and again appoint a military attache to Pretoria.

She is reported to be unshaken by the protest which followed her announcement last week that Britain was unilaterally to lift bans on new investment, and encourage tourism, cultural, scientific and economic links.

She is said to believe that trade missions will help South Africa rebuild its economy.

The withdrawal of Britain's military attache was seen as a purely token gesture at the time.

But Mr Norman Willis, general secretary of Trades Union Congress has added his voice to the criticism of the government's move.

He has attacked its "false optimism" about change in South Africa, and says the names of business people who go ahead now with the restoration of trade would be noted.

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Sanctions: Trying to play an even hand

ARGUS 27/2/90

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From DAVID BRAUN
The Argus Foreign Service

WASHINGTON. — US policy toward South Africa may be finally starting to gel following an agreement by both Houses of Congress and the two political parties on how to handle sanctions and negotiations.

POLITICS

A bipartisan group of all the key congressional players in the South African issue introduced a resolution simultaneously in the Senate and in the House of Representatives which deliberately took a middle line between the South African government and the African National Congress on the subject of sanctions.

Real progress

The Congress refused to lift any US sanctions at this stage, as Pretoria has been pushing hard to get. But it has also refused to accede to the ANC's request that sanctions remain in place until political power has been transferred to the black majority.

What Congress has instead opted for is, in the words of Congresswoman Constance Morella, to offer South Africa two hands. one wielding a stick and the other dangling a carrot.

If South Africa continues to make real progress toward a nonracial democracy, according to guidelines stipulated by the US sanctions legislation of 1986, Congress will start lifting sanctions If there is no progress or if there is any backsliding toward apartheid, sanctions will be reimposed or even intensified

The move by the Congress has delighted the Bush Administration, which has also decided to let the 1986 Comprehensive Anti-Apartheid Act (CAAA) be its refeence point in determining its South Africa policy.

There is now an excellent prospect that the executive and legislative branches of the US government will be able to speak with one voice on the issue of South Africa — a goal both the Administration and the Congress had set out to achieve since President Reagan left the White House

Reasonable conditions

US Assistant Secretary of State for Africa Mr Hank Cohen has described the CAAA as a wise piece of legislation because it set reasonable conditions for lifting sanctions. These conditions, if met, would create the climate for negotiations in South Africa, he said.

The conditions are the release of all political prisoners and allowing exiles to return home, the unbanning of all political organisations, the lifting of the state of emergency (which implies also the removal of troops from black townships), the repeal of the Group Areas Act, Land Act and Separate Amenities Act, and the government agreeing to good-faith negotiations with the black majority.

The CAAA provides for the US President to modify or suspend any one or more of the sanctions against South Africa if four out of the five conditions have been met.

If all five conditions are met, the sanctions imposed by Congress in 1986 would be repealed automatically.

Right now experts in the State Department are determining how many of the five conditions have already been met by President F W de Klerk.

On the surface of it, according to one official, South Africa appears to have satisfied the conditions of unbanning political organisations and agreeing to good-faith negotiations. It has also gone a long way toward meeting the conditions of releasing all political prisoners (although several dozen people being held in terms of the emergency and under the Internal Security Act as well as between 2 000 and 3 000 people serving prison sentences for politically mtivated sentences must still be freed. The issue of amnesty for all exiles must also be sorted out).

The state of emergency has been partially lifted and a start has been made to taking the troops out of the townships.

The fifth condition, the repeal of the Group Areas Act and other apartheid laws, appears not to be on the cards on the foreseeable future. However, there is some support in the US for the view that this ought not to be a condition at all, as the laws should more rightfully be the subject of negotiations between white and black South Africans

The concurrent resolution of the Houses of Congress also serves to squash moves toward intensifying sanctions against South Africa, at least for time being

No less a person than California Democratic Senator Alan Cranston, who piloted the sanctions legislation through the Senate in 1986, said he was now not in favour of any new measures at this stage.

A majority of Congress clearly believes the existing measures are working well and are quite adequate to maintain pressure on Pretoria. If South Africa, however, fails to make further progress toward the meeting of the five conditions, Congress would very likely consider a range of new sanctions in 1991.

Sizeable loan

The carrots being held out for South Africa are not merely the lifting of sanctions If all goes well and South Africa completes its negotiations successfuly, various Congressmen have indicated they would be in favour of pushing for US support for a sizeable IMF loan for the new government as well as some US assistance.

The lead taken in US policy toward South Africa by the Congress may fall short of the expectations of both the South African government and the ANC

However, both sides can take comfort in the fact that the US legislature is trying to play an even hand

Commonwealth not budging on sanctions

LUSAKA — Canadian Foreign Minister Joe Clark yesterday reaffirmed the Commonwealth commitment to sanctions until there was "clear evidence of irreversible change in the apartheid structure".

Clark, who is also chairman of the Commonwealth Foreign Ministers on Southern Africa Committee, said it would be decided in the next few months "precisely what that phrase means".

"I think SA is still a long way from achieving the end of apartheid, and there are still a lot of things that could go wrong.

"There needs to be more movement on the state of emergency and clarification on other questions, including the dismantling of the pillars of apartheid."

CHARLENE SMITH

However, he said Canada had been impressed by the degreee of positive movement from the SA government and the ANC so far.

Clark, who arrived yesterday, met Zambian Prime Minister Kenneth Kaunda and held brief talks with an ANC delegation.

● See Page 3

Mood is there for lifting of sanctions on reasonable terms

SIMON BARBER in Washington

SENATOR Edward Kennedy is desperately anxious that you should not know it, but the centre of political gravity here has moved not only against proponents of additional sanctions but even those who would merely keep all existing ones in place.

The secret came out last Thursday as the usual congressional suspects, Kennedy among them, unveiled a resolution inviting President George Bush to remove one or more sanctions once Pretoria lifted the state of emergency and reached agreement with the ANC on who constituted a political prisoner and was therefore to be released.

The resolution does not say this specifically, nor is it what Kennedy would have his constituency in SA or here think the text really means. Indeed, his spokesman, Mike Frazier, yelled at me for construing the thing in this manner in a report that appeared in Business Day before Kennedy had had a chance to place his own spin on the matter. My story, faxed to Kennedy's office, had clearly panicked those who are relying on him to keep US sanctions at full strength until a final settlement has been reached.

Too bad. My interpretation is the one almost certain to be shared by more than half the Senate. Were it not so, the resolution would not have received the support of such Republicans as Nancy Kassebaum, Richard Lugar and Mitch McConnell, nor of such Democrats as intelligence committee chairman David Boren and Terry Sanford. Accordingly, should Bush be inclined to accept the resolution's invitation and lift some sanctions when the above two conditions are met, there will not be sufficient votes in Congress to override him. Majorities in both Houses are required to block his will.

There is a lovely irony in this. When Kennedy, Senate Africa subcommittee chairman Paul Simon and other sanctioneers first began drafting the resolution, their purpose was to move the goal posts laid out in the Comprehensive Anti-Apartheid Act because President F W de Klerk and his team were pressing too close. As they canvassed for useful idiots to sign onto their proposal, they quickly discovered that the only language for which they could get serious backing set the goal posts in concrete. By then, especially after the release of Nelson Mandela, it was too late to back out.

So they have been reduced to outright subterfuge: their last hope is to prevent Pretoria from scoring by changing the definition of goal — as in, the ball has to go past the posts at a speed and on a trajectory of which only they can be the judge. Fortunately, they no longer have the clout to sustain this nonsense.

The resolution's operative clause states: "Congress ... will support the suspension or modification of one or more sanctions or the termination of sanctions as soon as the conditions of the Comprehensive Anti-Apartheid Act of 1986 are met." This leaves open two questions: how is fulfilment of the conditions to be defined and which sanctions are to be lifted?

Implicit in the mainstream interpretation is the notion that De Klerk has already met two of the four requirements needed to free the president's hand. To use the CAAA's own words, he has unbanned political parties and permitted "the free exercise by South Africans of all races of the right to form political parties, express political opinions and otherwise participate in the political process". He has also "agreed to enter into good faith negotiations with truly representative members of the black majority without preconditions". That leaves the state of emergency and political prisoners. Bush must also certify that Pretoria has made "substantial progress towards dismantling the system of apartheid and establishing a non-racial democracy", but this is widely held to be covered by its meeting the other four criteria.

Simon disagrees, of course. He takes an altogether more restricted view. Like Kennedy and others at bat for the ANC/MDM line, he argues that no conditions have fully been met. He also contends that even if all four are satisified — as they could be after the forthcoming meeting between De Klerk and the ANC — "substantial progress" will not have been made until "some legislative pillars of apartheid" have been repealed (he does not specify which) and the "group rights" concept is formally abandoned. Since it already has been to all intents, Simon is essentially looking for De Klerk to disclose in advance his bottom line in any constitutional negotiation.

In short, he and his allies are fighting a rearguard action on behalf of the Harare Declaration and its demand that sanctions remain untouched until the game is over.

Unless De Klerk falters, this position would not survive a test in the Senate. Indeed, whatever Simon and Kennedy may say in public, they have already had to abandon much of it behind the scenes. Simon's principal adviser on SA, Nancy Stetson, drew up a list of definitions of the CAAA's requirements for attachment to the resolution.

It was not acceptable to the centrists and had to be dropped if the resolution was to get off the ground at all. In fact, it was not the only language ceded. Kassebaum also forced excision of a clause calling for the reimposition of lifted sanctions if SA "reverses course and resorts to repression".

If Bush has the spine to face the squeals of the Simon-Kennedy camp, the mood is there for lifting on terms that De Klerk may soon meet. The issue then is what should be lifted and whether Bush was serious when he said he would have to consult both Mandela and De Klerk first.

My guess is that he was not serious and that he will certify SA has met the conditions as soon as he can, if necessary over the handwringing of his more craven advisers. This, after all, is the president who left his Secretary of State, James Baker, sputtering in surprised rage when the White House announced De Klerk was to be invited to Washington after Mandela's release. Baker thought he'd killed that idea. Bush didn't bother to tell him otherwise.

The working consensus between centrists like Boren, Kassebaum and McConnell and the State Department is that the removal of sanctions should be incremental. Where to begin will be discussed by Baker and congressional leaders. The agricultural ban is a contender because of its impact on black employment. Some favour the more symbolic gesture of restoring direct airlinks between the US and SA. Then, as De Klerk jumps through more, as yet undefined, hoops, more measures will be struck from the regulations.

Basically, it will be up to the administration to recommend each suspension after consulting Congress. It is unclear whether this will entail the possibility of congressional veto on each occasion. If so, the process could become extremely fraught and laborious.

The resolution is worded in such a way that it seems to permit sanctions outside the CAAA to be considered for suspension. These would include the Rangel amendment, which forces US companies to pay taxes on their SA profits both in SA and here, and the de facto ban on SA use of IMF facilities.

Neither, unfortunately, is expected to come up for early review. The Rangel amendment specifically demands the repeal of the Group Areas and Population Registration Acts, an optional requirement in the CAAA, and so will almost certainly stay until constitutional talks have run their course. The IMF restriction, which the administration could quite legally end this minute, is too controversial.

Not only would its removal give SA access to up to $1,9bn in IMF loans by some estimates, it might even open the way for new flows of private capital as well, especially once the CAAA's new loan and investment ban was also lifted. Bankers who last week told Fauntroy's committee that their sole interest in SA, however ruled, was simply to get their money back, might change their minds if SA was once again a full member of the international financial community.

Such a prospect is unacceptable, however, even to many of the centrists, and there have already been threats that should the administration even consider it, Congress will hold hostage the replenishment of the fund's overall resources. Lack of outside finance is seen as the principal reason De Klerk is where he is now. Nothing would provoke a fiercer battle than an attempt to surrender that lever.

The good news, then, is that the sanctioneers have been tactically outmanouevred by the centre so that some sanctions may soon start coming off — over the ANC's objections and assuming the Bush administration has the minimum of courage needed to do it. The bad news is that the sanctions which really count and whose removal could help make everyone a winner in the new SA will be the last to go.

As for the grotesque idea that the CAAA can be used to pull De Klerk's strings as if he were some sort marionette, that will be around for long time, too.

US legislature deals even hand on anti-SA sanctions

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DAVID BRAUN of The Star's Washington Bureau assesses United States policy on South Africa after last week's bipartisan resolution in Congress on sanctions.

US policy on South Africa may be finally starting to gel after an agreement by both Houses of Congress and the two political parties on how to handle sanctions and negotiations.

A bipartisan group of all the key congressional players on the South African issue last week introduced a resolution simultaneously in the Senate and in the House of Representatives that deliberately took a middle line between the South African Government and the African National Congress on sanctions.

The Congress refused to lift any US sanctions at this stage, as Pretoria has been pushing hard for it to do, but it has also refused to accede to the ANC's request that sanctions remain in place until political power has been transferred to the black majority.

What Congress has opted for instead is, in the words of Congresswoman Constance Morella, to offer South Africa two hands — one wielding a stick and the other dangling a carrot

If South Africa continues to make real progress towards a non-racial democracy, according to guidelines in the US sanctions legislation of 1986, Congress will start lifting sanctions.

