SANCTIONS — 1991

JANUARY — MARCH

Sanctions could go this year — Cohen

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Interviewed via satellite in Washington by journalists in Pretoria and Lisbon, Mr Cohen said the Bush administration would approach Congress in this regard once all political prisoners had been released in South Africa, which was expected to happen before the end of April.

Most criteria to lift sanctions had already been met by the South African government, Mr Cohen said.

Impressed

"I think fundamentally the visits of President De Klerk and Mr Nelson Mandela (to the US), and what has happened in South Africa over the past year, have so favourably impressed the mainstream of Congress that I believe that when President Bush goes to them and says, 'We'd like to start modifying and suspending some of these sanctions to reflect this progress,' I believe that the majority will go along with it."

Discussing the violence in South Africa, Mr Cohen said Inkatha leader Chief Mangosuthu Buthelezi and ANC deputy president Mr Nelson Mandela should lead the reconciliation process by meeting in public, indicating that their past disputes were over and that they were now working together for the same end of ending partheid and bringing about a democratic system.

"We think both of them believe in the same thing so why should they continue to fight each other?

"There is a tradition in Southern Africa of intolerance to opposition within the black communities.

"We hope that the black leadership in South Africa can put a stop to this before it does become a civil war."

Mr Cohen said the US administration found it ironic that the leadership of the ANC was asking the white government to stop violence within the black community.

"The power struggle as to who will have control of South Africa after the end of apartheid should not be taking place now. Now what they should be concentrating on, is how to negotiate, not fighting among themselves and engaging in power struggles." — Sapa.

Cohen says US sanctions could go soon

Sowetan 4/1/91

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End of sanctions near (280) Cohen

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Negotiate

"We hope that the black leadership in South Africa can put a stop to this before it does become a civil war."

Mr Cohen said the US administration found it ironic that the ANC was asking the white government to stop violence within the black community.

"The power struggle as to who will have control of South Africa after apartheid should not be taking place now. Now what they should be concentrating on, is how to negotiate, not fighting among themselves."

Mr Cohen said he did not know whether negotiations in SA would be successful: "We hope they are, but the old apartheid system is finished. It will never come back."

Mr Cohen affirmed that US-South African relations were improving.

"Our conversations with the South African Government are very frank and constructive. I or Secretary Baker speak to Pik Botha regularly on the phone."

Mr Cohen said most of the US $33 million (R82,5 million) aid went in bursaries.

"Our contribution at the moment is in the area of education. We'd like to do some work in housing, but we've had problems with our legislation because we are not allowed to spend money to support segregated housing."

He hoped the repeal of the Group Areas Act would enable the US "to get into the housing assistance business as well". — Sapa.

US could lift sanctions

C/Pers 6/1/91

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House of Commons report could influence British policy on SA

KIN BENTLEY

LONDON — A report on the findings of the first House of Commons inquiry in four years into British policy towards SA and the sub-continent is to be published next month.

The foreign affairs select committee heard evidence over seven months from a wide cross-section of opinion in Britain during its inquiry into "UK policy towards SA and the other states of the region".

Ten committee members visited SA and the region in October and November last year and met a broad cross-section of political and business leaders.

The committee has no direct legislative role. However, with members drawn from the governing Conservative Party and opposition Labour Party, its views are likely to have a strong influence on official policy.

In the light of the fundamental changes in SA over the past year, and a Tory majority on the committee, observers believe the report will endorse Britain's anti-sanctions policy, although there is a possibility Labour MPs might issue a minority report on this issue.

Foreign Secretary Douglas Hurd, who favours a speedy lifting of sanctions against SA, twice gave evidence to the committee, reiterating this view.

In June he stressed the need for African countries receiving British aid to practise democracy and observe human rights — a call which is likely to be endorsed by the committee.

Last month Hurd, in welcoming the European Community decision to lift the ban on new investment in SA, told the committee the Commonwealth would have to recognise that SA was changing when they reviewed the sports boycott during the Heads of Government summit in Harare this year.

A spokesman said yesterday that the committee would debate Tory chairman David Howell's draft report after Parliament resumed sitting on January 14.

Once accepted, the report will be tabled in the House. It is likely to be published in mid or late February.

Public debate

The spokesman said the committee, which last looked at UK policy towards the region in the 1985-86 legislative session, had "no direct legislative role" but was entrusted with the task of "scrutinising and monitoring the executive".

Its findings would "contribute to the whole public debate" on southern Africa.

With change in SA occurring rapidly, it was possible a further investigation could be conducted shortly because the committee had "complete discretion to decide on its programme of inquiries".

Among those who gave evidence in London were Commonwealth secretary-general Emeka Anyaoku and KwaZulu Chief Minister Mangosuthu Buthelezi.

European money flowing in

INFLOWS of trade-related finance from European banks were now running at levels unheard of a year ago, bankers said yesterday. BDay 9/1/91

They said the inflows would increase following the EC's recent lifting of its ban on new investments in SA. 280

In certain cases, the availability of these credit facilities exceeded the requirements of certain local banks. 480

Bankorp senior GM: international treasury Martin Croucamp spoke of the "tremendous strides" made over the past six months in obtaining trade finance.

He said: "Overseas banks are bending over backwards to help put together deals. The communication flow is much better."

The real momentum started around April last year and built up steadily towards December when the EC decision was announced, Croucamp said. However,

ROBERT GENTLE

there was no sign of similar progress in the funding of long-term capital projects.

A Standard Merchant Bank treasury spokesman said: "The ability to access new dollars is very good right now." He spoke of both specific and general facilities, some of which had not been taken up.

Asked to put a figure on the new business, the spokesman said that about $50m to $100m could be raised with one telephone call. "Last year this time, that just could not be done."

The funds had become available over the past six months, starting from within the UK and then moving to the rest of Europe.

However, on the long-term side, there were only token amounts involved.

Nedbank international division head

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Derek Muller said that it had become much easier to finance exports and imports since the middle of last year. He attributed this mainly to "post-February 2 sentiment" and said the recent EC decision on new loans was mainly symbolic.

"It will help in the long term. Every such step makes it that much easier for European banks to stand up at their AGMs and say they are doing business with SA."

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Muller said that on the long-term debt front, the best SA could hope for were rollovers of maturing government and semi-government debt outside the net.

'US must support free market in SA'

Star 10/11/91

By David Braun
Star Bureau

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WASHINGTON — With apartheid's collapse near, Washington should help strengthen a free market economy in South Africa by repealing financial and economic sanctions, a leading US conservative pressure group has advocated.

According to Michael Johns, policy analyst with The Heri tage Foundation, the most significant challenge for the US no longer is convincing South Africa's leadership to scrap apartheid.

Rather, the challenge now must be to ensure that apartheid is replaced with a political and economic system that respects the fundamental liberties of all South Africans.

In a paper released in Washington this week, Mr Johns said the US should be concerned about the political system that could emerge in a post-apartheid South Africa.

A future South African Government could be tempted to withhold supplies of vital minerals to the US and it would also control one of the world's most important waterways, the sea route round the Cape of Good Hope.

Mr Johns also warned that South Africa's nuclear programme could continue to develop under a post-apartheid government, and that the country could eventually possess an intermediate-range nuclear capability.

Influence

The US had lost much diplomatic and economic influence in South Africa in the past five years.

To regain this influence and to help ensure a peaceful transition to freedom and democracy, he suggested the Bush administration should:

- State that the goal of US policy in South Africa was a non-racial democratic society that protected the individual rights and economic freedoms of all South Africans.
- Financially assist anti-apartheid organisations that supported democratic, free market ideals.
- Immediately lift economic and financial sanctions against South Africa once the conditions of the Comprehensive Anti-Apartheid Act (CAAA) were met.
- Grant South African commercial aircraft permission to land at American airports.
- Withhold American financial assistance to the ANC or its front groups until it terminated its alliance with the SA Communist Party.
- Invite anti-apartheid leader Mangosuthu Buthelezi to Washington to meet with George Bush, administration officials, and members of Congress.

Sanctions on agenda, says Cohen

(280)

Star 10/11/91

Africa News Service

LUSAKA — The lifting of sanctions against South Africa is thought to have been raised by Herman Cohen, the US Assistant Secretary of State for Africa, in talks with President Kaunda of Zambia in Lusaka today.

On his arrival yesterday Mr Cohen said the question of sanctions against South Africa was likely to feature in the talks.

The Bush administration is thought to favour the lifting of sanctions to encourage reform in South Africa and Mr Cohen's statement suggests he may advocate a similar attitude among the Frontline states, of which Mr Kaunda is the leader.

Mr Cohen said he was in Lusaka at the invitation of Mr Kaunda, the Africa News Organisation reports.

Mr Cohen said he was optimistic that there would be ceasefires in Angola and Mozambique this year.

ANC call on EC bars scorned

TIM COHEN 280

ATTEMPTS by the ANC to reverse the EC's decision lifting its ban on new investment in SA were described as "pie in the sky" by a European diplomat yesterday.

ANC deputy president Nelson Mandela said in the organisation's 79th anniversary statement this week the international community should continue to pressure SA through sanctions as the struggle had not yet been won.

Mandela added the ANC would ask the EC to review its decision to rescind investment sanctions.

However, a European diplomat said yesterday the EC would refuse to do so, and also would not rescind its decision to lift import sanctions on iron, coal and Krugerrands once government had abolished the Group Areas and Land Acts. BI Day 11/1/91

Government is widely expected to abolish these laws during the coming parliamentary session.