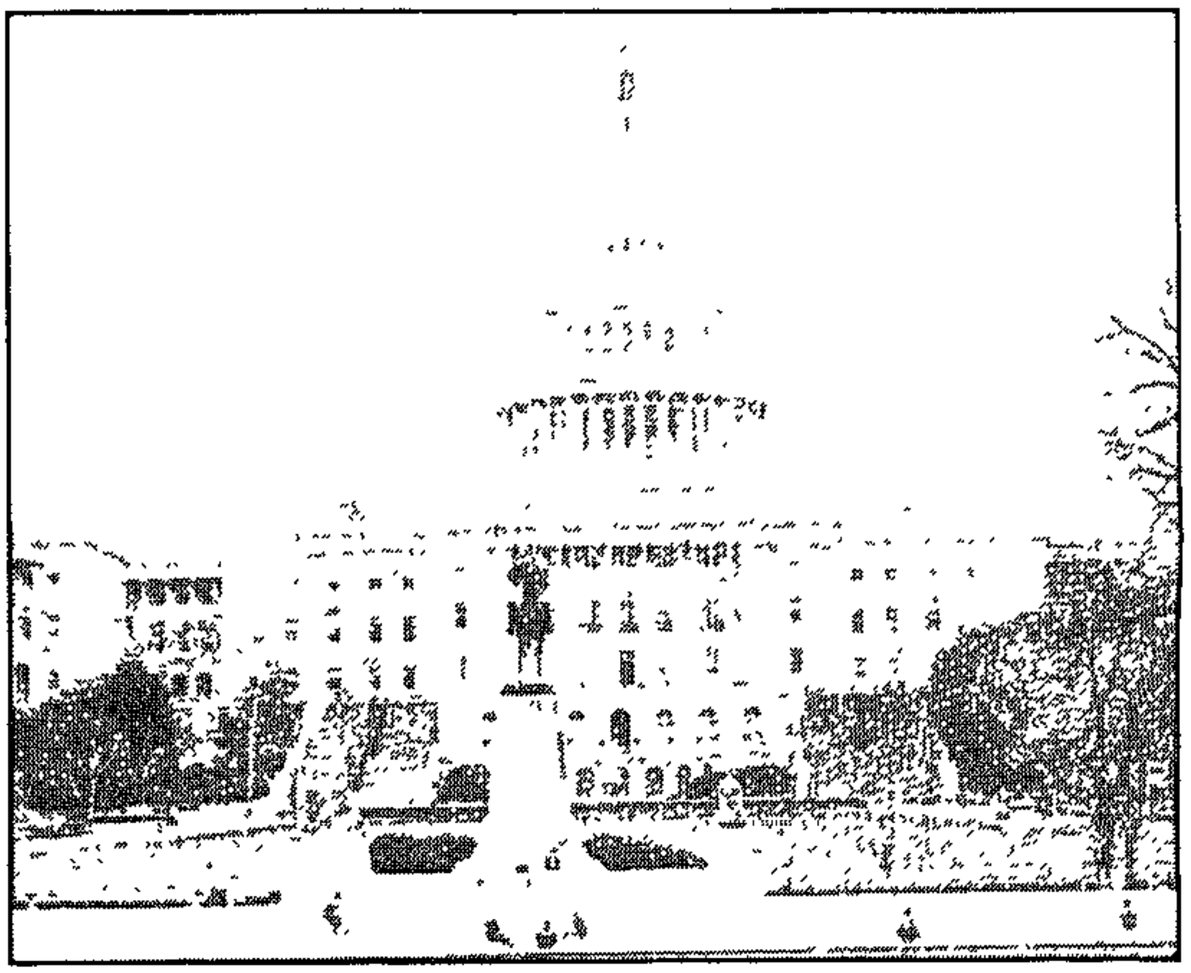
If there is no progress or if there is any backsliding towards apartheid, sanctions will be reimposed or even intensified.

The move by Congress has delighted the Bush administration, which has also decided to let the 1986 Comprehensive Anti-Apartheid Act (CAAA) be its reference point in determining its policy on South Africa

Wise

There is now an excellent prospect that the executive and legislative branches of the US government will be able to speak with one voice on the issue of South Africa — a goal the administration and Congress had set out to achieve since President Reagan left the White House.

US Assistant Secretary of State for Africa, Mr Hank Cohen, this week described the CAAA as a wise piece of legislation because it set reasonable conditions for lifting



Congress introduced a resolution on sanctions that deliberately took a middle line between the South African Government and the African National Congress, and may fall short of the expectations of both.

sanctions. These conditions, if met, would create the climate for negotiations in South Africa, he said.

The conditions are the release of all political prisoners and allowing exiles to return home, the unbanning of all political organisations, the lifting of the state of emergency (which implies also the removal of troops from black townships), the repeal of the Group Areas Act, Land Act and Separate Amenities Act; and the Government agreeing to good faith negotiations with the black majority

The CAAA provides for the US president to modify or suspend any one or more of the sanctions against South Africa if four out of the five conditions have been met.

If all five conditions are met, the sanctions imposed in 1986 would be repealed automatically.

(The sanctions affect SA Airways' landing rights in the US and include a ban on new US investment in SA and imports of South African agricultural products, coal, iron and steel, uranium, as well as any article produced, manufactured, marketed or exported by South African parastatals.)

Experts in the State Department are determining how many of the five conditions have already been met by President de Klerk.

On the surface of it, according to one official, South Africa appears to have satisfied the conditions of unbanning political organisations and agreeing to good faith negotiations. It has also gone a long way towards meeting the conditions of releasing all political prisoners, although several dozen people being held in terms of the emergency and the Internal Security Act, and 2 000 to 3 000 people serving prison sentences for politically motivated crimes, must still be freed. The issue of amnesty for all exiles must also be sorted out.

The state of emergency has been partially lifted and a start has been made to taking the troops out of the townships

The fifth condition, the repeal of the Group Areas Act and other apartheid laws, appears not to be on the cards in the foreseeable future. However, there is some support in the US for the view that this ought not to be a condition at all, as the laws should more rightfully be the subject of negotiations between white and black South Africans.

The concurrent resolution of the Houses of Congress also serves to squash moves towards intensifying sanctions against South Africa, at least for the time being.

Working

California Democrat Senator Alan Cranston, who piloted the sanctions legislation through the Senate in 1986, said this week he was not in favour of any new measures at this stage.

A majority of Congress clearly believes the existing measures are working well and are quite adequate to maintain pressure on Pretoria. If South Africa, however, fails to make further progress towards meeting the five conditions, Congress would probably consider a range of new sanctions in 1991

The carrots being held out for South Africa are not merely the lifting of sanctions. If all goes well and South Africa completes its negotiations successfily, various Congressmen have indicated they would be in favour of pushing for US support for a sizeable IMF loan for the new government as well as some US assistance

Such money could be used to build schools and housing for black South Africans that the ANC now says will have to be paid out of the proceeds of nationalisation.

The lead taken by the Congress in US policy towards South Africa may fall short of the expectations of both the South African Government and the ANC, but both sides can take comfort in the fact that the US legislature is trying to play an even hand.

The Congressional resolution singled out both President de Klerk and Mr Nelson Mandela for warm commendations and encouragement, and both were urged to continue to facilitate the climate for negotiations.

New call for wider sanctions against SA

GENEVA. — The 43-nation UN Human Rights Commission has voted 35-2 to issue a new call for widened international sanctions against South Africa in support of the struggle against apartheid policies.

While welcoming the release of African National Congress leader Nelson Mandela and the lifting of some restrictions on anti-apartheid groups, the text said sanctions already adopted by "certain countries are commended to the wider international community for urgent adoption and implementation".

Britain and the United States were the only commission members to vote against the resolution which urged that existing measures against the white-ruled country not be relaxed "until there is clear evidence of profound and irreversible change". — Sapa-AP.

Schoolboy killed

A 16-year-old Brackenfell schoolboy was killed in an accident near his home while on his way to school. Police said Andries Nel of Glen-Gary farm, Brackenfell was struck by a car in De Bron Street near the Aroma Inn. — Crime Reporter.

UN votes for wider curbs on S Africa

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EVIDENCE

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The resolution urged that existing measures against South Africa not be relaxed "until there is clear evidence of profound and irreversible change".

Five West European countries and Japan abstained while Sweden and Spain were among the 35 nations supporting the resolution co-sponsored by 29 Third World delegations.

Another draft, condemning assistance rendered "by major Western countries and Israel" to South Africa as a "hostile action" against its people, was approved by a vote of 31-8. — Sapa-AP.

British activists press for sanctions

By Sue Leeman,
The Star Bureau

LONDON — The valleys of his beloved Wales could not have provided Labour leader Mr Neil Kinnock with a warmer welcome than he received from 700 anti-apartheid activists at Westminster's Central Hall yesterday.

The activists had come from all over Britain to lobby Parliament to continue sanctions against South Africa, some of them travelling up to 12 hours just for a 30-minute encounter with their MP.

The programme began with a recital of freedom songs by the Khotso Trio, followed by the appearance of an ebullient Mr Kinnock.

STANDING OVATION

Despite their obvious appreciation of Mr Kinnock, the crowd saved its only real standing ovation for UDF publicity secretary Mr Popo Molefe, who began by "saluting the struggle" of like-minded Britons who had pushed for sanctions. "It is precisely because of this pressure that Pretoria is talking about negotiations," he said as listeners applauded.

"Mrs Thatcher says President de Klerk is a very good man. Yes, he has a very good smile, but we in the townships have no reason to say he is a good man."

Human dignity, he said, must supersede the profit motive in South Africa — and Mrs Thatcher must "place our lives above the profit she is making there. We refuse to allow her to ride roughshod over us, to rule us like a dictator."

Also on the programme was Social Democratic Party leader Dr David Owen, who spoke highly of Mr Nelson Mandela. "Can there ever be the actions of a single man that have better illustrated the spirit of reconciliation than every single thing Nelson Mandela has done since his release?" he asked.

Dr Owen received no cheers when he insisted that Mr de Klerk was a man of integrity — but the crowd's mood changed when he called for sanctions to remain in place until "apartheid is gone from South Africa".

Demo threat if Thatcher visits SA

1/3/90

★ Cape Times, Thursda

LONDON. — Demonstrations similar to those against the English rebel cricketers would probably greet British Prime Minister Margaret Thatcher were she to pay a visit to South Africa in the immediate future.

This was said yesterday by the general secretary of the United Democratic Front (UDF), Mr Popo Molefe, who is in Britain to campaign for the retention of sanctions.

Mr Molefe also disclosed that preliminary talks would be held soon between the UDF and the recently unbanned ANC about a possible merger.

He said that if Mrs Thatcher were to visit South Africa now it was probable that "masses of our people would demonstrate against her visit as they did during the Gatting tour". Such demonstrations, he said, would be spontaneous.

Own Correspondent

LONDON. — Due, among others, to diplomatic isolation on the partial lifting of sanctions against South Africa and on German unification, Mrs Margaret Thatcher's influence is said to be waning.

The establishment Wall Street Journal yesterday published a damning analysis of the British Prime Minister — and concluded that "she is becoming a political irrelevance".

"For the first time in her nearly 11 years in office, Mrs Thatcher's position as the most influential leader in Europe seems shaky, if not finished," says the newspaper in its European edition.

Her stance against European economic and political integration, it says, caused her to lose several votes in the European Community by 11 to 1.

He said the SA government had "not yet gone far enough to warrant a state visit by Mrs Thatcher".

Mrs Thatcher's visit to SA is not expected until about mid-year — although there is Whitehall speculation that she could go as early as Easter.

On the question of the UDF and ANC uniting, Mr Molefe said the UDF was an "independent front of organisations" and would have to go through the correct democratic processes.

A decision would be taken at the UDF's next national conference, to be held in Cape Town from April 6 to 9.

He expected this to be preceded by a meeting of ANC and UDF executives.

The next national conference of the ANC is scheduled for later this year. It could be the first within South Africa in 30 years. It will elect a leader and national executive committee. With ANC president Mr Oliver Tambo probably stepping down owing to ill health, Mr Nelson Mandela seems likely to be elected the next leader.

Sanctions to stay, say African leaders

LUSAKA. — Southern African and Commonwealth leaders, pledging support for the African National Congress and "blind faith" in Mr Nelson Mandela, agreed yesterday that sanctions against South Africa had to be maintained "until the path towards a negotiated political settlement is irreversible".

"We are all agreed that sanctions must go on," Zambian President Kenneth Kaunda told a news conference after a morning of talks between Mr Mandela and seven African presidents, Commonwealth officials and other leaders, including Palestine Liberation Organisation chief Mr Yasser Arafat.

Mr Kaunda, the 65-year-old leader of the six-member Frontline states, said the summit had agreed to abide by a UN General Assembly resolution maintaining sanctions at least until a review in July.

"If it appears that South Africa is moving towards abolishing apartheid and that is now irreversible then of course sanctions will be dropped," said Mr Kaunda. "If not, then we will pray for more sanctions." — Sapa-Reuter

Italians will 'urge Europe to help FW'

Political Staff

A MULTIPARTY delegation of visiting Italian parliamentarians is to press for President F W de Klerk to pay state visits to all the capitals of Europe.

Ms Martherita Boniver, senior MP of the Italian Socialist Party, said this in the city yesterday at the close of the visit.

The delegation included a member of the Italian Communist Party — believed to be the first communist public representative to visit here for many years.

FW "must visit Europe"

Ms Boniver said: "We will certainly go back to our country with one simple message, that Mr De Klerk must be helped by the European Community to continue on his way."

She said it was important that Mr De Klerk visited the European capitals to inform heads of state of what he was doing. She would press the Italian government to receive him.

However she said that further decisions on European sanctions would probably only be made once the three-nation fact-finding mission — appointed at the recent meeting of EC foreign ministers — had been here.

She was sure if Mr De Klerk lifted the state of emergency and released political prisoners there would at least be a partial lifting of sanctions.

The Italian delegation met African National Congress leader Mr Nelson Mandela, Foreign Minister Mr Pik Botha, Anglican Archbishop Desmond Tutu and Deputy Constitutional Development Minister Mr Roelf Meyer.

"There is a positive feeling in the delegation that change has started, that it is sincere and that it is going in the right direction."

On the future of communism in South Africa, Ms Boniver said: "I hope it is zero."

The Italian Socialist Party was democratic and had abandoned the policy of nationalisation decades ago.

The delegation's communist representative also believed communism had no future in this country.

Equal rights for all

Mr Antonio Rubbi, head of the Italian Communist Party's foreign relations committee, said he believed the future of South Africa lay in democracy and equal rights for all, not in communism.

He said Archbishop Tutu had summed up the feelings of the delegation when he said that if anyone had told him in September last year the ANC, PAC and SA Communist Party would be unbanned and Mr Mandela released by February "he would have told him to see a psychiatrist."

Buthelezi asks Bush to lift sanctions against SA

Own Correspondent

WASHINGTON — Chief Mangosuthu Buthelezi yesterday urged President George Bush to ignore the ANC's objections and move swiftly to end sanctions because they served only to perpetuate "confrontation" and "winner-takes-all politics".

After a brief visit to the White House — his first since President Bush took office — Chief Buthelezi said he "welcomed" Mr Nelson Mandela's call for an end to the violence in Natal but made clear he still had major differences with the ANC.

Chief Buthelezi argued that the "race gaps" must be bridged in the course of negotiation, not afterwards, to assure that an all-embracing national will evolves to make democracy work".

"There is no question of them going into the country to surrender.

"But we are in a different political climate now. We need to move toward an acceptable mutually binding ceasefire."

However, Mr Hani said that for the ANC to tell their cadres to suspend the armed struggle "when there is violence from the other side" would be wrong.

"Once the government talks to the ANC about a mutual ceasefire and once violence against peaceful demonstrations is not there I won't have problems sitting down with the SADF to discuss our role as an army of soldiers who will protect a non-racial democratic SA."

Mr Hani said Umkhonto we Sizwe had been training cadres inside SA since 1982. He would not reveal the size of the force but said this training would continue.

Responding to questions about the white extreme right wing, he said the right wing was mobilising because they believed the Nationalist Party was betraying all the aspirations of the Afrikaner.

He said if this led to factions emerging in the police and army this would cause a lot of turmoil in the white community and even lead to the assassination of Nats seen as sellouts.

He said the ANC was concerned about this. "Would the army intervene on the side of the right wing, feeling that everything they have fought for in Angola and Namibia is being ground to dust?"

The 47-year-old former lawyer, turned military commander, said: "I'm characterised as a ruthless person. That is not so. The question of the armed struggle has nothing to do with me as a person, I am not at all ruthless and believe now is the time for conciliation."

He said: "We must convince whites that a peaceful SA must mean a changing of the social positions of the black community. Whites cannot have an impoverished community and sleep well. It is an obvious threat to social stability and peace.

"The distribution of wealth must be addressed by whites."

Bush urged to lift sanctions

Star 1/3/90 280

By David Braun, The Star Bureau

WASHINGTON — Chief Minister Mangosuthu Buthelezi has told President George Bush the time has come to lift sanctions, because President de Klerk has burnt his bridges and cannot return to old-style apartheid.

The kwaZulu leader was given a half-hour audience with the United States president at the White House yesterday.

He said afterwards he had gained the impression Mr Bush agreed with him that sanctions should be lifted, although Chief Buthelezi understood that he could not do so until statutory requirements set out in the 1986 Comprehensive Anti-Apartheid Act (CAAA) had been met.

HONEST LEADER

He said he had told Mr Bush that Mr de Klerk was the first honest National Party leader. Those black leaders who had dealt with Mr de Klerk were satisfied he was sincere and effective in his leadership of white politics.

"The South African Government has done what is necessary to do to enable black politics and all opponents of apartheid to enter into negotiations with it about the future of South Africa. This will happen," Chief Buthelezi said.

"It is not a question of if, or even a question of when. It is simply a question of how the politics of negotiation are now going to get off the ground."

He said blacks in South Africa did not fear a back-tracking by Mr de Klerk.

Every notable political prisoner was already free or was in the process of being freed.

Every political organisation in South Africa had been unbanned or de-restricted and would have the same freedom as white political parties. There was no turning back.

Chief Buthelezi said he had told Mr Bush there was no point in political freedom for a people if there was no improvement in their quality of life.

Sanctions only served to weaken the South African economy at a time when there were backlogs in housing, education and a galloping population growth rate.

● Associated Press reports Chief Buthelezi as saying that black disunity was the biggest obstacle to negotiations with the Government.

If negotiations were to take place, "we as blacks must get our act together. I really feel that the biggest obstacle to negotiations taking off are these cleavages in the black community itself".

The kwaZulu leader said he deplored the violence in Natal and, like Mr Nelson Mandela, "I, too, demand that blacks throw their guns, knives, spears, pangas and other instruments of death into the sea".

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ANC TOP BRASS . . . Mr Nelson Mandela and Mr Joe Slovo confer at the ANC's national executive committee meeting in Lusaka yesterday. Picture REUTER

Quayle visit to SA ill-timed, says ANC

Capt Times 2/3/90

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Own Correspondent

LUSAKA — The ANC has criticised a proposed visit to South Africa by US Vice-President Dan Quayle, calling it ill-timed and a problem.

Mr Thabo Mbeki, ANC director of international affairs, said this during discussions with 12 US congressmen, led by House of Representatives Speaker Mr Thomas Foley and the ANC national executive committee yesterday

Mr Nelson Mandela asked that the press be allowed to remain in what had been expected to be a closed meeting.

Mr Mbeki said the ANC had heard reports that Mr Quayle would visit South Africa after the vice-president had attended independence celebrations in Namibia

He said it would not be correct for such a visit to be made at this time

Mr Mbeki also said there were "some indications that Pretoria has made an approach to the International Monetary Fund for a loan of $250 million (about R625m)"

He said that although the loan was not big, it was important for the South African economy

However, "if the IMF grants that loan it will open the way for commercial banks to grant loans to SA"

Congressman Mr Stephen Solarz, the fourth-ranking member of the House foreign affairs committee, said the subject had been up for discussion at a joint hearing of the House banking committee and they shared Mr Mbeki's views.

He pointed out that current laws in the US prevented the granting of loans to SA until apartheid had been removed.

SA Communist Party secretary-general Mr Joe Slovo said the liberation movement's only strength lay in friends such as the congressmen

"The best way of encouraging (President) F W de Klerk is by maintaining and increasing pressure.

"One of the primary reasons for the encouraging steps he has taken is the pressure inside and outside the country

"If he does reach the stage of sitting around the negotiating table, there will be a relatively powerful government with enormous resources, with a great deal of clout and a great deal of power

"Our only strength will be people on the ground and friends like you.

"We don't go along with the Thatcher doctrine that the best way to peace is to relieve De Klerk of his pressures

"The best way of getting peace is by maintaining and escalating pressure."

Thirty leading members of the ANC dined with the 12 congressmen at a dinner hosted by the US ambassador in Lusaka.

After leaving Lusaka the US delegation will go to South Africa on a fact-finding mission and then to Namibia to take part in that country's independence celebrations.

the moment. Above that "floor price" there is no protection, and above $28,7 per barrel Sasol starts paying in: it must pay 25 percent of any extra gas is anything but a [redacted] ment. And it has been a large one: so far R5-billion has been sunk in the project.

it will also hold the 50 percent share in Mossgas as well as participate in oil exploration activities with Soekor.

Don't expect divested US companies to return

w/mail 23-813190 280

By HILARY ANDERSSON

SOUTH Africa should attempt to attract new investment from the United States if sanctions are relaxed, since companies which disinvested are unlikely to return.

That's the view of Wayne Mitchell, executive director of the American Chamber of Commerce in South Africa (Amcham), who points out that some of the companies who left did so in an atmosphere of tension with their workforces.

Kodak, which encountered antagonism from affiliates of the Congress of South African Trade Unions on its departure, is a case in point. Other companies, such as Ford, left on favourable terms. But even these, Mitchell believes, may not want to "go through it again".

There is, however, potential for attracting first-time US investors and some are "cautiously optimistic" about recent changes in South Africa, says Mitchell.

But he points out the cautious optimism translates into a "wait and see" policy in the short term. This may mean the loss of potential investment in South Africa to newly opened Eastern European markets. The timing of the lifting of sanctions may therefore be crucial.

Despite increasing competition in the field of high technology from Japan, markets for American goods here generally remain good, according to Mitchell. Demand for American health care products, heavy industrial equipment, mining equipment and vehicles is particularly strong.

The ban on new investment and the double taxation of profits are the key sanctions. If these are lifted, any hesitancy to invest, Mitchell believes, will stem from uncertainty about the outcome of government-African National Congress negotiations.

Of the 337 American companies which were in South Africa in 1983, only 140 remain. The remaining US companies here are "very excited" and "bullish" about recent political developments, says Mitchell. His impression, following a recent unusually well-attended Amcham AGM, is that they feel vindicated for having stayed.

They are hopeful for the future integration of the southern African economy, as South Africa's increasing political credibility removes barriers, and with Mozambique and others liberalising their economies.

Helping to fuel their optimism is the fact that political pressures from state and local-level sanctions and consumer boycotts are finally beginning to ease as South Africa gets its first taste of positive publicity.

This is important for companies such as Johnson and Johnson, for example, who get more business from New York alone than they do from South Africa.

Amcham will go again to Washington this year to lobby against the Dellums Bill and for the relaxation of sanctions. Mitchell is confident the present feeling in Congress is in favour of any relaxation of sanctions that President George Bush might put forward.

Mitchell has been involved in direct talks with both the ANC and the government on behalf of Amcham. He describes the ANC as "pragmatic" and in view of this the redistribution which is inevitable in the future "mixed" economy could occur through taxation, rather than necessarily nationalisation.

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'Pause' in sanctions campaign

Star 5/3/90

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Political Staff

CAPE TOWN — American congressman Mr Ronald Dellums is to pause in his efforts to tighten sanctions against South Africa because he feels President de Klerk's reform moves could lead to a non-racial democracy.

Mr Dellums came to this conclusion after spending three days in South Africa with eight other American congressmen on a fact-finding mission to assess political changes.

They left encouraged that a real process of change had begun, which held enormous possibilities for negotiating a peaceful transition to a genuine non-racial democracy.

Mr Dellums has been one of the fiercest pro-sanctions members of Congress, having started his campaign in 1971. But he promised yesterday to pause, to give the new political dynamic in South Africa a chance.

This means an immediate halt to efforts by Mr Dellums to persuade Congress to accept legislation that would have ensured a total embargo against South Africa and which called for the immediate disinvestment of all American companies from South Africa.

● See Page 6.

Dellums backs off sanctions to give SA reform a chance

Political Staff

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Mr Dellums came to this conclusion after spending three days in South Africa with eight other United States congressmen on a fact-finding mission to assess political changes.

They had 20 meetings — with President De Klerk, Mr Nelson Mandela and the ANC's national executive, other extra-parliamentary groups, the Democratic Party, labour leaders, the business community and Archbishop Desmond Tutu.

And they left saying they were encouraged, that a real process of change had begun which held enormous possibilities for negotiating a peaceful transition to a genuine non-racial democracy.

Mr Dellums has been one of the fiercest pro-sanctions members of Congress, in a campaign he began in 1971

But he promised yesterday to pause, to give the new political dynamic in South Africa a chance.

This means an immediate halt to efforts by Mr Dellums to get Congress to accept legislation that would have ensured a total embargo against South Africa.

"I am prepared to suspend pushing forward with any more stringent sanctions in the full recognition that this is a moment pregnant with great potential and enormous possibility", Mr Dellums said.

However, sanctions would be lifted only when the victims of apartheid said the moves towards a non-racial democracy were irreversible, he said.

Sanctions to stay in force

CAPE TIMES 5/3/90 280

By ANTHONY JOHNSON
Political Correspondent

A "REAL process of change" had begun in South Africa which held "enormous possibilities" for a negotiated transition to a genuine non-racial democracy, a high-power US congressional delegation concluded yesterday.

However, the nine-member delegation of visiting US lawmakers ruled out the partial or total lifting of sanctions until there had been "structural and irreversible" change from apartheid.

But an arch-proponent of sanctions, Californian Democrat Mr Ron Dellums, announced yesterday that he would suspend his plans to get Congress to stiffen punitive measures against Pretoria "in deference to the changes" recently introduced by President F W de Klerk.

The leader of the delegation, Mr William Gray, the Democratic Party representative for Pennsylvania and the most senior black member of Congress, told a press conference in the city yesterday that the group had been "very encouraged" by their three-day fact-finding mission, which included 20 meetings with a wide cross-section of South Africans.

He said: "We are deeply impressed that parties on both sides are demonstrating a genuine desire for peace.

"Our observation, which was borne out by all to whom we spoke, is that there is a momentum towards democracy that has never existed in South Africa."

The delegation, which arrived in South Africa on Friday, first met in Lusaka with Mr Nelson Mandela and top ANC members.

In South Africa the group held discussions with Mr De Klerk, Foreign Minister Mr Pik Botha, Archbishop Desmond Tutu and leaders of the UDF, the Congress of SA Trade Unions, the National Congress of Trade Unions, the Pan Africanist Congress and Azapo.

Members of the business community, homeland leaders and representatives of the Democratic Party were also consulted.

Representatives of Inkatha and the Conservative Party were unable to meet the delegation.

Mr Gray said it remained clear that significant obstacles still lay in the way of a negotiated settlement. These included the continuing state of emergency, the question of political prisoners and the return of exiles.