The diplomat said only EC heads of government, who will only meet in June, could review the decision.

Lifting the import ban on iron, coal and Krugerrands would mean that all measures imposed by the EC against SA in 1986 would have been rescinded.

Cohen, Kaunda in sanctions talk

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The Bush administration is thought to favour the lifting of sanctions to encourage further reform in South Africa and Cohen's statement suggests he may advocate a similar attitude among the Frontline states, of which Kaunda is the leader.

Cohen said he was in Lusaka at the invitation of Kaunda, who had asked him last year to visit Zambia early in 1991, the Africa News Organisation reports.

On the question of the conflicts in Angola and Mozambique, he said he was optimistic that there would be a ceasefire in each country this year. - Sowetan Africa News Service.

Risk analysis will determine reinvestment in SA

Star 11/1/91

OUTLOOK '91

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Wayne Mitchell, executive director, American Chamber of Commerce in SA, discusses prospects for foreign investment in a post-sanctions South Africa.

Remarkable events took place in 1990 which saw South Africa do a political somersault.

As a result of that turnabout the question arises. When sanctions — particularly US sanctions — are abolished, will foreign investors show an interest in South Africa?

The events which have led to the opening of this debate are the release of political prisoners, the unbanning of political organisations, the "talks on talks" and the lifting of the state of emergency, all of which have led to the possibility of fundamental change.

For this, President De Klerk and his government must be applauded However, the political scenario has yet to unfold and business is showing a reluctance to dive into the economic deep end.

The situation is now opportune for South Africa's future leaders to engage foreign corporations in dialogue about investment in a post-apartheid South Africa.

The considerations arising from these encounters should be built into the medium and long-term economic plans of the major political actors

The American business sector in South Africa, despite 154 corporations having disinvested, still has an asset base of about $2 billion.

At present there is no rush by American companies to enter the South African market, although several scouting missions by US companies to South Africa have taken place in the past six months.

Numerous reasons that limit serious consideration by potential American investors include

- The Comprehensive Anti-Apartheid Act which makes new US investment in South Africa illegal.
- The Rangels Double Taxation Amendment, which is a back-breaking piece of legislation, that forces American companies operating in South Africa to pay double tax
- South Africa has never been a major market for American investors, with seldom more than one percent of both income and assets of a US corporation being invested in South Africa
- The crisis and violence in the townships is suggesting to the foreign investor that the end of apartheid is not synonymous with the ending of violence and instability
- Given the political changes, foreign investors are adopting a wait-and-see attitude as to how a new South African government will treat local companies and to analyse what political and social conditions will prevail in the post-apartheid era

A post-apartheid South Africa could be attractive to new foreign investors, particularly from the US, as the East European market has been flooded by West European investors leaving the American investor to seek new pastures

Unlike Eastern Europe, South Africa has a tradition of market economies, a stock market, legal structures, bidding and trading practices, a developed banking system and a modern communications and transportation infra-structure, all of which are incomparible on the African continent.

Stable economy

South Africa has a "post-apartheid dividend" of $2 billion a year, which could be added to the gross domestic product through the elimination of sanctions.

This would also add to a more stable economy to which foreign investors could be attracted

In South Africa there are investment bargains, while, influenced by external variables such as gold, the productive capital of South African mining and tourism are undervalued in terms of their productive capability

Another strong motivating factor for the foreign investor looking at South Africa investor, is the under-served southern African market of 120 million people

Although to date capitalism has been synonymous with apartheid, it is essential that foreign investors are encouraged through dialogue

The objective of such dialogue is not to reduce the pressure to scrap apartheid but to lay plans and foundations for when apartheid is no longer the issue

These discussions could include what role the business sector, and specifically the foreign investor, could play in the restructuring of a post-apartheid economy

This debate is at present very fluid, but there are indications that the economy could become more open and competitive than it is now if anti-trust laws were used similar to those in effect in the United States

Such laws would lead to the breaking up of monopolies, which would lead to the encouragement of competition, which in turn would democratise the economy, weaken the dominant role of conglomerates and unleash more productive and competitive forces

It can also be envisaged that a post-apartheid economy would hold foreign investors accountable to wider societal interests and investors would have to regard themselves as full participants in South Africa's economic life and thus identify with the developmental and planning aspirations of any future government.

Become norm

Corporate philanthropy, manpower development programmes, community development projects and corporate-community relationship programmes will inevitably become the norm

The question which is also of concern to the foreign investor is that of the relationship between worker and management.

One of the walls which has separated management and labour in South Africa to date has been apartheid, with the trade unions focusing on political issues, which have diverted their attention away from their relationship with management pertaining to direct worker interests

Without apartheid we will find the unions in an extremely visible role This will be through the re-focusing of their attention to bargaining for wages and benefits, but most important, participating in company planning and management.

Create jobs

This will lead to improved trust and collaboration between labour and management, hence creating a more stable workforce, through self-interest, to maintain investor confidence and create jobs

The government of the day will in all probability actively encourage any resolution of conflict between labour and management in order to stimulate the economy so that they may deliver political promises which have been made in the past by key political leaders and organisations

Few corporations have slammed the door on South Africa

However, few disinvested corporations will rush back with significant investments But there are short-term exceptions and they could be identified as follows

- In the mining and tourism industry and high-priority areas such as food, clothing basic consumer goods, small appliances and housing Much of this early investment may be led by African-American entrepreneurs
- Nearly half of the US firms which no longer have direct investment in South Africa have retained licensing, distribution, franchise or buy-back agreements which would facilitate their future re-entry into the South African market.

These companies have maintained visibility and positive linkages through non-commercial activities such as support of black education and community development trusts

Continued and accepted use of this non-equity mechanism can be expected until the foreign corporate community is confident that direct investment is warranted

On the positive side for US corporations, the process of investing in a new South Africa could be less painful than predicted by the pessimists

US corporations have a wealth of experience with integration in the workplace, coupled with a direct affirmative action programme in community development.

Joint ventures

Due to this experience, any future South African leadership might openly encourage US companies to enter into joint ventures so that South African companies may learn from the experience of their US counterparts at present operating in South Africa

Just as vocal

There is global support for economic success in a post-apartheid South Africa It is to be hoped that the many forces which exerted influence through corporate disinvestment and sanctions will be just as vocal in their encouragement for corporate re-investment.

Given the forementioned scenario, re-investment will have to be vigorously pursued, as it cannot alone be based upon international solidarity for a non-racial South Africa

Reinvestment will be based upon a clear economic risk analysis done by foreign companies searching for new markets

South Africa alone must provide the conditions conducive to foreign investment. The opportunity is about to present itself and if it is not grasped with both hands it could be lost forever

Dutch sanctions partially quashed

The Argus Foreign Service

THE HAGUE. — The Dutch government has partially overruled last year's decision by 12 town councils to boycott businesses with South African links.

As part of their anti-apartheid campaign, the councils — including Amsterdam, Delft, Rotterdam and Haarlem — have excluded South African-linked firms when awarding contracts over the past few months.

The councils' campaign also entailed boycotting South African products and services and refusing to accept sponsorship for municipal projects from companies with South African connections.

'UNACCEPTABLE'

Explaining the government's decision, the Dutch Foreign Affairs Office said the council's boycott campaign was "unacceptable" and hindered government policy towards South Africa.

The sponsorship boycott is not affected by the government decision, which followed a recent warning to councils not to pursue unilateral policies on the South African issue.

Since President De Klerk's visit to Holland last October, the icy relations between two countries gradually have been thawing, and the Holland is expected to start a step-by-step process of lifting sanctions against Pretoria.

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bution of the land, lead to the elimination of poverty and focus on ensuring a rising standard of living for all the people."

There's no reference to nationalisation or similar measures; the ANC seems prepared for a more moderate economic line. It concludes: "As South Africans we know very well that liberty and poverty are uncomfortable bedfellows." ■

ANC POLICY FM 11/11/91

SELECTIVE SANCTIONS

The ANC, continuing to reflect an ambivalent attitude toward sanctions, says in its 1991 policy document this week that, though it will press for the continuation of sanctions, it would like to see the speedy removal of these political pressures. (280)

Deputy president Nelson Mandela says the movement is to ask the EC to rescind its recent decision to lift the ban on new investment in SA. Success in this approach seems unlikely.

Apart from this, the ANC has adopted its softest line in a decade, showing that while its militant membership still favours sanctions — as shown at its mid-December Consultative Conference — the leadership is eager to begin movement away from them.

ANC leaders privately say they are keen for economic restructuring to begin but this does not mean willy-nilly removal of sanc-

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tions. They would like sanctions to be used in more sophisticated ways as a weapon for the continued removal of apartheid and as pressure for social restructuring, like nonracial, unitary sports bodies.

"We are determined that our country should, as soon as possible, take its place as an equal member among the world community of nations, without any sanctions against it. This requires that we achieve speedy movement forward toward its democratic transformation," the document notes.

Calling for urgent attention to improve the quality of life of the poor, the ANC criticises government's lack of progress, despite a stated commitment. "The forthcoming Budget and public expenditure in general must reflect genuine movement."

The ANC calls for continued pressure for a living wage and welcomes "agreements between some unions and employers to help provide alternative employment for workers who are unavoidably retrenched. We urge other companies to follow these examples."

It asks the business community for "a determined offensive against the abject poverty which afflicts so many of our people. The necessary financial resources and business skills have to be released to tackle such urgent questions as housing and education."