But the delegation "had the sense" that these three issues would be the first to be addressed in up-coming pre-negotiation talks.

"Moreover, it needs to be understood that the basic structures of apartheid remain wholly in place." Particular reference was made to the Population Registration Act, the Land Acts, the Group Areas Act and the "apartheid-enforcing" Internal Security Act.

The delegation said in its joint statement that it believed South Africa had "extraordinary potential for a post-apartheid future in which genuine non-racial democracy can serve as a beacon for all the world".

The group left for Windhoek yesterday and flew back to the US last night.

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Dellum prepared to ease off

UNITED States Congressman Mr Ronald Dellum yesterday said he was willing to pause for the moment on the question of enforcing a total embargo on South Africa.

Apartheid in South Africa was over, he told a Press conference in Cape Town.

The new dynamism had been set in motion, the implication of which still had to be realised.

Change would come but he asked at what pace and at what price.

The Democrats had again this year introduced a Bill ammending the 1986 Act calling for a total embargo on South Africa.

But since this new dynamism had evolved he was willing to pause for a moment. - Sapa.

Later explaining the difference between the 1986 Act and Bill, he said the law addressed the issue of investment.





SALUTE . . . Chief Buthelezi greets a crowd of well-wishers at Jan Smuts Airport on his return to South Africa yesterday. He met President Bush and Mrs Thatcher during his visit. He told the media at the airport that he applauded Mrs Thatcher for her stand on sanctions. Chief Buthelezi also slammed the Harare Declaration — the ANC's negotiation strategy. **Picture: REUTER**

Cape Times 7/3/90

Buthelezi slams sanctions

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JOHANNESBURG. — The Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, has slammed continued sanctions and criticised the ANC's strategy for negotiations — the Harare Declaration.

Speaking on his arrival yesterday from the United States and Britain, where he met President George Bush and Prime Minister Mrs Margaret Thatcher respectively, Dr Buthelezi said he had applauded Mrs Thatcher's decision to relax sanctions measures against South Africa. He called on Mr Bush to do the same.

Mr Buthelezi said the next step along the road was negotiation and there should be a willingness to meet President F W de Klerk's political initiatives halfway.

"All parties must participate in negotiations and not follow the Harare Declaration." Time was of the essence.

He said the Harare Declaration — which has been adopted by the Organisation of African Unity, the United Nations General Assembly and the Conference for a Democratic Future — made similar proposals to the path followed in Namibia, and the same sort of constituent assembly.

He said the violence in Natal would be one of the main issues discussed by him and the ANC vice-president, Mr Nelson Mandela, at a meeting after Mr Mandela's return from Sweden.

Chief Buthelezi said that both he and King Goodwill Zwelethini would be meeting Mr Mandela who had expressed his agony at the violence. — Own Correspondent and Sapa

Nordic countries stand firm on sanctions

TURKU — Foreign ministers of the Nordic countries said yesterday they welcomed the recent changes in SA but would not lift trade sanctions.

They preferred to press for the complete dismantling of apartheid.

But sanctions imposed against Namibia would now be withdrawn.

"The political situation in SA is now going through a positive development," the foreign ministers of Denmark, Finland, Iceland, Norway and Sweden said after ending a regular meeting in Turku, Finland.

"The positive reforms announced by President F W de Klerk in his address at the opening of the session of Parliament on February 2 and the subsequent release of Nelson Mandela have contributed to bringing about a new dynamism in the development towards the peaceful dismantling of apartheid," they said.

"However, the pillars of the apartheid system and the oppression of the majority of SA's population remain.

"For this reason the Nordic countries do not regard it as opportune to lift economic sanctions against SA."

Turning to the Middle East, the ministers welcomed efforts to bring together the directly involved parties, including the PLO.

On Europe, they said continuing changes should make it possible to end the division of the continent and of Germany but this had to occur in a peaceful and orderly way.

Nordic countries welcomed the change to democracy in Eastern Europe and would widen their contacts with the Soviet Baltic republics, they said. — Sapa-Reuter.

Nordic nations continue sanctions

HELSINKI. — Nordic nations would maintain sanctions against South Africa despite recent reform developments, foreign ministers of Nordic nations said yesterday after a two-day meeting in Turku, south-west Finland.

There was still a need for international pressure against South Africa to dismantle the apartheid system, said the foreign ministers of Finland, Sweden, Norway, Denmark and Iceland.

They said, however, that the South African political situation was going through a "positive development".

"We all agreed that in recent months there has been some development... but the apartheid system, segregation and emergency laws still remain," Finnish Foreign Minister Mr Pertti Paasio said in a radio interview.

The Nordic countries said they would drop economic measures against Namibia after its independence and would launch "wide-scale development co-operation" with it. — Sapa-AP

Aussies 'not soft on sanctions'

AUSTRALIA's Foreign Minister, Senator Gareth Evans, yesterday quashed rumours that Australia was about to go soft on sanctions against South Africa.

Predictions to this effect have been circulating since the recent release of African National Congress leader, Mr Nelson Mandela.

However, Evans made it clear yesterday that the present Australian government would not consider lifting sanctions until fundamental changes to apartheid had occurred.

He said the events which had happened so far did not justify any reward.

Evans added: "This is not the time to be relieving the pressure. When apartheid starts to crumble will be the time to begin considering that."

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How Americans get rich on apartheid and other issues

O/Day 13/3/90

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SIMON BARBER in Washington

TO THE bottom of the perverse balance sheet of apartheid, add this small footnote: over the past decade the SA taxpayer has paid more to a handful of Washington lobbyists and consultants to combat sanctions than Washington has spent "empowering" black South Africans.

Since 1980, the care and feeding of team SA — the band of former government officials, lawyers and ex-congressional staff members hired by the SA embassy to make its case here — has run to at least $25m. As of October 1 last year, according to the latest budget documents sent to congress, the US Agency for International Development (AID) had written cheques in the amount of $21,25m for its various SA programmes. These include scholarships, human rights assistance, labour union training and black private enterprise development. Much of the money, it should be noted, has gone to US contractors hired to implement the projects.

One can draw several conclusions from this. What most impresses me is the way in which the great political debate over what to do to Pretoria has enriched Americans on all sides of the argument while doing next to nothing for the millions of powerless human beings in SA.

Team SA is not a cell of secret agents hired to suborn US politicians, as the idiot left so often darkly asserts. It is simply a set of local players Pretoria has felt it necessary to field in order to have any chance in the corrupt game of American policymaking.

Politics in this town is an entrepreneurial affair. Issues like SA are business. Trade associations, law firms, think-tanks, lobbyists, political action committees, foundations all owe their existence to the money raised by issues whose thoughtful treatment is therefore in the interest of no one — least of all the politicians whose campaign coffers depend on the revenues too.

On any given issue there must never be consensus, or else it will cease to pay. If everybody believed that sanctions against SA were the next best thing to mom and apple pie, there would be no $600 suits for Randall Robinson and no donations to fund the army of semi-employables whose livelihood comes from harrassing anyone they can find to accuse of succouring apartheid.

Nor, to cite a more specific case, would Senator Paul Simon, hitherto a leading sanctioneer, have been able to put the touch on team SA member Albert Fox for $1 500 in contributions to his re-election war chest last year. Fox coughed up, not in hopes of any concrete recompense, but simply because the unwritten rules of the business required it for the purpose of "enhancing communication".

There was nothing sub rosa about the gifts. They were not a bribe in the standard sense. Fox openly declared them in the disclosure statements he is obliged to file with the Justice Department as the agent of a foreign government. Simon was similarly candid in his campaign finance report to the Federal Election Commission. It is in the nature of the business that you are sometimes required to share the proceeds of your issue, when asked, with elected officials on the other side. After all, were it not for Simons, what need would there be for Foxes?

If there is a conspiracy here, it is a conspiracy in which all parties are involved. All are profiting in some manner from whatever issue they have become involved in. SA is just one of many mother lodes.

Thanks to apartheid, lots of good things happen to mediocre people. Congressman Howard Wolpe is saved from deserved obscurity. A consulting outfit called Birch & Davis Associates is given a $2,75m contract by AID to help "disadvantaged SA entrepreneurs" without having to prove the slightest aptitude or experience. A North Carolina businessman and his partners extract nearly $800 000 from US corporations to run an all but non-existent coalition of anti-sanctions black churchmen. And on and on it goes.

One can understand how a combination of paranoia and innocence convinced Pretoria to buy a seat at the table by hiring team SA, especially when the issue turned white hot in the mid-80's. The embassy needed to feel part of the action and it needed intelligence on what was happening in a milieu that its own diplomats, due to their pariah status and lack of expertise, had trouble comprehending by themselves.

Fortunately, the Department of Foreign Affairs is beginning to see that $1,8m a year — team SA's current base fee before expenses — is not buying it much that is not going to happen anyway. President F W de Klerk himself is ensuring that sanctions fall from the agenda; the embassy scarcely needs others to bark on its behalf.

The team is gradually being dismantled. Its man in New York, Thomas Bolan, a former associate of the late Roy Cohn, was released from his $150 000 a year contract last year. A pity in a way, since his reports to the Justice Department were a delight. They seemed to have been written principally with a "significant other" in mind. In detailing his travels on behalf of his client, he found it necessary to stress that he journeyed "alone".

More recently, Michael Hathaway of United International Consultants and Robert Pipkin of Pearson and Pipkin, have decided to move on after being told their firms will take significant cuts when their contracts — both currently worth $360 000 a year — expire on March 31. That leaves Jody Baldwin of UIP to cover the Senate and Ronald Pearson to handle the House.

John Sears, the former Reagan political adviser who has been dispensing wisdom for Pretoria since 1981, also stays. His fee is down to $360 000 from $410 000 two years ago. his contract, also expiring at the end of the month, was renewed last September on a six-monthly basis.

His once laconic filings to the Justice Department have suddenly become a fount of detail. He appears to have "prepared and provided" the embassy with a lot of memos including one on "the possible political scenarios that might occur in the US in the event the Nobel Peace Prize was awarded to Nelson Mandela". In addition he "prepared and delivered handwritten notes" to a number of senior administration officials inviting them to a dinner in honour of Finance Minister Barend du Plessis last September. Odd this, for I have always found Ambassador Koornhof's hand quite legible.

The only players untouched, and deservedly so, by the cutbacks are Philip Hare, the embassy's routine legal adviser and the partnership of Steve Riley and Al Fox. Both Hare and Riley and Fox Inc are on $360 000 a year. Riley is to the embassy what the Robert Duvall character was to Marlon Brando's godfather, an indispensable counsellor and intermediary.

The reductions are encouraging. The sooner Pretoria recognises that the treatment it receives from Washington will never be relevant, reliable or honest and therefore decides to focus its resources elsewhere, the better.

Diplomatic links singled out

Mandela calls on world to cut all SA ties

B/Dam 14/3/90

IAN HOBBS

STOCKHOLM — Nelson Mandela yesterday asked world governments to drastically intensify sanctions, and called for the total diplomatic, cultural and sporting isolation of SA.

In his first major media conference in Europe, he told more than 300 international journalists that sanctions were essential to pressurise Pretoria into accepting a peaceful negotiated settlement.



● MANDELA

Seated alongside Swedish Prime Minister Ingvar Carlsson, he used the occasion, which was being broadcast around the world, to appeal for intensified sanctions to bring about the end of white apartheid rule.

He said even pressures such as cultural and sporting boycotts had to be used to full effect. Sportsmen who longed to compete against South Africans would do so all the sooner if they cut all ties now.

The ANC was stronger now than at any time in its history, and he would act in unison with all the oppressed movements and people of SA.

Mandela began the day by attending a meeting of the Swedish cabinet. It is understood he urged Sweden and the Nordic bloc to use their influence on other goverments to enforce sanctions, with an emphasis on immediately cutting diplomatic ties and the flow of oil to SA.

Carlsson told the media conference Sweden's support for "forces working against apartheid" would continue, but he did not say whether his government would act as drastically as Mandela had requested.

MIKE ROBERTSON reports from Cape Town that Foreign Minister Pik Botha said in reaction to Mandela's call for the total isolation of SA that this kind of statement would not harm the SA government.

"I don't know what Mr Mandela is trying to achieve by his call to the international community to sever all diplomatic ties with SA. What I do know is that this kind of call will not harm the SA government," Botha said.

Mandela repeated his assertion that President F W de Klerk was a man of integrity, but the main "pillars of apartheid" were still in place and sanctions should be enforced to break them down.

He said the ANC had not decided whether or not he should accept an invitation to meet British Prime Minister Margaret Thatcher in London next month.

He dismissed suggestions that increased sanctions raised the danger of a right-wing backlash against De Klerk.

The last election showed 75% of whites favoured change, and if SA was viewed in perspective the right wing was "very weak", Mandela said. De Klerk would have the support of the overwhelming majority

□ To Page 2

Mandela call

□ From Page 1

of the population, including blacks, if he went ahead with fundamental change.

If this happened there would be "nothing the right wing could do to undermine him".

Asked whether he intended nationalising the mines, Mandela said he saw no reason for "a hue and cry" over the issue of nationalisation. But political rights would be meaningless without economic power for the peopl

Economic imbalances had to be redressed and a formula found to "share the wealth ... among all the people".

Nationalisation was only one avenue of consideration, and it had precedents.

"Many sectors of the economy are already nationalised," he said.

Asked about the possible redistribution of land, 86% of which is owned by whites, he replied this would be an important matter for negotiation

He was asked repeatedly about his health and age, but each time replied that he believed he was fitter and healthier than his questioners.

Also in Stockholm, ANC executive member Aziz Pahad said yesterday the first formal meeting between government and the "united front" of the ANC and opposition parties — to define the obstacles to constitutional negotiations — could take place very soon.

Pahad said the meeting would be "technical rather than political", and there was no reason for delay. Because so many senior opposition leaders were still in exile, the meeting could be held outside SA

He denied a newspaper report in Johannesburg last week which claimed he and ANC Foreign Secretary Thabo Mbeki had already held secret talks in London with SA government representatives.

□ Other ANC executive members in Stockholm suggested yesterday that the movement's president Oliver Tambo could return to SA in the near future to take part in the negotiating process.

B/Dam 14/3/90

Sowetan 14/3/90 280



ANC leaders Mr Nelson Mandela and Mr Oliver Tambo met for the first time after 28 years at the beginning of a week-long visit of Mandela to Sweden this week.

Call for sanctions

STOCKHOLM - ANC deputy president Nelson Mandela yesterday intensified his call for punitive international action against the South African Government to force the end of apartheid.

"Nothing has changed in the political situation in South Africa to warrant a review of our policy," he said at his first press conference in Stockholm yesterday after arriving in Sweden for a week-long visit on Monday.

Mandela and his delegation had earlier met the Swedish Government for formal discussions, and he told some 300 media representatives at the press conference he wanted the entire international community to intensify sanctions against South Africa.

All diplomatic ties with South Africa should be cut, and the international community should assist the black majority's struggle for freedom by instituting "any other form of sanctions and pressure they can give.

"We are not in a position to choose ... we are asking the international community to assist us in prosecuting the apartheid system," Mandela said.

This same message would be given to the British Government -- which has relaxed sanctions against South Africa in the last month -- when the ANC eventually met Britain's prime Minister, Mrs Margaret Thatcher.

Mandela refused to be drawn on whether he was "disappointed" with Thatcher's attitude, and whether he would have any special message for her.

Mandela urges more pressure

From IAN HOBBS

STOCKHOLM — Mr Nelson Mandela yesterday asked world governments drastically to increase sanctions, including total diplomatic, cultural and sporting isolation of South Africa.

In his first major press conference in Europe, he told more than 300 international journalists gathered in Stockholm that sanctions were essential to maintain pressure on Pretoria to accept a peaceful negotiated settlement.

He said that even pressures like the cultural and sporting boycotts had to be used to full effect. Sportsmen who longed to compete against South Africans would do so all the sooner if they cut all ties now.

Mr Mandela said the ANC was stronger now than at any time in its history and would act in unison with all the oppressed movements and people of South Africa.

Support

"No stone must be left unturned in the effort to unite the oppressed people of our country."

He had started the day attending a meeting of the full Swedish cabinet, when it is understood that he urged Sweden and the Nordic bloc to use all influence on other goverments to enforce sanctions, with an emphasis immediately on cutting diplomatic ties and oil flow to South Africa.

Prime Minister Mr Ingvar Carlsson said Sweden's support for "forces working against apartheid" would continue — but he did not immediately say if his goverment would act as drastically as Mr Mandela wanted.

Mr Mandela said President F W de Klerk was a man of integrity, but stressed that the main "pillars of apartheid" were all still in place and sanctions should be enforced to break them down.

He dismissed suggestions that increased sanctions raised the danger of a right-wing backlash.

He said the last election showed that 75% of whites favoured change and if South Africa was examined in perspective, the right wing was "very weak". Mr De Klerk, he said, would have the support of the overwhelming majority of the population, including blacks, if he went ahead with "fundamental change".

He said he saw no reason for "a hue and cry" on the issue of nationalisation

But he made no direct reference to the mines when he added that political rights alone would be meaningless if there was no economic power for the people.

"Economic liberation must go hand in hand with political liberation," he said, adding that the economic imbalances had to be redressed and a formula found to "share the wealth of the country among all the people".

Asked about the politically volatile question of the redistribution of land, now 86% owned by whites, he replied briefly that this would be an important matter for negotiation.

Mr Mandela said Sweden's invaluable humanitarian assistance to the ANC, the democratic movement and South Africa's suffering people had inspired many others throughout the world.

Tyranny

"However, the continued existence of the apartheid system requires that we ask you to persist in the path on which you have embarked.

"To help us end apartheid, you must continue to apply sanctions.

"The road we still have to traverse will not be long, it may not be smooth and easy, but clearly the racist tyranny is on its way out.

"White South Africa has elected its last racial parliament and its last apartheid president."

Mandela call 'won't hurt govt'

Political Staff

FOREIGN MINISTER Mr Pik Botha said Mr Nelson Mandela's call for total isolation of South Africa would not harm the government.

"I don't know what Mr Mandela is trying to achieve. What I do know is that this kind of call will not harm the SA government," Mr Botha said.

Meanwhile, the Conservative Party has warned that its supporters are trained soldiers and they would never surrender to "a communist such as Mandela".

It said hundreds of thousands of whites were trained soldiers.

"Do you think we will simply surrender to a communist such as Mandela? It is out of the question."



Di Dobson of Price-Waterhouse — one of the panel gathered to interpret the Budget speech — listens to Finance Minister Barend du Plessis.
Picture ROBERT BOTHA

SA's capital outflow 'now the same as Third World'

Political Staff

CAPE TOWN — Trade sanctions had had a minimal direct impact on the economy but the effects of disinvestment were less easy to evaluate, Finance Minister Barend du Plessis said yesterday.

Delivering his Budget at a joint sitting, he said as far as the outflow of capital was concerned SA, despite its good record, was now in the same position as other developing countries.

All had at one time used international capital for development, just as SA had, and now had to make great sacrifices to repay their debts.

The Minister said the only difference financial sanctions had made for SA, as opposed to other developing countries was that, mainly as the result of political actions, it had been cut off from the normal international banking facilities such as the IMF.

This had complicated cash-flow management of the current account of the balance of payments and forced the country to maintain a continual surplus on that account.

Du Plessis said the result had been that the country's capacity for growth — which traditionally meant rising imports during an upswing — had been "tempered" for the time being.

However, he added, SA had been growing since 1987 despite sanctions, and the viewpoint was now growing that sanctions had compelled SA to push through certain structural adjustments more rapidly than would otherwise have happened.

Du Plessis said the sanctions lobby claimed credit for SA's low growth and alleged it was this which had forced government to change.

Government had known from the start that a period of unavoidable adjustment and economic restructuring involving sacrifice was likely.

Du Plessis said government's commitment to reform and its pursuit of a higher growth pattern despite sanctions underlined "both the folly of continuing foreign interference through sanctions and the futility of trying to put the lifting of these sanctions as a factor in the negotiation process".

The lifting of remaining apartheid measures and of sanctions were not "real negotiating counter" as neither had "any further claim to existence" in the light of government policy.

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Capt Trips 15/3/90

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Sanctions' effect on economy 'minimal'

Political Staff

TRADE sanctions had had a minimal direct impact on the economy but the effects of disinvestment were less easy to evaluate, Finance Minister Mr Barend du Plessis said yesterday.

Delivering his budget speech at a joint sitting, he said that as far as the outflow of capital was concerned South Africa, despite its good record, was now in the same position as the other developing countries.

All had at one time used international capital for development just as South Africa had, and now had to make sacrifices to repay their debts.

The minister said the only difference financial sanctions had made for South Africa as opposed to other developing countries was that, mainly as the result of political actions, it had been cut off from the normal international banking facilities such as the International Monetary Fund.

This had complicated cash-flow management of the current account of the balance of payments, and forced the country to maintain a continual surplus on that account.

Mr Du Plessis said the result had been that the country's capacity for growth — which traditionally meant rising imports during an upswing — had been "tempered" for now.

However, he added, South Africa had been growing since 1987 despite the sanctions, and the viewpoint that sanctions had compelled South Africa to push through certain structural adjustments more rapidly than would have happened under different circumstances was growing.

Mr Du Plessis said the sanctions lobby claimed credit for the low growth experienced by the country and alleged it was this which had forced the government to change.

But, he said, the government had known from the start that a period of unavoidable adjustment and economic restructuring, involving sacrifice in the form of low growth, was likely.

Mr Du Plessis said the government's commitment to reform, and its pursuit of a higher growth pattern — despite sanctions, underlined both the folly of continuing foreign interference through sanctions, and the futility of trying to use the lifting of these sanctions in the negotiation process.

US rejects Mandela's call for more sanctions

ARGUS 15/3/90 (280)



SHARING A JOKE: British Labour Party leader Mr Neil Kinnock laughs during a meeting with ANC deputy-leader Mr Nelson Mandela at a Stockholm dinner held by Sweden's Foreign Minister, Mr Sten Anderson.

From DAVID BRAUN, The Argus Foreign Service

WASHINGTON. — The United States government has rejected African National Congress deputy-leader Mr Nelson Mandela's call for diplomatic isolation of South Africa and for intensifying sanctions.

State Department spokeswoman Margaret Tutwiler said yesterday the US had no plans to intensify sanctions against South Africa

"We're responding to his statement that there should be increased sanctions and he also said that we should break relations with South Africa

"Our response is that we believe it's more constructive to continue our relations with South Africa, that we have played a helpful role in supporting negotiations between these parties and that we do not believe that that is the best way to pursue being constructive and helpful in this area."

Ms Tutwiler said the US understood Mr Mandela's position historically had been the official position of the ANC and that he had been careful not to depart from it.

"Mr Mandela and the ANC also have made clear that they appreciate the role Western countries with relations with South Africa have played in pressing Pretoria for an end to apartheid. We believe we can best play a helpful role in support of negotiations by maintaining contact with both sides and by following existing US law with respect to sanctions," she said.

● British Labour leader Mr Neil Kinnock has reiterated that his party did not favour breaking diplomatic ties with South Africa, although it was strongly committed to the fight for sanctions.

Mr Kinnock spoke to a Swedish news agency after lunch with ANC leaders.

● The call by Mr Mandela on the international community to break all diplomatic ties with South Africa made little sense, Mr Wynand Malan, a Democratic Party co-leader, said last night.

Addressing a public meeting in Worcester, he said it was folly to make such a call at this time when diplomatic representation in South Africa could encourage the government to proceed with the negotiation process.

● Mr Jan van Eck, DP MP for Claremont, told a house meeting in his constituency last night that attempts by politi-

clans and other proponents of divide and rule" to create a divide between a so-called "moderate" Mr Mandela and the angry township youth were shortsighted and "extremely dangerous"

Sanctions had minimal direct impact:Barend

Sowetan 15/3/90

THE government's commitment to reform and its pursuit of a higher growth pattern underlined the folly of continuing foreign interference through sanctions, the Minister of Finance, Mr Barend Du Plessis, said yesterday.

They also showed the futility of trying to make the lifting of sanctions a factor in the negotiating process.

"No more than the lifting of the discriminatory measures still remaining is the lifting of sanctions any real negotiating counter since, in the light of the government's policy, neither of the two has any further claim to existence."

The view was gaining ground that the crunch of sanctions had compelled SA to push through certain structural adjustments more rapidly thatn would otherwise have occurred.

"Strangely enough, then, sanctions have in this way served to strengthen our economy."

Debate

SA's period of low growth and of adjustment, which was in any case on the cards in the wake of changing world conditions and by virtue of cyclical factors, had thus coincided with more frenzied efforts by the proponents of sanctions both in SA and abroad.

"This casts an ironic light on the current political debate on sanctions, particularly against the backdrop of the State President's initiatives to break the political logjam on the road to a new SA."

The far-reaching steps taken by Mr De Klerk since his assumption of office sprang directly from carefully-considered initiatives and timing, and had nothing to do with sanctions.

Du Plessis said that objective analysis showed clearly that trade sanctions had had a mininal direct impact on the economy.

The effects of disinvestment were however multi-faceted and therfore less easily evaluated.



Finance Minister Mr Barend du Plessis

New York expected to sell off SA-tainted stock

240 BIDay 16/3/90

SIMON BARBER

WASHINGTON — Trustees of the New York public employee pension system are expected to approve the divestiture of more than half a billion dollars of stock in 94 companies with ties to SA to "keep the pressure" on Pretoria.

The decision, which could come today, was made possible when the city's chief legal adviser, Victor Kovner, ruled on Wednesday that the $17,7bn fund would not be jeopardised.

The system will keep "tainted" shares it holds in a special "actively managed" portfolio designed to outperform the overall market. Restricting this fund would "hamstring" its managers, city financial commissioner Carol O'Cleareacain said.

Also exempt would be any company that could convince the city it was "engaged in substantial efforts to end apartheid".

Mayor David Dinkins welcomed Kovner's ruling. "Nelson Mandela is out of prison, but he is not yet free. All of the best intelligence I've heard . . . calls for continued pressure on Pretoria."

If approved by the trustees, the latest divestitures will represent that fourth and final stage of a policy adopted by the city in 1985. Initially, only companies that dealt with the SA security establishment and refused to sign the Sullivan Principles were affected but requirements were ratcheted up.

Also under consideration are policies to tighten the city's selective purchasing laws to bar deposits in banks that have rescheduled their SA debt.

SANCTIONS

FIM 16/3/90

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Fissures in the facade

When British Prime Minister Margaret Thatcher lifted the UK's voluntary bans on investment in SA last month, as well as the scientific, economic, cultural and tourism sanctions, boycott battle lines were redrawn.

Even one of the architects of sanctions, US congressman Ron Dellums, says it's time to pause in imposing tougher legislation because of the "new dynamic" in SA.

When the EEC voted on sanctions Portugal sided with the UK — another crack in the wall.