The ANC commits itself to an economic system "that will create jobs, ensure a fair and just distribution of wealth, enable black economic empowerment, attend to redistri-

over other customers.

"In the event of a disaster, the computer site will operate on a first-come, first-serve basis. This has to be the case if the service is to work."

Jarvis expects strong demand for the service, which starts this month. Company directors are coming under increasing pressure to ensure that the information systems of their businesses are protected, he says, and it is becoming increasingly expensive for even large organisations to go it alone and back up their own computer facilities.

"In the US, external auditors can qualify a financial institution's accounts if they believe that its disaster recovery facilities are not in order," he says. "That will be the case here soon." ■

SANCTIONS

REEBOK'S HEADACHE

The decision five years ago by American sport shoe manufacturers Reebok International to pull out of SA has backfired.

There are now more of the trendy Reeboks in the country than ever — as well as a whole range of made-in-the-East Reebok look-alikes that are shuffling their way in through the back door.

The company decided in 1986 to halt supplies and SA got its last authorised shipment in mid-1987. Annual sales then amounted to about R25m and today would be worth anything from between R50m and R200m, according to Stephen Stone, MD of Jokari SA, formerly the sole distributor for Reebok.

"The irony is that now we have more Reebok shoes than ever before in SA, as well as counterfeit products," says Stone. "Theoretically, the company is not in the country, but its products are. It's hypocritical."

By cutting off the authorised supply, Reebok left its products wide open to counterfeits, especially after government relaxed certain import permit laws in 1988.

Convincing fakes from the Far East are fetching the same inflated prices as the real thing, which is damaging Reebok's image, dealers say.

A spokesman for Reebok in Massachusetts, Nasser Ega-Musa, says the company is tracking down sources of the clones. He adds that the company will maintain sanctions until apartheid is dead and it is also committed to shutting off the flow of authentic Reeboks to SA.

But Reebok, and other companies like Kodak that have tried to stop the sale of their products in SA, have found that this is almost impossible. SA importers can easily obtain supplies from the surplus stock of importers in other countries. For example, many of the authentic Reeboks in SA come from Germany.

Reebok, which grossed US$200bn in the US alone last year, has had its fair share of problems relating to SA. In the September and October editions of the US magazine *Black Enterprise*, the company placed full-page advertisements declaring in bold letters: "If we've said it once, we've said it a thousand times . . . Reebok is NOT in South Africa."

Speculation that Reebok has an SA connection — fuelled by the company's Afrikaans name — has persisted.

"Rumours that Reebok is in SA have been circulating in the US because the name is close to Springbok and the names of other African antelope. We're sure some of our opposition helped to spawn the rumour," Ega-Musa says.

While SA is home to the Reebok antelope, the company line is that it took the name from a dictionary while looking for a fleet-footed animal as its mascot.

It is an open secret, however, that the great-grandfather of a British founder of Reebok, Joe Foster, was greatly impressed by the beautiful antelope (sometimes spelt Rhebok) while fighting with the British in the Second Boer War. ■

UK breaks ban on SA coal

Sowetan 15/1/91

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LONDON - Britain's electricity industry has bought coal from South Africa for the first time since the country was isolated by the world community.

Northern Ireland Electricity has bought a shipment of 27 000 tons from the terminal at Richards Bay, via Shell Coal International. A second similar shipment for NIE is also on its way to Belfast.

This is a blow to British Coal, which until recently has had a near-monopoly on supplies of coal to the British electricity market.

Although it is not illegal to import South African coal into Britain as it is in Denmark and the United States, British power companies have for the past 20 years refused to accept it.

However, "Dutch" coal - privately mined in Britain and blended with South African imports - has been passed off by suppliers as a British product.

Report

Details of the two shipments are contained in yesterday's issue of *International Coal Report*, a *Financial Times* newsletter, which also reports a sudden expansion of NIE imports as a result of Britain's entry into the European exchange rate mechanism.

This has made dollar-denominated coal imports extremely competitive.

The South African move into the fast-growing British coal market comes as countries which have formerly placed restrictions on purchases from South Africa are reviewing their policies.

The price paid by NIE for its South African imports is understood to be about R116,50 a ton, compared with R159,50 a ton paid by NIE for British coal. - *Sowetan Correspondant.*

SAA set to get US landing rights back?

Own Correspondent

LONDON. — Landing rights in the US are expected to be restored to SAA next month.

The journal Africa Confidential, published here, says this will mark the start of an "incremental" lifting of the US sanctions package.

In an analysis of US policy on Africa, the journal says in its latest edition that while the continent "remains a dismally low priority on the US foreign agenda", South Africa is "the most ticklish political problem" for US Secretary of State Mr James Baker.

Although probably considered a domestic liability if Republicans are seen as soft on apartheid, the journal says Americans are happy not to have to try to "solve" South Africa.

"Fortunately, things seem to be going well enough under their own steam, with the US appearing even-handed in encouraging Mr Nelson Mandela and Mr President F W de Klerk to orchestrate reforms.

"We understand the US reckons sanctions will be lifted incrementally from February, starting with the return of landing rights to SAA."

The report also said that with the "less agonising" exception of South Africa, the continent still commanded less attention from Americans than any other part of the world.

WORLD

New bid to bolster sanctions against SA

Argus 15/1/91 280

The Argus Foreign Service

BRUSSELS. — Leaders from the worldwide Anti-Apartheid Movement have agreed to mount new campaigns aimed at encouraging further political reforms in South Africa and bolstering trade sanctions against the republic.

The decision was taken at two days of talks here at the weekend. British AAM secretary Mr Mike Terry said: "The aim is to work to secure a transformation in South Africa."

The mass action will start on February 1 with protest demonstrations outside South African missions around the world. These will coincide with action inside South Africa. The campaign will end with an international day of action on April 5.

During the Brussels meeting the European Community was severely criticised for relaxing sanctions. Mr Terry accused the EC of being "racist" for listening "just to President De Klerk". He said the African National Congress was best placed to decide when the process of reform was irreversible.

The AAM will now attempt to persuade the European parliament to oppose the lifting of any sanctions when it meets again two weeks.

SA heads for early break in the sanctions log-jam

ST Times 20/1/91

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Business Times Reporter

SOUTH AFRICAN businessmen have already been encouraged by the erosion of sanctions — but the big prize may be closer than they think.

Marketing consultant Perry & Associates believes the American Comprehensive Anti-apartheid Act could be scrapped in the final quarter of this year.

"Success in the US legislature will be the event that breaks the sanctions log-jam," says chief executive Mike Perry

But he warns that business must be prepared to take quick advantage of new foreign trade opportunities.

East

Last month's decision by the European Community to lift a major part of its anti-sanctions — the ban on new investment — has had a measureable effect on SA's trading prospects.

Growing interest in trade from East European countries and the likelihood that SA will be allowed to join the all-black Southern African Development Co-ordination Committee (SADCC) have also increased business confidence

But the lifting of "C-AAA" would be seen by the rest of the world as a seal of approval, particularly in areas of strong US influence such as Japan and South America.

SA Foreign Trade Organisation general manager Ann Moore says: "It could well be the signal which would send any other trade barriers crashing down."

The legislation, adopted in 1986, imposes strict criteria which SA has to meet before it can be removed.

Mr Perry says: "The Government has made more progress in satisfying the requirements of the US legislation than many businessmen realise."

SA meets three of the five main requirements and is halfway to comply with a fourth. The Government has lifted the state of emergency, unbanned political parties and is talking to the ANC

The requirement that the Group Areas and Population Registration acts be scrapped has been half-met.

A decision to release political prisoners could be made in the first half of this year, says Mr Perry. "This is a prerequisite."

There must also be evidence of the dismantling of apartheid — but this would be apparent once the release of prisoners was agreed to.

President Bush must report to Congress on SA's progress on the anniversary of the C-AAA enactment in October — an opportunity to lift sanctions if it has not already been done.

The removal of US sanctions would open markets for uranium, coal, iron and steel, Krugerrands, farm produce and the products of parastatals. It would also open the way for direct air links and tourism promotion in the US.

But the big attraction is not merely the resumption of important commodity exports, says Mr Perry.

Normal relations could help to provide finance for a growth phase in the SA business cycle by removing the prohibition of loans to the Government and allowing new investment by US companies.

It would also allow subsidised trade and, if a new tax agreement was negotiated, ease the burden of double taxation on US companies with subsidiaries in SA.

Mr Perry says sanctions have undoubtedly contributed to the serious decline in margins that SA companies have experienced in recent years.

The ban on new loans meant that the Government terminated any economic upswing soon after it started because of fears about foreign-currency demand for imports in a time of strong growth.