They are not alone in reacting favourably to the kinder, gentler SA. Since President F W de Klerk's speech and the release of Nelson Mandela last month, foreign businesses have shown renewed interest in SA. Local businesses that have had foreign markets closed to them are preparing for when they can once again trade more freely.

"Inquiries about SA have stepped up incredibly" at the US State Department's commercial desk in Washington, says Wayne Mitchell, executive director of the American Chamber of Commerce in SA. Most of the interest has come from heavy industry, mainly in the fields of mining, agricultural equipment, high-tech industries and locomotives, he adds.

SA Britain Trade Association chairman Blitz Bieber was in the UK last month and was thrilled by the positive reaction he got. "This is a major opportunity. We look forward to the normalisation of trade."

For foreign companies that weathered fierce divestment campaigns at home, De Klerk's moves have been a vindication. "We may be a bit smug in saying our decision was right," says Russell Pollard, a director of Colgate Palmolive, an American soap and toothpaste company that has 700 employees in SA, "but what happened is what we always hoped and believed would happen."

However, like a huge ocean liner, sanctions pressures can't simply reverse at a moment's notice. The most vociferous pro-sanctions voices are getting more shrill as they sense the end of an era. They won't be magnanimous about this thawing of relations, especially when the ANC continues to call for tougher measures.

The London-based Anti-Apartheid Movement says: "Companies like Barclays know that if they tried to get back into SA we would come down on them like a ton of bricks."

It's not the multinationals that the sanctioneers have to worry about; there's not much chance they'll be back. It's the little guys who see the opportunities The signs of a change in attitude are there:

☐ After a two-year hiatus the London Chamber of Commerce & Industry will resume its annual trade mission to SA this month. Representatives of a dozen businesses, ranging from footwear and greeting cards to dental ceramics, will visit Johannesburg, Durban and Cape Town.

SA Foreign Trade Organisation's Ann Moore says trade missions are down to about 25% of what they were before sanctions. A few new ones have been scheduled recently;

☐ Columbia University, a bastion of Ivy League liberalism in New York City, plans to review its policy of divesting its shares in companies doing business in SA, which has been in effect since 1987; and

☐ Merrill Lynch, the huge US stockbroking company, decided in November not to do business with SA, its corporations or residents. Will it be back? "It is conceivable," says spokesman Bill Clark.

At home, the industries that would be affected by a loosening in sanctions are ready to take up where they left off. One of the most talked about concessions is the reinstatement of SA Airways' landing rights at US airports. SAA has heard the proposal but won't say what its contingency plans are.

The ban on agricultural exports to the US may also be lifted as a nod to De Klerk's reforms, which could mean SA wine on US shelves once again. The lucrative US market was shut off to wine co-operative KWV before it had the chance to make inroads. KWV was also shut out of Canada, its most important export market "We are ready at any moment to take up where we left off," says a KWV spokesman.

"We still have contacts. Our lines of channelling are still open."

SA Tourism Board executive director Spencer Thomas says the UK's voluntary ban on tourism to SA did not make a substantial difference though he acknowledges that lifting it "might have a psychological effect on a couple of UK operators."

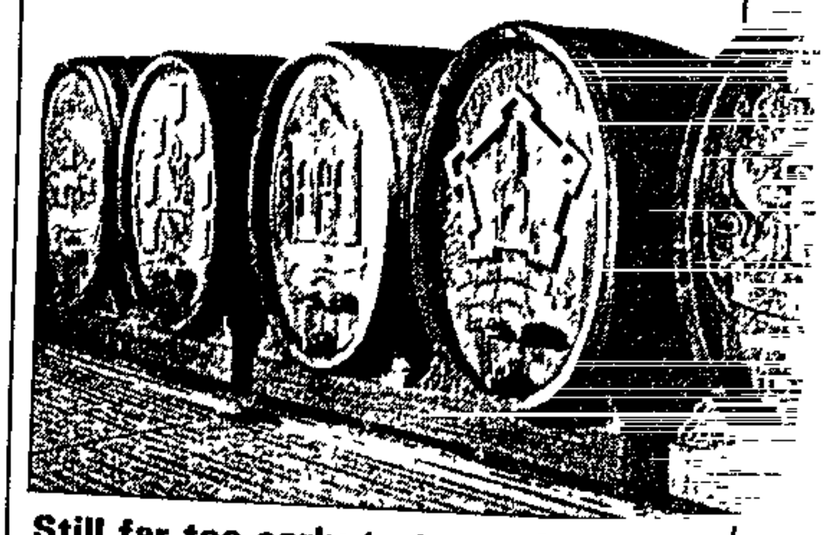
Satour was forced to close its offices in Australia and Canada but the number of visitors from those countries is growing. Last year there were 20% more Australians than in 1988 and 17% more Canadians.

But don't expect Australia or Canada to lift their tough sanctions immediately. They compete directly with SA in many industries and, with their economies troubled, have too much at stake to open trade lines so soon.

The Nordic nations — Finland, Sweden, Norway, Denmark, Iceland — recently voted to maintain sanctions. Their social democratic governments can't be expected to do anything else at this point. The UN last month voted 35-2 for wider international sanctions No surprise there.

However, Thatcher won't back down on her carrot approach and, despite the efforts of hardliners such as Ted Kennedy and Howard Wolpe, there's no longer much chance that the US Congress will toughen sanctions in the short-term. "Our struggle will be to keep the present sanctions in place," Congressman Dellums said during his trip to Africa this month.

So, despite Mandela's pleas for more international pressure, it looks as if De Klerk



Still far too early to toast the end of sanctions

has bought himself some time. Meg Voorhes, of the Investor Responsibility Research Centre, a Washington group, says: "I don't think anyone is willing to stick their neck out now for sanctions."

Maureen Sullivan

TV TUBE MANUFACTURE

Feasibility doubts

The lack of progress in a controversial scheme to manufacture tubes for televisions and personal computers is fuelling doubts about the viability of the project.

Announced last July by the Randburg firm Alkhan Industrial Consultants, the project is still not off the drawing board. It is being funded by a consortium of investors from Europe and the Far East. But while the original budget was said to be around R460m, that's now been revised to nearer R250m. FIM 16/3/90

The local co-ordinator of the venture, Sankei Trading MD Aron Reichlin, says the investors are waiting for approval from the Reserve Bank to bring their capital into SA in financial rands. He says he is confident production will begin next year.

Reichlin says an option has been secured on a factory site near George, and Grinaker Projects, together with Advanced Manufacturing Engineering of Hong Kong, is determining the cost of building the plant. The

Ethics code keeps British press in line

LONDON. — Britain's Press Council issued a code of practice for newspapers and magazines yesterday listing strict standards in response to growing public criticism of the press.

The 16-point code, drawn up with the co-operation of editors, newspaper societies and journalists' unions, sets standards on accuracy, discourages intrusion into privacy and grief and opposes subterfuge.

The council reported that complaints rose by 4% in 1989 with 1 871 cases handled during the year.

The council called on newspapers and journalists to resist censorship.

It said unethical conduct jeopardised this objective. — Sapa-Reuter



MANDELA MEETING ... The leader of Britain's opposition Labour Party, Mr Neil Kinnock, yesterday flew to Sweden to meet Mr Nelson Mandela in Stockholm.

Picture: REUTER

Sanctions essential for peace — Kinnock

CAPE Times 16/3/90

From IAN HOBBS

STOCKHOLM. — The ANC felt "deep bitterness" towards Mrs Margaret Thatcher for starting to lift sanctions as soon as Mr Nelson Mandela was freed, British Labour Party leader Mr Neil Kinnock said yesterday.

After a private meeting in Stockholm with Mr Mandela, he said the message he would take to the British prime minister was that sanctions were essential as the only alternative to unrest.

Mr Kinnock said the ANC was still undecided on whether or not to snub Mrs Thatcher's request to meet Mr Mandela when he attends an Easter Monday mass concert in his honour at Wembley Stadium.

He said that although the ANC felt a "deep sense of bitterness" at Mrs Thatcher's unilateral decision to start lifting sanctions, he did not try to dissuade Mr Mandela from meeting her in London.

"But in all honesty, Mrs Thatcher and her motivations did not preoccupy us," he said.

Mr Kinnock admitted he opposed Mr Mandela's call this week for South Africa's diplomatic isolation — and new sanctions at this stage.

He said British diplomatic ties had been valuable in promoting change and he supported their retention.

But he said repeatedly that existing sanctions had to be maintained and effectively used to strengthen efforts by South Africans for non-racial advancement.

Lifting sanctions now would give Pretoria "maximum reward for minimal action" and actually be unhelpful, he said.

"I think President De Klerk actually needs sanctions. They provide him with a means of securing change from whites. It will not help him if sanctions are too quickly removed in response to nominal gestures."

He said meeting Mr Mandela gave him "great hope for the future of South Africa" and he supported his proposed meeting with Mr De Klerk.

Sanctions not litmus test of US involvement

LAST year was the first in which no new sanctions legislation was passed against South Africa, and it is unlikely that any new sanctions will be introduced this year, according to the United States Ambassador, Mr William Swing.

Addressing a meeting organised by the South African Perceptions Initiative in Durban on Wednesday night, Swing said US sanctions remained a controversial subject in SA.

"President Bush has made it clear that he intends to adhere closely to the provisions of the Comprehensive Anti-Apartheid Act. He will consult closely with Congress before suspending any sanctions," said, adding that certain preconditions had to be met before the President could exercise even that option.

Emphasis

Swing said some of those preconditions had already been met, such as the Government's commitment to enter into good faith negotiations.

"Fulfilment of certain other preconditions, such as ending the state of emergency and releasing all persons who have been detained for their political beliefs, are within reach.

"If and when these preconditions are met, modification of our sanctions legislation is possible," he said.

However, Swing said he believed far too much emphasis had been laid on sanctions, and that their continuation should not become "the litmus test of US involvement in SA".

Victims

"Rather, decisions about sanctions should be weighed in the balance of negotiations - that is, will retention or suspension of a sanction advance or retard the negotiations process?"

Swing said the US was lending political and diplomatic support to State President FW de Klerk's "positive steps". He said his country could help foster dialogue and negotiation by making their views on SA as clear as possible and by offering sound counsel based on experience.

"I am optimistic about SA and its future relations with the US. The bitter polarisation of the past is being replaced by a broad convergence of view at the centre of the political spectrum.

"Agreement now on a constitutional framework of universally-recognised democratic principles would build mutual trust, instil confidence in the negotiating process and create a sense of momentum.

"All South Africans are victims when blacks are denied jobs, a good education, adequate medical care and decent housing. These social ills will outlast apartheid to become the crucial test of SA's long-term prospects for racial reconciliation and a democratic form of government.

"The sooner the Government and the black opposition come together to discuss and to attack jointly these problems, the sooner South Africans will have a sense of common purpose and shared nationhood," he said. - Sapa.

Sowetan 16/3/90

US rebuffs Mandela's call to cut SA links

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WASHINGTON - Washington yesterday rebuffed black nationalist leader Nelson Mandela's request for Western nations to break off diplomatic relations with South Africa.

Officials said Secretary of State James Baker had decided to meet President FW de Klerk in Cape Town next week.

Officials were still trying to arrange a meeting for Baker with Mandela in Windhoek -- where both men will be attending Namibia's independence celebrations on March 21 -- because the black leader is unwilling to meet him in South Africa.

It was still uncertain how long Baker would stay in South Africa and who else he would see.

At the moment, the officials said, the plan was for him to spend five or six hours there on March 22 and meet Archbishop Desmond Tutu and other opposition leaders.

But they stressed this could change.

Invites

From Cape Town, Baker would travel to Zaire for a meeting with US-backed Angolan rebel leader Jonas Savimbi before flying home.

President George Bush has invited both Mandela and De Klerk to Washington. Neither has formally responded.

The US believes De Klerk has taken some brave steps since taking office last September, notably his freeing of Mandela last month.

Eager

Baker, who would be the first Secretary of State to visit South Africa since Cyrus Vance in 1978, is eager to encourage this trend and believes a meeting with De Klerk could make a positive contribution.

But setting up the visit has proved difficult. De Klerk, pressing for the prestige of a meeting on his territory, refused to meet Baker in Namibia while Mandela refused to meet him in South Africa.

On Mandela's call for Western nations to sharpen economic sanctions against South Africa, State Department spokeswoman Margaret Tutwiler noted that he was merely restating the position of the ANC.

"We believe we can best play a helpful role in support of negotiations by maintaining contact with both sides and by following existing US law with respect to sanctions," Tutwiler said.- Sapa-Reuter

ANC sanctions call 'part of the poker game'

Star 17/3/90 280 1M

BY calling for intensified sanctions against South Africa, African National Congress leader Nelson Mandela is "upping the ante" in a bid to strengthen his hand at the negotiating table, says sociologist Mr Mark Orkin.

"His call for intensified sanctions is also consonant with the Harare Declaration," adds Mr Orkin, director of the Community Agency for Social Enquiry (Case).

The Harare Declaration sets out the ANC's position on negotiations. While approving a negotiated settlement in principle, it states: "We shall continue to do everything in our power to intensify the liberation struggle and international pressure against apartheid until (it) is ended."

Mr Orkin is the editor of, and a contributor to, "Sanctions Against Apartheid". The book is published by David Philip, and argues the case for sanctions.

Approached for comment on Mr Mandela's call for intensified sanctions, made during his visit to Sweden, Mr Orkin compares the ANC leader to a poker player at a critical point in the game. "You don't throw away your cards until you win," he says.

He doubts whether Mr Mandela's call will be heeded in Western capitals because the Western powers had be pressured to impose sanctions in the first place.