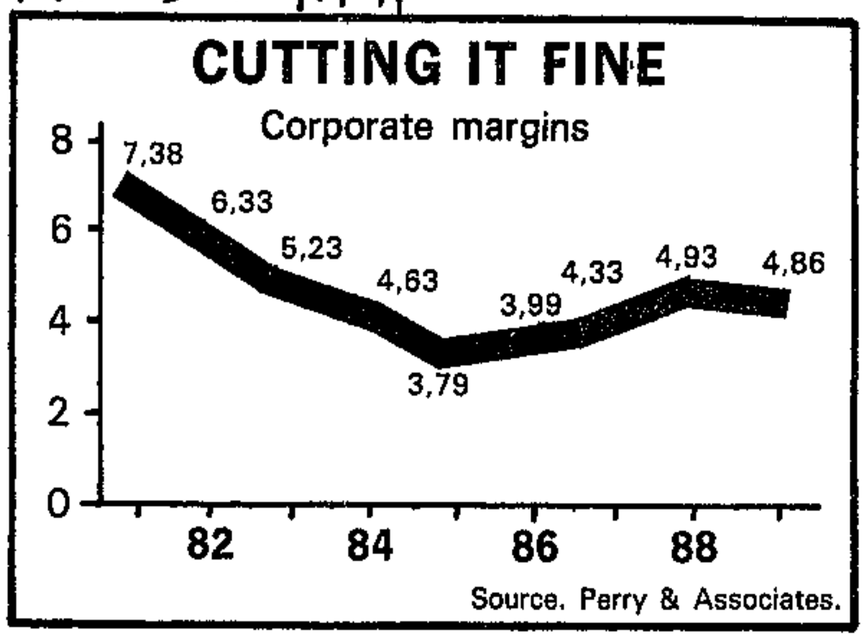
Lucrative

The US also provided some of the more lucrative markets for exporters. Importers and exporters often had to share their margins with middlemen.

Mr Perry says that if the EC follows the US in lifting its remaining sanctions, it will be just in time for SA to be included in arrangements for the single European market, which must be settled by the end of 1992.

"Our businessmen should aim to be in a position to penetrate US markets by the end of this year and to go into EC by the end of next year.

"This is the year to establish links with the best multinationals and take a strong regional position before they reverse their disinvestment trend."



Belgian delegation to visit

EDYTH BULBRING

A TOP-level delegation of Belgian bankers, industrialists and businessmen will visit SA next month to investigate local investment opportunities following the EC's lifting of its investment ban on SA last month.

The delegation will include representatives of companies and organisations with investment and trade interests in textiles, infrastructure and engineering, construction, chemicals and banking.

Belgian Embassy first secretary Francis de Sutder said yesterday the delegation of at least 13 people — the first of its calibre in over 10 years — would be looking at investment and business opportunities in SA.

The delegation, which arrives on February 17 for a week-long visit, is to meet President F W de Klerk, Foreign Minister Pik Botha, Trade and Industry Minister Kent Durr and Reserve Bank senior deputy governor Jan Lombard.

It also hopes to meet representatives of the ANC, Inkatha president Mangosuthu Buthelezi and representatives of Nafcoc, Wesgro, Anglo American, De Beers, Nedbank as well as chambers of commerce.

The delegation will include representatives of the three major Belgian banks — Belgolaise, the Bank of Belgium and Almany — the holding company of Credit Bank — a member of the Belgian office of Foreign External Commerce.

Also on the list is Tractebel, the country's largest electricity and engineering company, the Federation of Flemish companies, Diamant Boart which has extensive interests in jewellery and mining, and Ganssens Pharmaceuticals.

Japan to follow US lead on sanctions

Sowetan 23/11/91

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TOKYO - Japan will maintain economic sanctions against South Africa as long as the United States does.

This is despite dramatic changes here which caused the European Community to ease trade curbs, businessmen say.

Michael Davis, in charge of finance at South Africa's giant electricity company Eskom, said Japan would follow US policy on sanctions - the major impediment to new Japanese investment and loans.

In line with Washington, Tokyo bans new investment in South Africa and has issued guidelines that trade does not increase from the peak 1987 level of 4.1 billion dollars.

He told an audience of Japanese businessmen on Monday: "For South Africa, the economic challenge in the 1990s will be bigger than the political one. The economy will be restructured. New foreign investment and capital is critical to enable the economy to grow faster and fund the new dispensation."

One Japanese businessman said Tokyo had an opportunity to lift sanctions late last year, following the European Community, but declined.

"The government is sensitive to markets in the US," he said.

"It does not want to offend Washington. The foreign ministry is too busy with other issues now to take an initiative in this area."

Japanese firms control more than half of South Africa's car market. - *Sapa-Reuter*

Gabon links a puzzle

EDYTH BULBRING

THE ANC said yesterday a Gabon government delegation had accepted its pro-sanctions stance, despite the delegation having given written assurances to President F W de Klerk that it would seek closer ties with SA.

Government sources said yesterday an SA trade delegation would explore closer ties during a visit to Gabon on February 21.

SA and Gabon had already concluded overflight rights for SAA with Congo and Gabon although no official announcement had been made, the source said.

The Gabon delegation delivered a letter from its President Omar Bongo to De Klerk on Monday.

In the letter, Bongo said his government hoped to hold talks on co-operation with SA and added these would be the forerunner of diplomatic relations.

However, Sapa reports ANC spokesman Gill Marcus said the delegation had accepted its view that sanctions should remain in place.

Major hopes reforms will undo sanctions

B Star 11/2/91

LONDON — British Prime Minister John Major said yesterday he hoped to see more sanctions-lifting gestures soon from the EC, the US and the Commonwealth if the SA government made further progress in dismantling apartheid.

He was speaking in the House of Commons on the eve of President F W de Klerk's opening address to Parliament in Cape Town today.

In reply to a question on the "fragile situation in SA", put by Conservative MP Michael Colvin during prime minister's question time, Major said he welcomed the historic peace talks this week between ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi.

"We welcome the meeting ... it is an extremely welcome development," he said. 280

The prime minister referred to the EC's decision in Rome in December to lift the ban on investments in SA in response to reforms.

"If further progress is made in dismantling the apartheid system, I hope we will see further gestures from the EC, the US and the Commonwealth, on lifting sanctions against SA," he said. — Sapa.

EC to review sanctions on South Africa

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By ARTHUR GAVSHON: **London**

EUROPEAN Community and Commonwealth countries next month will discuss further relaxation of sanctions against South Africa if President FW de Klerk today repeals key apartheid laws. W|Mail 1|2 - 7|2|91

The word reaching British and other authorities from Pretoria is that the president will announce the repeal of the Group Areas and Land Acts among other measures when parliament opens in Cape Town. These laws, along with the Internal Security Act and the Suppression of Communism Acts, have been regarded as pillars of the apartheid system.

Foreign Ministers of the 12 EC governments meet in Luxembourg on February 4.

Canadian Foreign Minister Joe Clark also has proposed the convening of a nine-nation Commonwealth ministerial group which plays a watchdog role in respect of co-ordinating sanctions against South Africa. He has called for a meeting in London on February 16 to look anew at the matter of easing the embargoes in the light of what De Klerk will have to say. But a final decision on whether the session will take place depends on the reactions of Zimbabwe, Zambia, Nigeria and India whose leaders will be guided by the position taken by the African National Congress. Until now the ANC leadership, which has been displaying some flexibility on the matter, favours the maintenance of sanctions until all obstacles holding up constitutional negotiations have been removed.

Clues to the present ANC stance have been provided by the Anti-Apartheid Movement which today will launch demonstrations outside South African embassies around the world. These are to display solidarity with the ANC's campaign of mass action.

EEC Foreign Ministers in Rome late last year agreed to lift their ban on new investment in South Africa in recognition of De Klerk's efforts to bring about the dismantling of apartheid. But, bowing to a plea from Nelson Mandela, they agreed to defer action to ease other elements in their across-the-board sanctions programme pending further reforms by De Klerk.

Following up the lifting of the EC ban on new investments leading AAM activists sought to discover if British banks had eased their lending policy to South Africa and, in fact, urged them not to undermine the continuation of sanctions. The AAM reported on Wednesday they have found all British banks, except Standard Chartered, were standing squarely on support of continued sanctions.

Members of the nine-nation Commonwealth watchdog group are Australia, Canada, India, Nigeria, Zimbabwe, Zambia, Tanzania, Guyana Malaysia.

Acclaim

● FROM PAGE 1.

gold coins from South Africa in 1986.

A ban on new investment imposed at the same time was lifted by EC leaders at their summit in Rome last December.

The leader of the Conservative Party, Dr Andries Treurnicht, said the party's walkout from Parliament was staged to inform the Government of the seriousness with which the CP viewed the proposed repeal of discriminatory legislation.

In a statement yesterday, Dr Treurnicht said the repeal of the Land Acts, Group Areas Act and Population Registration Act touched the roots of own community life, the self-determination of nations, the right of whites to their own government and land, and would lead to further division and friction.

"It is surprising that Mr de Klerk wants to institute an obsolete order in South Africa. The time for a centralised unitary state for different nations has passed. Nations now want their own land and want to govern themselves."

In London, Archbishop Huddleston welcomed Mr de Klerk's speech as "the most important he has ever made", but warned that international sanctions had to be maintained until a non-racial, apartheid-free democracy was secure in South Africa.

In Paris, Archbishop Desmond Tutu welcomed plans to scrap apartheid laws, but added: "In fact, 87 percent of the land in South Africa is in the hands of white people. Blacks do not have the means to procure the land, so that while the legal barriers have been removed, the real barriers remain and poor people will remain poor."

Secretary-General Javier Perez de Cuellar considers measures announced President de Klerk as a very constructive step towards ending apartheid.

"The secretary-general is studying now the statement made by Mr de Klerk and considers it a very constructive step towards the eradication of the system of apartheid," a UN spokesman said.

Here is a summary of other local reaction:

● The repeal of the Group Areas Act was meaningless as it only favoured people with money, according to African National Congress Natal Midlands chairman Harry Gwala.

Adressing about 1 000 people during a placard protest in Pietermaritzburg yesterday, Mr Gwala said the scrapping of the Group Areas Act and the Land Acts would mean "almost nothing" to the ordinary man on the street.