PATRICK LAURENCE

But, he adds, it is reassuring to note the European Community, the US Congress and the Commonwealth have all committed themselves to maintaining present levels until the process of dismantling apartheid is irreversible.

Mr Orkin goes on to quote from a comprehensive study of sanctions by Sir Robin Renwick, the British Ambassador in SA.

Mr Orkin, quoting from the Ambassador's book "Economic Sanctions", argues that the maintenance of sanctions is as important for the "end-game" in South Africa as Sir Robin found it to be in Rhodesia.

Key reasons

Sir Robin, according to Mr Orkin, cites three key reasons for sustaining sanctions against the Rhodesian government during the last phase of the struggle for majority government in Rhodesia. Mr Orkin contends that all apply to South Africa today.

Sir Robin's conclusions, as summarised by Mr Orkin, are presented first. Mr Orkin's deductions and comments are juxtaposed.

Sir Robin: Selective sanctions are complex and difficult to operate and give rise to serious difficulties of interpretation both within and between governments.

Mr Orkin: Hence the importance of comprehensive and mandatory sanctions as a regulative goal ... the less the evasion the quicker the change.

Sir Robin: Diplomatic initiatives are not a substitute for sanctions but depend on them for success. Persuasive action will only be successful to the extent that "sufficient real pressure is exerted to give the regime a serious incentive to negotiate".

Mr Orkin: "Hence the importance for that pressure to be real." He talks of the need to set political requirements to Pretoria's negotiations for repayment of its foreign debt and to tighten trade boycotts on coal, steel and agricultural goods.

Sir Robin: No premature lifting of sanctions; in Rhodesia it would have "encouraged resistance to wider settlement".

Mr Orkin: Sanctions must be maintained in South Africa until the Government makes the "requisite concessions of genuinely unfettering the political process and dismantling apartheid".

Mr Orkin concedes that the costs of sanctions are real, particularly in the form of black unemployment but adds, they are "decisively outweighed by their essential contribution ... to the end of systematic repression and chronic economic decline engineered by the apartheid regime".

Twin setbacks for sanctions calls

B1 Dem 19/3/90

(280)

MIKE ROBERTSON

CAPE TOWN — Calls for increased international isolation of SA will receive a twin setback this week with the visits of British Foreign Secretary Douglas Hurd and US Secretary of State James Baker.

Hurd arrives here today and will have lunch with Foreign Minister Pik Botha before meeting President F W de Klerk.

De Klerk said on Friday the talks would centre on problems concerning SA's international relations.

The President flies to Windhoek for the Namibian independence celebrations on Wednesday before returning to meet Baker on Thursday.

Both visits are a setback for ANC deputy president Nelson Mandela, who called in Stockholm for the international community to sever links with SA and said on his return that "we do not want high-profile visits".

Baker is expected to meet Mandela in Namibia.

According to officials, Baker will urge De Klerk to speed up negotiations and to end the state of emergency.

He is also likely to express US support for Mandela's acceptance of the need to negotiate and the moderate views on the future of SA's whites that Mandela has expressed since his release.

However, Baker is also expected to express sharp differences with the ANC over its call for increased sanctions and the need to isolate SA.

Sapa-Reuter reports a senior State Department official said: "We believe the ANC is prepared to renounce violence as part of the pre-negotiation process which is going to take place, starting April 11.

"We're going to encourage him to negotiate on a sincere basis of give and take," the official said.

DBSA board sanctions first capital market issue

EDWARD WEST

THE Development Bank of SA (DBSA) board has approved a first capital market issue to raise nearly R300m during the new financial year in support of the bank's development programme.

The DBSA's development programme amounted to R750m of disbursements during the financial year to March 31.

This was apart from more than R500m made available to the bank in the 1990/91 Budget, DBSA chairman and CE Simon Brand said in a statement.

DBSA GM, resources and support services, Andre la Grange said on Friday the issue would be spread over the year, but first transfer to the market would be in May. About half of the R300m to be raised was needed in the first quarter of the new financial year.

Resources mobilised by the bank are used to give developmental support for a wide spectrum of projects to develop urban and rural regions in southern Africa.

Commenting on last week's Budget, Brand said the bank welcomed the new development fund to address socio-economic backlogs.

He had previously proposed that a major portion of the proceeds from the privatisation programme be allocated to such a fund.

"I fully support this decision to make available additional resources for development and it is the DBSA's firm intention to play a key role in supporting the management of the new fund in carrying out their responsibilities."

He expected appropriate guidelines and procedures for co-operation between the new fund and established development institutions like the DBSA would be agreed upon.

Within such guidelines and procedures the management of the new fund would be able to draw on the capacity and experience of established institutions.

The DBSA had accumulated experience in this respect in the building up of a portfolio of development loans of R2,5bn on a wide variety of development projects, he said.

No review of sanctions by EC team

Star 19/3/90 (280)

The Star's Foreign
News Service

DUBLIN — The European Community team which is to visit South Africa will not be reviewing current EC sanctions policy, according to the man who will lead it, Irish Minister for Foreign Affairs Mr Gerry Collins.

The three-man mission will include representatives from France and Italy. The visit is expected to take place in May.

Mr Collins, president of the EC Foreign Ministers' Council, said. "There is no question of a review of sanctions being related to the visit."

Nor was it a fact-finding mission, he said, "because we already know the facts". Its sole purpose was to encourage dialogue between the parties in South Africa.

DELEGATION

Mr Collins was speaking in Dublin after talks with a delegation representing anti-apartheid groups throughout the European Community.

In a memorandum to the Irish Minister, the delegation said there was a danger that the presence of an EC team in South Africa, "may convey an exaggerated impression of the extent to which change has so far taken place".

It added that, unlike the previous EC mission, there was a need for clear terms of reference if the team was to have the confidence of key parties to the conflict, particularly the ANC.

Mr Collins stressed that in addition to meeting President de Klerk, the team planned to have talks with the ANC, the churches and trade unions as well as various political organisations.

Sanctions remain a threat — Von Schirnding

Star 24/3/90 (280)

A disciplined, productive workforce and a growing market economy with minimal State intervention were needed to overcome the huge developmental problems facing South Africa, Mr Kurt von Schirnding, director-general of the SA Foundation, said in Sandton yesterday.

He was addressing businessmen at the annual general meeting of the foundation, a private sector organisation formed 30 years ago to promote South Africa's image abroad.

Mr von Schirnding said it was essential that business should formulate its own position in the process of transition.

Mr von Schirnding said the foundation should redouble its efforts to convince influential foreign business leaders to look at South Africa with new eyes.

"Sanctions and other punitive measures will not disappear at the drop of a hat.

"Indeed, there are many who would claim that the recent developments are largely the result of international pressures and should therefore be maintained or increased. We have a crucial role to play in constructively opposing such destructive strategies," he said.

Bush lifts US sanctions against Namibia

WASHINGTON. — President George Bush has lifted US sanctions against Namibia and predicted the United States will have a productive relationship with the country that was granted independence after 75 years of control by South Africa.

"The independence of Namibia ... marks the end of colonialism in Africa," President Bush said in a statement yesterday, "and a proud beginning for the world's newest country."

Establishing full diplomatic relations with the new government, Mr Bush said he welcomed Namibia "as a full trading partner and we are taking steps to ensure that it is given access to the American market".

"With the end of South Africa's administration, all US sanctions against Namibia are being lifted," he said.

SOBERING TERMS

Meanwhile, President Sam Nujoma's message to the new Republic of Namibia on the first full day of its independence yesterday emphasised in sobering terms the economic challenges facing his government and its supporters, at home and abroad.

"We have a dependent and lopsided economy," he said, noting the R500 million budget deficit "inherited" from the South African administration.

He noticed too Namibia's heavy reliance on food imports. He urged technical and financial assistance to develop the "fertile northern regions which could feed our nation".

● US sanctions against South Africa would be lifted only once the dismantling of apartheid was deemed irreversible by its victims, a senior American legislative leader said in Washington.

Congressman Bill Gray, the third ranking Democrat in the US House of Representatives and the leader of a bipartisan group of American politicians which recently visited South Africa, said this week a careful reading of the 1986 Comprehensive Anti-Apartheid Act (CAAA) showed the US was bound to maintain its sanctions against South Africa until apartheid had been abolished.

The US should not accept the corporate responsibility of picking up the tab for disadvantaged South Africans, when the country itself was so richly endowed with wealth and knowhow to do this itself, Mr Gray said.

It was totally untrue for South Africans to point at children suffering from hunger and malnutrition and say that was the result of international sanctions, he said.

The cause of such suffering and deprivation in such a beautiful and wealthy land was the system of apartheid, he said.

SA EXPORTS UP

● In spite of economic sanctions, South Africa's exports to Canada increased by 50 percent last year compared with 1988, according to the South African ambassador to Ottawa, Mr Hennie de Klerk.

He told Canadian media that sanctions had almost disappeared as an issue because the South African government believed they would be lifted by most countries in a matter of months.

Britain had already lifted some sanctions, African countries had never introduced sanctions, and trade delegations from Britain and Eastern Europe would be arriving in South Africa soon, he said. — The Argus Foreign Service and Sapa-Reuter.

Star 22/3/90 280

Hawke: No dissension over Aussie sanctions

CANBERRA — The Australian Prime Minister, Mr Bob Hawke, yesterday denied that there were any rifts within his Labour government over Australia's attitude towards sanctions against South Africa.

His comments followed an interview, published by the Sydney Morning Herald newspaper, in which Mr Hawke softened his stand and in doing so created policy differences with his Foreign Minister, Mr Gareth Evans.

"Attempts to identify divisions within the Australian government on the question of sanctions are completely without foundation," Mr Hawke said.

He said that he and Mr Evans had made it clear that Australia would not consider lifting sanctions until the South African Government began to dismantle apartheid.

"Sanctions were originally imposed to bring the South African Government to its senses, not to its knees," Mr Hawke said.

"The recent moves towards the negotiating table provide cause for hope that the time for Commonwealth countries to look again at our sanctions policy may be approaching."

Mr Hawke said that as apartheid was gradually abolished, sanctions would be gradually lifted.

"It is obviously important not only to bring the South African regime to the table but to keep them there until such time as apartheid is dismantled."

Australian sanctions against South Africa include a ban on official sporting contacts, as well as trade and tourist promotion, government and bank loans and a range of exports and imports, including agricultural products, computer equipment and arms. Australia has cut air links with South Africa. — Sapa-AP.

Star 22/3/90 280

US study sees little chance of financial sanction against SA

By David Braun, Star Bureau

WASHINGTON — Even if South Africa could be excluded from two major systems facilitating international payments, it could make other arrangements to finance its trade, an agency of the US Congress has concluded.

The US General Accounting Office (GAO) came to this conclusion after investigating South Africa's debt rescheduling and the potential for financial sanctions against the country.

The GAO was asked to make the study by Senator Paul Simon, chairman of the Senate Subcommittee on African Affairs, and Senator Edward Kennedy.

According to the GAO, South Africa's recent debt rescheduling agreement, the third since the country declared a debt standstill in 1985, was particularly favourable to South Africa because it allowed it to smooth out its debt services burden by increasing repayments of the frozen short-term debt only as scheduled payments on other debt decreased.

It said international bankers had said South Africa's financial difficulties were different from those of countries with heavy debt burdens. The country had a liquidity problem because most of its debt came due in the short term and it could not obtain new loans to help payments.

"South Africa's liquidity problem contrasts with the difficulties of other nations heavily in debt, whose economies cannot support the burden. In fact, some bankers have said that for a gross domestic product of its size, the South African economy is 'underborrowed'.

"South Africa's special situation is illustrated by the fact that its debt is sold for a much higher price on the secondary market than that of most countries with heavy debts

"According to Salomon Brothers' Indicative Prices for Less Developed Country Bank Loans, in December 1989, South Africa's debts sold for about 70 on an index of 100, while Mexico's sold for about 36, Brazil's about 23, and Argentina's about 13," the GAO said.

The report said if Western countriesdemanded immediate payment of debt coming due because of government sanctions or action by the banks, South Africa would probably refuse to pay.

If this happened, South Africa's balance of payments would be helped in the short term by ending the drain of loan repayments, but it would probably erode its standing in the international financial community.

The GAO said international bankers it interviewed wanted to avoid declaring a country in default because of the legal complexities.

It was difficult for international bankers to seize assets of a defaulting country because they must sue a debtor for each loan separately and could effectively seize only the debtor's assets that were actually in the bankers' countries — for example, a visiting airliner.

Furthermore, bankers wanted to avoid the precedent of declaring a country in default. No country has been declared in default since the worldwide depression in the 1930s.

The GAO investigated the possibility of excluding South Africa from the two primary systems used to facilitate international trade and payments. The Clearing House Interbank Payments System (Chips), operated by the New York Clearing House Association, and the Swift Telecommunications System, operated by the Society for Worldwide Interbank Financial Telecomunication

It concluded that although South Africa was no longer a member of Chips, it would be difficult to stop the country using the system because foreign (non-US) banks maintained its accounts and acted as intermediaries by processing its dollar transactions.

Even if South Africa could somehow be excluded from using Chips altogether, there were still a number of other mechanisms available to it to move dollars. Alternatives existed in Tokyo and London, and more could be created

Swift was a privately owned foreign company and the US might have difficulty in trying to persuade it to stop doing business with South Africa.

FW puts in a strong plea on southern Africa's need for aid

BDay 23/3/90

WINDHOEK — President F W de Klerk yesterday joined a growing chorus of African leaders when he cautioned the industrialised world not to forget southern Africa's need for aid if the region were to be placed on the road to prosperity.

At his Press conference here before returning home, he said the whole southern African region was growing together.