● KwaZulu leader Chief Mangosuthu Buthelezi: "The scrapping of the Land Acts and the Group Areas Act, the commitment to examine the Population Registration Act while we negotiate a new constitution, and moves towards establishing a single education system, all amount to a significant move forward.

"It must now surely be recognised there really can be no turning back now by the South African Government."

● The Azanian People's Organisation (Azapo) said the proposed repeal of the Land Acts and Group Areas Act would not return the land to the landless, and the Government's insistence on a free market economy disregarded the need for an economic system where all people had ownership, control and full participation in the creation and sharing of wealth.

Azapo rejected "with contempt" the notion expressed by Mr de Klerk that mass action was unacceptable.

Sanctions will fade, says SA

World assured

Weekend Argus Political Staff and Foreign Service

GOVERNMENTS around the world today indicated sanctions against South Africa could start disappearing within weeks following the bold announcement by President De Klerk yesterday that the remaining statutory vestiges of apartheid were to go.

Officials in the US Congress and in the Bush Administration indicated all the punitive measures now in force would automatically begin to fall away.

And in Australia yesterday Prime Minister Mr Bob Hawke called for a phased lifting of sanctions and announced he had called for a special meeting of the Commonwealth Committee of Foreign Ministers on South Africa to consider President De Klerk's "milestone" announcement.

The meeting is likely to be held on February 15 and 16 in London. Australian Foreign Minister Senator Gareth Evans will propose the Commonwealth "move immediately to a phased lifting of sanctions as the South African government implements its promised reforms," Mr Hawke said in a statement

In Brussels the European Commission said Mr De Klerk's initiatives would allow the European Community to ease sanctions.

"The execution of these initiatives will allow the Community, as the Council of Ministers announced in Rome on December 15 last year, to ease the measures adopted in 1986," EC External Affairs Commissioner Mr Frans Andriessen announced

Meanwhile international applause for President De Klerk's speech continues to pour in

Britain, the United States and France were among the first to react.

Parliament must act

The US hailed Mr De Klerk's announcement as "further evidence that an irreversible process of change is in progress.

"We welcome the move by Mr De Klerk We will wait until the (South African) parliament acts and then we'll see," said White House spokesman Mr Marlin Fitzwater, travelling with President George Bush on visits to three US military bases.

US ambassador to South Africa Mr Bill Swing said he was "strongly encouraged" by the speech.

Swift and full of praise was the response from British Foreign Secretary Mr Douglas Hurd who said Mr De Klerk had once again shown his commitment to end apartheid and to transform South Africa into a genuinely non-racial society.

"It is clear that these changes are irreversible," he said.

United Nations Secretary-General Mr Javier Perez de Cuellar considered the measures "a very constructive step toward ending apartheid," a UN spokesman said

"The secretary general is studying the statement made by Mr De Klerk and considers it a very constructive step," the spokesman said.

A French foreign ministry spokesman said in Paris it was welcome news. "We will study his speech more closely, and we look forward to seeing its measures being carried out."

Radio and television stations in France led their noon bulletins with the "end-of-apartheid" statement, easing the Gulf war from the prime slot for the first time in two weeks

While a British Foreign Office spokesman warmly welcomed the reforms, he said action by the European Community would probably follow the passing of enabling legislation.

In the case of the US, reports David Braun of The Weekend Argus Foreign News Service in Washington, the Comprehensive Anti-Apartheid Act (CAAA) enacted by the US Congress in 1986, would automatically fall away if five specific conditions were met

All that would be required to complete those conditions now would be for the South African government to make good on its promises to release all political prisoners (a process supposed to be completed by the end of April) and to repeal the Group Areas Act and the Population Registration Act.

Once those things happen, President Bush would lift the sanctions by executive order, certifying to the Congress that the CAAA's requirements had been met

The US Administration would further give favourable consideration to supporting a South African application for a substantial International Monetary Fund (IMF) loan, if such assistance was required and South Africa qualified in terms of technical conditions set for all member countries

The White House, State Department and Congress all welcomed Mr de Klerk's Friday speech, using epithets such as "courageous", "big step" and "historic".

US television news broadcast the details of the speech prominently throughout Friday.

US Senator David Boren, a key player on the South African issue on Capitol Hill, said Mr De Klerk had made historic and fundamentally important proposals to move South Africa towards a non-racial and just society.

Respect increases

He said "The leadership being shown by President De Klerk continues to increase the level of respect for personal courage and integrity around the world.

"The measures he has proposed, if adopted, will undoubtedly lead to a substantial improvement in the relationship between South Afrca and the US."

In Canberra, Prime Minister Mr Bob Hawke said that although Mr De Klerk's speech "did not address still unresolved questions relating to return of exiles and the release of political prisoners, and did not go as far as hoped in some other respects — including the repeal of repressive security legislation and possible arrangements for a form of interim government — there is no doubt it does constitute a major new milestone on the road to the destruction of apartheid"

"Most importantly it signposts the repeal within a matter of months of all the major legislative pillars of apartheid, except the Constitution itself," he added.

"The time has now come for the international community to review systematically the measures it has in place on South Africa to reform, so now we intend to be among the first giving practical encouragement to President De Klerk's reform process"

All EC sanctions to end this year, says UK study

S/Times 3/2/91

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Business Times Reporter

THE ECONOMIST Intelligence Unit (EIU), Britain's respected world commentary, expects most, if not all, European Community sanctions against SA to be lifted by the end of this year.

It also sees all sanctions being removed by the end of 1992 if negotiations stay on track.

It says negotiations for a political settlement will begin soon. This is the most likely — and most optimistic scenario.

Negotiations are likely to be long and hard, but ultimately successful if for no other reason than the fact that each of the big four political groups has nothing to gain from failure.

It identifies the parties as the NP, the ANC, Inkatha and business interests.

Minority

By 1992, there could be an interim government, and by the end of 1995 a new one representing the broad mass of people will be in place.

The EIU foresees the National Party trying to ensure that protection of minority rights is entrenched in the constitution while continuing to abolish discriminatory measures.

It says that as long as negotiations proceed as expected, apartheid should be eliminated by 1993.

It suggests that if necessary, the National Party and the ANC might conclude a settlement without the others. It says the Government has the power and the ANC the numbers to enforce such a deal.

"One thing will be certain: they need each other," says the EIU.

The study says that if the ANC comes to power, it will probably halt privatisation plans rather than go for nationalisation or renationalisation.

It expects the enforcement of greater worker participation in company policy and profits, and the introduction of social responsibilty. There will be uncertainty for foreign investors as the ANC argues for growth through redistribution and the others redistribution through growth.

The EIU assumes that ANC economics will have a socialist orientation, and that by next year, the Government's privatisation and liberalisation policies will have lost ground to "evolving socialism".

Increasing State participation will mean higher corporate taxes — in contrast to SA expectations for the March 20 Budget.

The EIU expects a shift in emphasis from containing inflation to stimulating growth.

This will lead to marginal economic growth this year. But by 1992, SA's gross domestic product could grow by 1,5% and by 3,5% in 1993. But it will slow in 1994 because of underlying structural problems in the economy.

The key determinants of short-term growth will be exports, access to foreign credit and a measure of political stability to restore SA business confidence.

In the long term, growth will depend on the preservation of business confidence to stimulate real fixed investment, as well as on a motivated workforce.

Business faces many challenges. The EIU says technological obsolescence will put SA at a disadvantage in international markets. It is one of the fundamental problems requiring remedy before SA can realise its potential.

The gold industry faces a difficult time because of declining grades and rising costs.

Among difficulties facing business are industrial disputes and political unrest. There is a lack of supervisory staff, and training is needed at all levels. Technology will have to be upgraded and capital stock increased.

Inefficient

But over five years, important spinoffs will come from the provision of basic infrastructure for blacks. Construction will benefit from State spending on housing, as will suppliers of building materials and household goods.

Because import substitution has protected inefficient industries and inward industrialisation has limited potential, exports will continue to be promoted.

SA has now been included by the EIU in its Global Forecasting Service, which claims to provide reliable and consistent forecasts for the next five years for 55 countries.

US has aid plan for post-sanctions era

S1 Times 3/2/91 (280)

THE US is ready to implement a programme of trade, investment and aid as soon as Congress lifts sanctions against SA, says William Swing, America's Ambassador to Pretoria.

Mr Swing says he and his staff will implement the programme once a decision to suspend or modify sanctions has been taken by President Bush.

He spoke at a banquet to launch a bursary scheme for the new Bishop Bavin School St George's, a private Anglican preparatory school in Bedfordview.

The aid programme is designed to bring opportunities to the attention of US businessmen and investors. The focus is on labour-intensive projects which will alleviate unemployment.

Mr Swing declines to elaborate on the areas of investment, trade and aid his mission will promote. But the programme is at an "advanced stage".

The Bishop Bavin School is on the refurbished campus of the former St George's Home for Boys. The restoration of the Herbert Baker buildings was funded by the Anglo American and De Beers Chairman's Fund.

SUNDAY TIMES, February 3 1991

Bush's popularity the key to lifting sanctions

THE Bush administration is now convinced that President F W de Klerk intends rooting out the last vestiges of apartheid, especially after his pledge to repeal the Population Registration Act before a new constitution is negotiated.

How soon this will translate into the lifting of US sanctions remains far from clear, however. Assuming the ANC remains wedded to the maintenance of existing "measures", much depends on President George Bush's own standing and nerve at the moment De Klerk's promises are realised.

Its attention monopolised by the war in the Gulf, Washington paid precious little attention to De Klerk's speech on Friday, despite the State Department's best efforts to flag it as a "historic" moment.

There was scant reaction on Capitol Hill and what there was sounded ominous. The Congressional Black Caucus, without whose acquiescence the full repeal of the Comprehensive Anti-Apartheid Act (CAAA) will be problematic, to say the least, said it would have no response until it had consulted with the African National Congress and other parties.

Senator David Boren, a centrist Democrat and Bush's chief interlocutor on SA in Congress, issued a warm but fuzzy statement, predicting that De Klerk's measures "if adopted, will lead to a substantial improvement in the relationship between SA and the US".

The administration had been urging De Klerk to include the Population Registration Act in its list of measures to be scrapped in the coming session on the grounds that it would enable Pretoria to meet all five of the conditions set out in Section 311 of the CAAA.

THESE require the government to unban political organisations, lift the state of emergency, agree to enter "good faith negotiations" (all of which the administration deems already done), free all political prisoners (half done) and strike down the Population Registration and Group Areas acts.

A score of five out of five would permit Bush to lift the CAAA sanctions, the Rangel Amendment — which imposes double taxation on US businesses in SA — and restrictions on SA access to the International Monetary Fund, with little more than a flourish of his pen.

With the Population Registration Act still on the books, De Klerk would only be able to satisfy four conditions. While that would be enough to allow the US President to recommend the suspension of some, if not all sanctions, the recommendation would be subject to congressional micromanagement.

Now that the Population Registration Act is on the chopping block with all other apartheid laws, sanctions proponents in Congress seem certain to focus on the interim arrangements De Klerk announced would be adopted in its place.

They will point out that the CAAA specifically states that for the Population Registration and Group Areas acts to be deemed fully repealed, Pretoria must "institute no other measures with the same purpose".

THIS language will permit them to argue that so long as there are separate voters' rolls in SA — as there must be if De Klerk holds true to his promise of letting whites have a say before any new constitution is adopted — Bush does not have the right to terminate sanctions without the prior consent of Congress.

At the moment, with 80 percent support in the opinion polls, the President would have no trouble achieving that consent. By the time De Klerk satisfies the law's requirements, however, the situation could be quite different.

The Gulf war could have dragged on, or resulted in excessive casualties — especially among black soldiers — leaving the president in a significantly weakened position. The question then is whether he would show as much resolve in facing down the residual sanctioneers as he has in confronting President Saddam Hussein.

Drive by Major and Hawke

Powerful bid to end SA isolation

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Star 4/2/91.



A fresh start . . . John Major urges lifting sanctions.

By Alan Robinson
Star Bureau

LONDON — British Prime Minister John Major and Australian counterpart Bob Hawke are spearheading a two-pronged international drive to bring South Africa in from the cold.

Mr Major has already made it clear that he wants the Commonwealth to drop all sanctions against South Africa as soon as possible.

Australia would call for a phased lifting of economic and other sanctions against South Africa, Mr Hawke said at the weekend.

The Australian government has called for a special meeting of the Commonwealth Committee of Foreign Ministers on South Africa to consider the Commonwealth's reaction to developments in South Africa.

Mr Hawke also envisages a full Springbok team taking part in next year's cricket World Cup in Australia and New Zealand, and similar breakthroughs for other



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Mr Hawke also envisages a full Springbok team taking part in next year's cricket World Cup in Australia and New Zealand, and similar breakthroughs for other sports.

It may be too late for the rugby Springboks to get a place in this year's World Cup. But it now seems virtually certain SA will stage the next World Cup in 1995.

There is also a strong belief in Britain that South African athletes may yet compete in the Barcelona Olympic Games next year.

The Observer reports that Mr Major was told of the contents of President de Klerk's speech in advance and called in the Commonwealth secretary-general, Chief Emeka Anyaoku, to urge him to make a "fresh start" on South Africa.

Mr Major warned the secretary-general the European Community and the US would soon be abandoning all except arms sanctions, and that the Commonwealth should not be left behind.

He said it would be best if the Commonwealth dropped sanctions as soon as possible.

Supported

The leader of the Liberal opposition in the West Australian parliament, Barry MacKinnon, said he supported Mr Hawke's call for an international review of sanctions, and urged re-establishing air links with SA.

In Canberra, the federal Liberal leader, Dr John Hewson, urged the government to open a trade office in SA.

● Archbishop Trevor Huddleston, president of the Anti-Apartheid Movement, said Mr Major's appeal was a reversal of undertakings by former Prime Minister Margaret Thatcher that SA should be accepted back into the international community only when there was a fully democratic constitution.

● The EC Council of Foreign Ministers will face British pressure to ease sanctions against Pretoria when it meets in Brussels today, officials said. — Additional reporting by Sapa-Reuter-AP and Star Foreign Service.

Time for the trade bans to go - Inkatha



BUTHELEZI

Sowetan 4/2/91

THE Inkatha Freedom Party yesterday called on the governments of the United States, Canada, Britain and EEC countries, to encourage substantial investments in South Africa.

A statement released by the office of IFP president, Chief Mangosuthu Buthelezi, said the decision to call for the normalisation of relationships between South Africa and other countries was one of three resolutions passed on Saturday night by the party's central committee.

The IFP also called on all those still arguing for continued sanctions and isolation to reassess their stance in the light of legislative reforms announced by State President FW de Klerk on Friday.

Substantial foreign investments were needed for the creation of jobs and wealth to enable any post-apartheid government to govern for the benefit of the people, the IFP said.

"...all the necessary conditions exist for us to negotiate for a new constitution as soon as the prohibitive levels of violence now in evidence can be sufficiently reduced," it said.

The IFP wished to make it clear that it was committed to an all-party conference and expressed its delight that the African National Congress had come out in support thereof.

The Party believed that change in South Africa was irreversible.

- *Sapa.*

FURNITURE POLISH												4.07	
FURNITURE POLISH												4.07	
TOILET CLEANER												3.53	
INSEK DODER (SUPER)												3.89	
INSEK DODER (EXTRA)												3.89	
JIK												1.81	
LOTION - LANOLIN												2.53	
LOTION - PROTEIN												2.53	
LOTION - COCOA BUTTER												2.53	
LOTION - LEMON GLYC												2.53	
OLIVE OIL												1.92	
OVEN CLEANER												4.31	
OVEN CLEANER												4.86	
OPWASMIDDEL												1.94	
ROLL-ON (MEN - CHASE)												2.26	
ROLL-ON (MEN - SHIELD)												2.89	

AROUND THE WORLD

SA returning to world fold

Sowetan 4/2/91

280



BOB HAWKE

BRITISH Prime Minister John Major and Australian counterpart Bob Hawke are spearheading a two-pronged international drive to bring South Africa back from the cold.

And if they are successful, it could lead to dramatic changes for South Africa within two years.

Major has already made it clear that he wants the Commonwealth to drop all sanctions as soon as possible.

Hawke is leading the campaign to get South Africa back into world sport. He envisages a full Springbok team taking part in next year's cricket World Cup in Australia and New Zealand.

There is also a strong belief that South African athletes may yet compete in the Barcelona Olympic Games next year.

And its footballers could be among the world's soccer elite in the 1994 World Cup finals in the United States.

The *Observer* reports that Major was told of the contents of De Klerk's speech in advance and called in new Commonwealth Secretary-General Chief Emeka Anyaoku to urge him to make a "fresh start" on South Africa.

According to the *Observer*, Major also warned him that the European Community and the United States would shortly be abandoning all except arms sanctions, and that the Commonwealth should not be left behind. - *Sowetan Correspondent.*



JOHN MAJOR

UK criticised

LONDON - A leading anti-apartheid campaigner yesterday attacked British Prime Minister John Major's call for an end to South Africa's isolation after President FW de Klerk pledged to scrap key apartheid laws.

Archbishop Trevor Huddleston, president of the Anti-Apartheid Movement, said Major's appeal to lift economic sanctions was a complete reversal of undertakings given by former prime minister Margaret Thatcher.

Sapa-Reuter.

EET SUM MORE	1.62
EGGS	2.14
ERTJIES (VARS)	0.90
FISH PASTE	2.00
FOIL	1.89
FRIKADEL IN SOUS	1.98
FROZEN CHICKEN	08.00
GEMENGDE GROENTE	0.89
GREEN BEANS	1.35
ICING SUGAR	1.86
IDEAL MILK	2.26
JAM. APRICOT	1.36
JAM. APRICOT	2.10
JAM. PEACH	2.27
JELLY	0.36
KOFFIE KITS	1.06
KOFFIE KITS	6.83
KOFFIE MOER	1.04
KOFFIE MOER	2.10
KOFFIE MOER	4.19
KOELDRANK	1.85
KOELDRANK	0.68
KOELDRANK	0.16
KOELDRANK	1.06
LEMON CREAMS	1.42
LENTILS	1.57
LUNCH WRAP	0.82
MACARONI	2.01
MARIE BISCUITS	1.23
MARGARINE	1.68

US sanctions lobby gets ready to make its last stand

SIMON BARBER in Washington

BY PLEDGING to repeal the Population Registration Act this parliamentary session, President F W de Klerk has defined the ground on which the US sanctions lobby must make its last stand.

Assuming he keeps the promises made in Friday's speech, and few here doubt that he will, the South African government will have met all the conditions of the Comprehensive Anti-Apartheid Act by mid-year, with one possible, but critical, exception.