During his discussions with African and European leaders it was made clear that SA was indispensable for the economic revival, development and growth of the region.

SA, with its technological expertise and developed infrastructure, had much to contribute to development in the region and had already extended a hand of friendship to its neighbours.

But, he said, SA's financial resources were limited and priority had to be given to development needs within the country.

De Klerk said there was a very close historical relationship between Namibia and SA and "the fact of independence does not mean all ties are

BILLY PADDOCK

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cut".

It was foreseen that a number of bilateral agreements could flow from his second meeting with President Sam Nujoma.

In his talks with leaders, De Klerk said, he did not raise the sanctions issue or try to persuade them to lift sanctions because "we do not regard it as a pawn in the negotiations that lie ahead".

When sanctions were discussed, leaders were anxious to have them lifted when the conditions were right.

"I explained that we can live with sanctions, even though they are harmful," De Klerk said.

In all his discussions it was clear that high expectations had been raised about SA, even though there was a marked realism about the situation here.

De Klerk said he had laid the foundation for negotiations about a new constitution and "there was no longer any justification for further delay or obstruction of negotiations".

Fury over Mandela pop show as ANC bars SA

By JEREMY BROOKS and DOUGLAS GORDON

THE HUGE Nelson Mandela concert planned for Easter Monday in London was at the centre of a storm of controversy this weekend when:

- The ANC slapped a last-minute ban on the SABC screening it;
- A top black South African musician slammed the concert's pretensions as "bull----"

The pop extravaganza, at which Mr Mandela will appear as guest of honour, will be watched by hundreds of millions of viewers across the world on April 16.

Negotiations to show the five-hour concert on South Africa's TV4 had reached an advanced stage

The SABC had even agreed to pay a much higher fee for the concert than it would normally pay for a five-hour live telecast.

Only the satellite time remained to be booked when organisers dropped their bombshell and ordered the American TV agents, Radiovision, to drop the negotiations.

SABC general manager of TV2/3/4 services Hein Kern said yesterday he was baffled by the ban ST Times 25/3/90

The concert would have replaced popular Monday shows like Family Ties, Dynasty, and the cop series Hunter.

'Mockery'

"I haven't had anything in writing yet, so I'll press on with negotiations," Mr Kern said

"I want to bring this event to as many of our viewers as want to see it."

Other TV agents yesterday called the abrupt banning "an embarrassment" and "a mockery of professional business conduct"

One described it as "a classic ANC own goal"

Meanwhile, world-famous trumpeter and exile Hugh Masekela slated concert promoters for not including more South African musicians in the line-up.

They have been given just two "sets" — one of 15 minutes, the other of 25 minutes

But publicists for the concert said the ANC had itself, during initial discussions, decided to restrict the South African content

"We need to get Mr Mandela's message to as wide an audience as possible," said spokesman Wendy Laister in London. "To do that, we need international stars to make the event attractive to broadcasters. Without them, we would be unable to sell TV rights.

"The decision over which artists to use was up to the ANC. At least 50 percent of those already appearing are black."

Masekela's remarks angered ANC officials in London One privately questioned the musician's commitment to the "cultural boycott" In Press interviews given during his UK tour, Masekela told journalists that he had "other bookings" and would probably not appear at the concert.

Harmony

And he was quoted in the UK's Today newspaper as saying

"It's all very well people like George Michael turning up at the Mandela Birthday Concert two years ago to promote their latest record and show how much they love darkies .. but it's all bull---- "

An up-to-date list of performers at the concert is to be announced tomorrow or on Tuesday.

The line-up will include such top names as the Eurythmics, UB40, George Michael, Tracy Chapman, Joan Armatrading and Neil Young.

w-up

lorm the members of the Bóvernment s intentions

hAt a meeting held two e eks ago at Hartbeespoort 'Wm, he told senior Broeders amt negotiations "could take t lars rather than months" to lkl concluded He also gave pm the assurance that "the hovernment will not sell r ilte interests down the riv- e ."

gassed otest

e a crowd of about 10 000 irch in Soweto yesterday ed to have been taken to rious injuries, but police injuries

council offices to demand mt a 10-minute battle with e, fter the visit to Soweto of yaker

Sanctions buster shot dead

Carl Tiyi
26/3/90
280

From IAN HOBBS

LONDON. — The professional assassination of a sanctions-busting arms dealer who supplied South Africa has mystified European police forces.

Canadian-born Dr Gerald Bull, 61, was shot dead in his luxurious apartment in Brussels last Thursday night

He was known to have supplied Armscor with the fabled G5 155mm howitzer's secrets.

Two small-calibre bullets had been fired into the back of his neck at close range, killing him instantly

His body was left lying close to his front door with $20 000 (R50 000) in a wallet left untouched Belgian detectives said professional hitmen had acted in cold blood and made no attempt to cover up their purpose.

Iraqi war

Dr Bull, who was jailed for three months in the United States for breaking the South African arms embargo, had many political enemies, particularly in the Middle East

Embittered by his jail sentence, he moved to Brussels nine years ago and increased his international arms trade and consultancy work

He became increasingly close to Armscor, master-minding joint ventures across political lines with Armscor, Chile, Israel, China and other countries

He supplied sophisticated weapons, including the G5 artillery piece, to Iraq during its war with Iran and was involved in current efforts by Iraq to re-arm.

He may also have secretly continued to work for Canada and the US government.



SEND OFF . . . The Anglican Dean of Cape Town, the Very Rev Colin Jones, embraces Aids sufferer Mr Pietro Battiston after blessing the bicycles, riders and helpers who will travel to Johannesburg in a bid to raise funds for Aids homes. ● **Report — Page 11** Picture ALAN TAYLOR

CAPT Times 26/3/90 280

Sisulu: Thatcher 'on FW's side'

JOHANNESBURG. — ANC internal leader Mr Walter Sisulu yesterday slammed Mrs Margaret Thatcher for her role in South Africa.

In a message to a mass rally in London organised by the Anti-Apartheid Movement (AAM), Mr Sisulu said: "The time has come for Mrs Thatcher to stop siding with De Klerk. Her policy can only do harm to the negotiation process."

Mr Sisulu was scheduled to address the rally in person, but on Saturday night he informed the AAM he could not attend due to developments inside South Africa.

Mr Sisulu said sanctions must be maintained and intensified until freedom was guaranteed.

"Britain cannot make a successful contribution to ending apartheid as long as its government refuses to recognise the important role of sanctions."

Mr Sisulu's place was taken by veteran ANC member Mr Andrew Mlangeni, also one of the Rivonia treason trialists released last year.

Mr Mlangeni said the vast majority of British people rejected Mrs Thatcher's stand on South Africa.

"(Her) decision to relax sanctions is a slap in the face not only for the South African people, but blatantly ignores the wishes of her own people," Mr Mlangeni said to cheers from the crowd.

In a statement to the rally, Labour Party leader Mr Neil Kinnock said those who argued that pressure on South Africa should be relaxed and sanctions lifted did not understand that "in dealing with Pretoria, pressure pays, patience doesn't".

The rally, in Trafalgar Square, drew tens of thousands of anti-apartheid supporters from all corners of England.

Officials estimated between 15 000 and 20 000 supporters marched to the rally from Hyde Park.

Scores of police ringed the square and the area in front of the South African embassy was well cordoned off for the rally's duration. — Sapa

● Labour's record lead — Page 9

UK bars boycott of SA-linked funding

280

Sowetan 27/3/90

LONDON - The British Government has stepped in to stop the country's Citizen's Advice Bureau from boycotting funding from companies with South African connections.

According to a report in Monday's *Guardian*, the National Association of Citizen's Advice Bureau - which is heavily funded by the Government and provides free legal and social advice to Britons - was contemplating a boycott after being advised by policy strategists that this would attract more black people into citizen's advice work.

But after an interview with Consumer Affairs Minister Eric Forth, the association's ruling council rejected the move.

Forth confirmed on Sunday night that he had discussed the matter with the association, adding: "I simply said that if you are going to start parading your political conscience around, and turn down money with alleged South African connections, don't expect the taxpayer to step in and fill in the gap."

He denied, however, that he'd brought pressure to bear on the association. "If that's leaning on them, they must be very delicate plants," he said.

The revelation of the South African issue comes after the sudden resignation of Mr Martin White, the association's chief executive.

'Don't move the goal posts'

ARGUS 27/3/90 250

From DAVID BRAUN,
Argus Foreign Service
in Washington

AN influential American newspaper has warned that it would be risky for the US to move the goal posts just as the South African government approached standards it had been led to believe would trigger the release of sanctions.

SANCTIONS

The Washington Post made this point in an editorial.

The newspaper was reacting to a growing view within the US Congress that sanctions should be lifted only when the victims of apartheid said so, and not, as the Bush Administration contends, when certain specific criteria set out in the 1986 Comprehensive Anti-Apartheid Act (CAAA) have been met.

Last week Congressman Bill Gray, the third-highest ranking Democrat in the US House of Representatives, said that on re-reading the CAAA it was apparent that the criteria were merely the preamble to the main condition for the lifting of sanctions: the abolition of apartheid.

Mr Gray, who recently led a Congressional delegation to South Africa, said the US would know apartheid had been abolished when the victims of the system said so.

His interpretation amounted to a substantial stiffening of the conditions the CAAA set out for the lifting of sanctions.

The Washington Post warned that if the US shifted the goal posts in this way, the first loss would be the confidence of all the South African parties in the good faith and constancy of the United States.

The newspaper said that whether the De Klerk government's policy turn was indeed irreversible depended on a lot more than his own readiness to say so.

"Whatever leverage outsiders may have, moreover, it would be unforgiveable to yield it in impatience or for foolish sentiment.

"But it would also be foolish to husband it stingily and to fail to bring timly influence to bear for the common South African good. Conscientious tactical judgments are required. For Americans, these bear particularly on the terms on which American economic sanctions should be eased," the newspaper said.

It added the CAAA, written before there was any real prospect of negotiations, offered some guidance. The language of the law was being used to support both points of view (sanctions should be lifted when certain criteria have been met, or sanctions should be relaxed only when apartheid's victims said so).

Sanctions had helped bring South Africa to the stage at which productive negotiations beckoned.

applied for a job with the [illegible] six months ago. They have not bothered to reply.

"Every ethnic group has their own radio station except col-

[illegible] sion – Lionel Jack, William Abdul and Cobus Dowry on television and two contract presenters on Good Hope Stereo.

"Coloured citizens speak English and Afrikaans and the SABC has 14 radio stations that broadcast in both languages."

Risky for US to move sanctions 'goalposts'

SBCW 27/3/90 28

By David Braun,
The Star Bureau

WASHINGTON — The influential Washington Post has warned that it would be risky for the United States to move the goalposts just as the South African Government approached standards it had been led to believe would trigger the release of sanctions.

The newspaper made the point in its top leader article on Sunday. It was reacting to a growing view within the US Congress that sanctions should be lifted only when the victims of apartheid said so, and not, as the Bush administration contends, when certain specific criteria set out in the 1986 Comprehensive Anti-Apartheid Act (CAAA) have been met.

Last week, Democratic Party Congressman Bill Gray said that on re-reading the CAAA it was apparent that the criteria were merely the preamble to the main condition for the lifting of sanctions: the abolition of apartheid. Mr Gray said the US would know apartheid had been abolished when the victims of the system said so.

The Washington Post warned that if the US shifted the goalposts in this way, the first loss would be the confidence of all the South African parties in the good faith and constancy of the United States. The newspaper said that whether the De Klerk government's policy turn was indeed irreversible depended on a lot more than his own readiness to say so.

"Whatever leverage outsiders may have, moreover, it would be unforgiveable to yield it in impatience or for foolish sentiment.

"But it would also be foolish to husband it stingily and to fail to bring timely influence to bear for the common South African good. Conscientious tactical judgments are required.

ch 26 1990

Thatcher slated by AAM and ANC

Thousands march to back sanctions

LONDON — Trafalgar Square was filled to capacity yesterday afternoon as tens of thousands of anti-apartheid supporters marched to a rally calling on the government to stop supporting President F W de Klerk by relaxing some sanction measures.

Officials estimated between 15 000 and 20 000 supporters, many waving banners indicating membership of Anti-Apartheid Movement (AAM) branches countrywide, marched from Hyde Park to Trafalgar Square.

Scores of police ringed the square and the area in front of the South African Embassy was cordoned off and clearly out of bounds to even ordinary members of the public for the rally's duration.

Public address system-boosted cries of "Viva ANC" and "Viva Mandela" echoed across the square as the enthusiastic crowd gathered.

Brisk trade

AAM vendors did a brisk trade in ANC T-Shirts and other mementos as the column of marchers from Hyde Park took nearly half an hour to file into the square.

Senior ANC executive member Mr Walter Sisulu was due to speak at the rally, but had to cancel at the last moment due to his heavy schedule within South Africa.

Instead, veteran ANC member Mr Andrew Mlangeni, also one of the Rivonia treason trial convicted, who was released last year with Mr Sisulu, flew into London on Saturday to fill the gap.

In Johannesburg yesterday, Mr Sisulu slated Mrs Thatcher for her role in South Africa.

In a message to the London mass rally, Mr Sisulu said: "The time has come for Mrs Thatcher to stop siding with De Klerk. Her policy can only do harm to the negotiation process."

A statement to the rally by British opposition leader, Mr Neil Kinnock, offered the Labour Party's full support to the AAM.

He said those who argued that pressure on South Africa should be relaxed and sanctions lifted did not understand that "in dealing with Pretoria pressure pays, patience doesn't."

Other speakers at the rally included Archbishop Trevor Huddlestone and several MPs. — Sapa.