Without this exception, President George Bush would be entirely free to sign an executive order unilaterally cancelling the Act's sanctions as well the Rangel Amendment which imposes double taxation on US firms in SA.

The obstacle is a tricky little phrase requiring the government to repeal the Group Areas and Population Registration Acts and "institute no other measures with the same purpose". The question is whether the "temporary transitional" arrangements with which De Klerk proposes to plug the gap between the repeal of the Population Registration Act and the adoption of a new constitution, will amount to such an "other measure".

Preliminary soundings with staff members on the House foreign affairs committee suggest that the Democratic majority will take the obstructionist view. This will be true especially of the Congressional Black Caucus, the Republican Guard of US sanctions policy.

The caucus did not immediately react to De Klerk's speech. A spokesman said it was consulting "with Africa". In other words it was waiting to be told what to say by the ANC. However, Congressman John Conyers, a senior member, did offer a preliminary hint.

He called De Klerk's actions "greatly insufficient ... By revoking the pillars of apartheid one by one, Mr De Klerk is only picking away at South Africa's walls of oppression. His actions today, though a move in the right direction, will not substitute for ripping down the walls once and for all."

It is entirely plausible that as sanctions are "attritted" everywhere else — to use the currently fashionable Pentagon-speak for killed off — the ANC may wish to retain the semblance of controlling the policies of other powers by having its allies keep the CAAA in force until either a transitional government or a new constitution is in place.

That is not the only reason, however, that Congress can be expected to hunker down behind the "other measures" clause. There is also the matter of prerogatives, a matter that often tends to be considerably more significant than actual policy.

By passing the CAAA, the Congress took effective control of US policy towards SA. Furthermore, it wrote the law in such a way that the control could be ceded back to the president and his administration only with great difficulty. Or so it thought.

When they set the Act's five, by now very familiar, conditions for the repeal of sanctions, the authors were so certain Pretoria would never meet them all that they took no care to prescribe what should happen if it did. They simply stated that the law's sanctions "shall terminate".

More likely, in their view, was that the government would meet enough conditions to merit some kind of reward. They therefore created an intricate set of rules under which the president would have to petition them for a change in policy once four out of five conditions had been met. By this means, they would always maintain their basic control of the policy.

Towards the end of last year both Pretoria and the Bush administration began to think seriously about the "shall terminate" option.

By then, four conditions were either done or at least looked eminently doable. Political prisoners were being freed, negotiations had begun, the state of emergency had ended, political parties and organisations had been unbanned, and Group Areas was on the block.

The only claw keeping the Congressional monkey on both the administration's and SA's back was Population Registration. So long as it remained on the books, there would be no getting around congressional micromanagement. The best SA could hope for was an incremental, tendentiously argued roll-back in sanctions, with those that really mattered always being left for last.

Now that De Klerk has announced he intends to repeal the Population Registration Act, it is to be hoped that he did so for his own purposes and not entirely on the advice of the Bush administration, nor in the sincere belief that he would free Bush to "terminate" singlehandedly. The "no other measures" clause could still lead to considerable disappointment.

Administration officials admitted last week that they not yet begun to reconnoitre Congress's possible response to a termination decision by the president. They said they did want not to alert the other other side to their thinking and were afraid that the sanctioneers might respond preemptively by trying to change the law. Rather, they proposed to wait to see just what kind of "temporary transitional measures" De Klerk had in mind.

There can be little doubt that Bush truly wishes to scrap sanctions wholesale as soon as he has the opportunity. He fully believes that an "irreversible process of change" is under way and that the "substantial progress" towards the elimination of apartheid required by the CAAA "continues to be made". Just as importantly, he remains committed to driving Congress from his preserve as foreign policy maker.

Yet to be determined is whether he has the same resolve on this issue — or will have when the time comes — as he has shown in facing down Saddam Hussein. Unless the ANC alters its stance dramatically, it has enough friends in Congress to ensure if not the mother then at least the cousin of all outcries should Bush move towards cancelling the CAAA's sanctions with the stroke of a pen.

Whether he asserts that SA has completely satisfied the law or takes the more timorous route of letting Congress dictate that sanctions be removed piece by piece will depend in large measure on his own political fortunes if and when De Klerk fulfils Friday's promises.

Today, with his public support riding at 80% because of the Gulf war, he would have no trouble summarily signing an executive order. Several months from now, if the war has gone badly and the promised upturn in the economy has not materialised, it might not be so easy.

A nasty little murmur is gathering strength in the sanctions constituency and could well turn into a rallying cry if the war drags on or becomes more costly in lives. Bush, it says, is a racist: he sends troops, a disproportionate number of them black, to fight a white man's war against Saddam, but has done little to oppose an equal tyranny in SA.

Such logic, pernicious though it is, could well make the fight over whether Pretoria has truly met the conditions of the CAAA prohibitively ugly.

Chance for EC to review its stand

BIDAY 5/4/91

280

PRESIDENT F W de Klerk's intention to scrap the last vestiges of apartheid gave the EC an opportunity to revise its stand on economic sanctions on SA, a visiting German parliamentarian said yesterday.

PATRICK BULGER

Hans-Peter Repnik, German Parliamentary State Secretary in the Ministry of Economic Co-operartion, told a Press conference at Jan Smuts Airport he had held talks with ANC deputy president Nelson Mandela and government on sanctions.

"The German government has a position on sanctions together with its EC partners formulated in Rome last year.

"If the democratic changes in SA go on, then we will look for a new position and De Klerk's speech will give us a new possibility," Repnik said.

He said there was a contradiction between Mandela's asking for both sanctions and the creation of more jobs.

"He told us personally that at this particular moment in time we should not lift sanctions.

"But if government implements the decisions it has taken, the time will come when economic sanctions should be revised because there is a contradiction between on the one hand asking for the creation of more employment and on the other sticking to sanctions."

Repnik, who attended the SADCC conference in Windhoek last week, said he had met a wide range of political leaders.

He said he had discussed the repatriation of SA exiles with Mandela. His government was awaiting the outcome of two conferences on the refugee problem.

On the basis of what emerged from these two conferences, the German government would come to a decision on what support it could give.

He said he had also discussed the exile issue with the Departments of Justice and Home Affairs. He had made it clear that the German government expected the SA government to live up to its promises in this regard.

Repnik said the issue of aid had also been discussed. Germany could make a contribution, especially in technical education.

He said a number of joint projects had been discussed with the Urban Foundation and the Independent Development Trust.

He left for Maputo yesterday on the last leg of his southern African tour before returning to Germany.



German parliamentarian Hans-Peter Repnik at Jan Smuts Airport yesterday.
Picture CATHERINE ROSS

Decision hinges on tabling of Bills

EC ministers vote to lift SA sanctions

B/Pay 5/2/91.

LONDON — EC sanctions against SA will be lifted in a matter of weeks — once draft legislation to repeal the Group Areas and Land Acts has been tabled in Parliament.

This decision, taken by the 12 EC foreign ministers in Brussels yesterday, paves the way for the lifting of the 1986 ban on the importation of SA iron, steel and Krugerrands.

It is a direct response to President F W de Klerk's announcement on Friday of his intention to remove the last vestiges of apartheid from the statute book.

Senior community officials said last night EC political directors, who meet several times a month, would prepare an appropriate response as soon as Bills repealing the Acts had been tabled in SA.

Should they reach consensus on lifting sanctions, the decision will go through the formality of ratification at ministerial level — possibly as early as February 19, when the foreign ministers meet again.

The EC lifted the first of its sanctions — a voluntary ban on new investment — last December, reports Sapa-Reuter.

Yesterday's decision does not affect sanctions introduced in 1985 in line with UN decisions which include a ban on arms sales and military and nuclear co-operation.

In a statement issued after their meeting yesterday, the foreign ministers said they "warmly welcomed" De Klerk's announcements on Friday which they said would open the way towards the irreversible abolition of apartheid.

KIN BENTLEY

The statement also welcomed the January 29 peace meeting between ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi.

A senior EC official in Brussels confirmed that tabling of the draft Bills would constitute "legislative action" and would enable the EC to start lifting sanctions.

He said the next step would be for EC ambassadors in SA to notify the political committee of the exact text of the Bills as they were tabled.

"Once they get the information, I think the political committee will be able to take a rather speedy decision."

He said the EC had been in contact with the SA government in the past few weeks and was satisfied the Bills would go as far as was required.

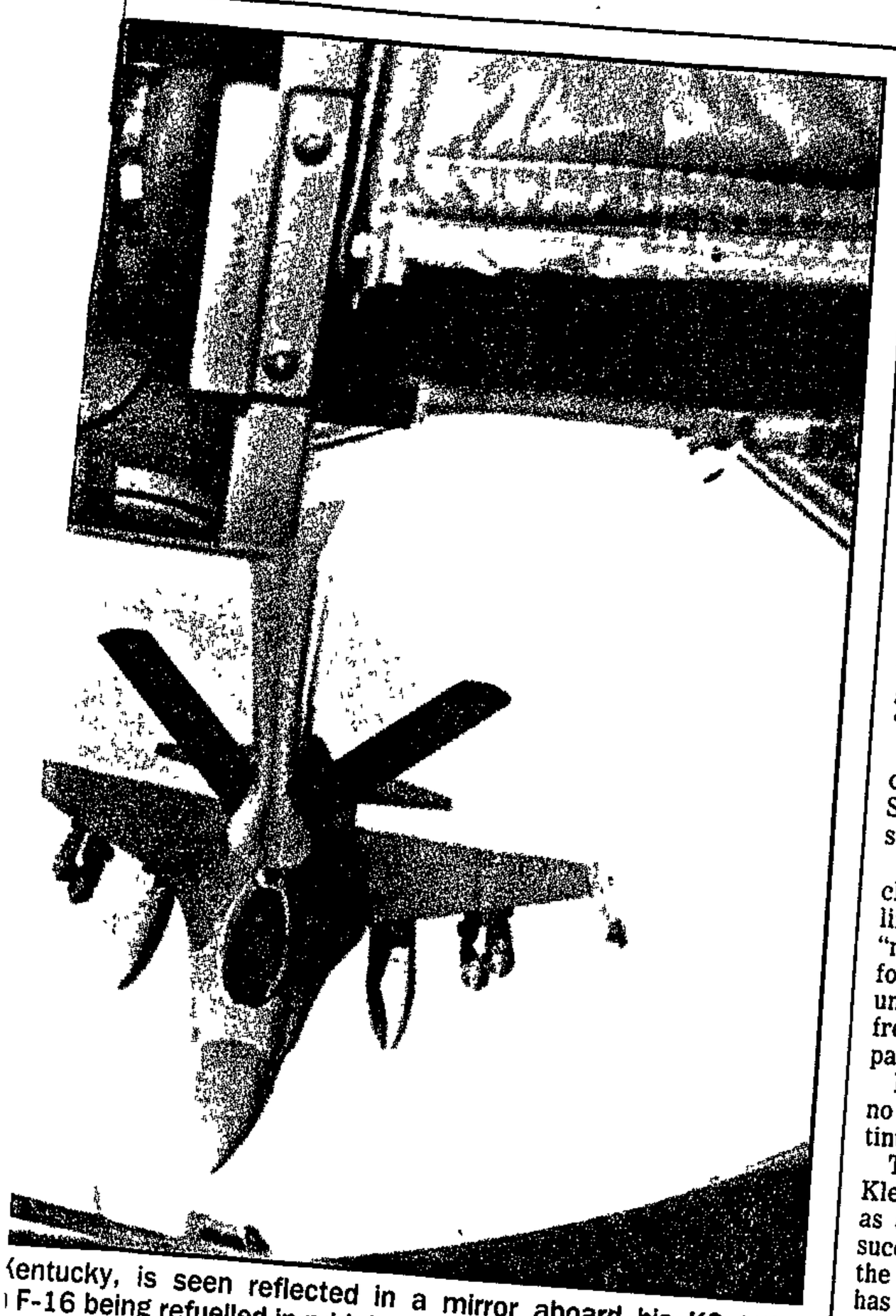
□ US President George Bush has personally commended De Klerk on Friday's address.

Sapa reports that a Foreign Ministry spokesman said Bush phoned De Klerk yesterday. He said the two leaders exchanged views on the Mandela-Buthelezi meeting and the conflict in the Gulf.

● See Page 4
● Comment: Page 8

SA

Australia



Kentucky, is seen reflected in a mirror aboard his KC-135 . F-16 being refuelled in midair.

Picture: Reuter

Sanctions: EC spells out terms

Star 5/2/91

BRUSSELS — European Community Foreign Ministers agreed yesterday they would lift sanctions against South Africa as soon as President de Klerk started fulfilling his pledge to repeal the cornerstone apartheid laws.

"The President is tackling the three cornerstones of apartheid," said Luxembourg's Jacques Poos, who chaired the Ministers' meeting.

"In these circumstances, the European Community will begin preparations so as to lift sanctions still in force against that country ... as soon as legislation is set in motion."

It was not immediately clear whether this would happen when legislation was introduced in Parliament or when it finally became law.

President Bush took time off from the Gulf War yesterday to telephone President de Klerk and congratulate him on the "courage" of his speech.

A cautionary voice, however, came from US Senator Paul Simon, chairman of the senate sub-committee on Africa.

He said Pretoria was moving closer to meeting the terms for lifting sanctions — but the US "must continue to give the reform movement our support" until political prisoners were freed and blacks could participate fully in political life.

Fleet Street however was in no doubt, and yesterday continued to praise Mr de Klerk.

The Independent said Mr de Klerk "will go down in history as a major figure whether he succeeds or fails in sustaining the evolutionary approach he has mapped out".

Today newspaper likened the De Klerk reforms to the dismantling of the Berlin Wall.

At the UN, Dr Javier Perez de Cuellar, the Secretary-General, hailed the "constructive initiatives" and hoped negotiations could begin soon.

Despite Mr Mandela's plea that sanctions must still remain in place, several Western delegates said privately that the time was approaching when these could no longer be justified. — Political Staff, Star Foreign Service, Sapa-Reuter.

SA Olympic hopes given boost

Star 5/2/91

MELBOURNE — South Africa could compete in next year's Olympic Games in Barcelona, International Olympic Committee (IOC) vice-president Kevan Gosper said today.

Twelve sporting bodies in South Africa had displayed a willingness to support a single non-racial organisation and a high proportion of these represented Olympic sports, he said.

Mr Gosper is a member of the IOC Commission to South Africa next month, the first since South Africa was expelled from the IOC 23 years ago — Star Foreign Service.

Sanctions will crumble faster, says Holtes

THE demise of sanctions is set to be accelerated by President F W de Klerk's announcement of the abolition of the last vestiges of apartheid, according to Safto CE Wim Holtes. B10cm 5/2/91

Holtes said he would not be surprised if US sanctions officially dissapeared by April or May. He expected the Japanese, at one stage SA's second largest trading partner, to wait for the US before lifting their sanctions. Trade relations with Scandinavia could normalise within a year. (280)

ZILLA EFRAT

The UK and the EC were expected to be in the forefront of abolishing sanctions.

However, SA Chamber of Business deputy director-general Ron Haywood warned that some members of the anti-apartheid movement had vested interests and might find further obstacles for the abolition of sanctions.

Call for end to cultural bans

Sowetan 5/2/91 · (280)

By VICTOR METSOAMERE

THE South African Musicians Alliance has called for an end to the cultural boycott and recommends a selective boycott which will require visiting artists to contribute toward the cultural upliftment of South Africa.

And the alliance has with immediate effect opened doors to exiled South African artists to perform here at any time of their choice.

A Sama statement cited the detrimental effects of the cultural boycott in its present form to the improvement of local artists and cultural links with overseas artists as well as the dramatic shift in the socio-political scenario since February 2 1990.

According to Sama, the cultural boycott is one of the numerous political weapons - albeit with secondary cultural implications - that have led to the new developments in South Africa.



JABU NGWENYA

Apartheid

"Pretoria no longer wishes to maintain apartheid through sheer force. It now seeks to present itself as eager to dismantle apartheid through legitimate consensus politics," said Sama spokesman Jabu Ngwenya.

Over the years local musicians' works were subjected to summary censorship and banning, directly inspired by a vain discriminatory strain - in true apartheid style.

The alliance says the cultural squeeze, in its present form, has and would seriously affect the future of South African music and culture in general.

Harmful

Some of the harmful effects cited are lack of exposure to other cultures, lack of exposure to performing artists from other countries, lack of opportunity for local artists to work outside South Africa where they could experiment and develop themselves.

Furthermore, the complete isolation has created a widespread sense of cultural inferiority among performers and audiences alike, Sama said.

This relaxation of the boycott would spawn healthier relationships with overseas musicians' organisations.

The alliance has so far begun a process of reciprocal exchange visits with the Anmerican and Australian musician bodies and has made an example of the selective boycott through allowing the French Lambada group Kaoma to perform here on condition they donate to charity and hold educational clinics involving local artists.

Boycott

Sama maintains that the cultural boycott has in the past deprived local artists of learning from visiting artists.

The other aspect of the ban was the isolation of Government-funded and homeland-based venues. These isolation measures have as a result deprived musicians of a chance for self-expression and livelihood, said Sama.

Sama has proposed that:

* A 12-month grace be instituted during which all visiting international artists for any reason will be requested to contribute towards the cultural development of South Africa.

This could be either in the form of financial assistance or workshops recording and producing;



Lambada band Kaoma ... allowed to perform here.

* Sama will establish itself or help in the formation of a new, credible, non-partisan and non-racial musicians union to operate both here and abroad in direct co-operation with musicians organisations in other countries.

The reciprocal exchange with other bodies abroad would automatically allow local artists to perform in other countries and vice-versa;

Donations

* An alternative, non-partisan, broad-based music trust be established which can begin to receive international funding for music projects;

* Sama requests the Association of South African Music Industries to match any contribution made by an international artist who wants to donate all or some of their South African royalties to cultural projects here;

* There be an endorsement of the free inflow of books, newspapers, journals, magazines, videos and films as well as other ideas that could promote and lead to the building of a new culture of democratic and humanistic values.

This is because, Sama argues, creative music production cannot occur in a vacuum.

Promoters

The summary removal of the boycott could produce detrimental effects ranging from some vested interests, such as promoters, resorts, television and radio stations and record companies could, in their collective power, swamp the country with a string of international acts.

The move could sweep local artists off the deserved limelight.

To counteract such a move, a strong but fair inflow of international performers should be allowed, Sama said.

Other moves to be considered are the protection of the rights of local artists and to ensure legitimate the involvent of vested interests in the cultural operations following the total reprieve of the cultural boycott, which is to take place when an agreement with record companies and their contracted international artists has been reached.

The conditions of clinics and financial contributions to charity or educational causes by visiting artists will remain in place.

US may lift sanctions soon

THE United States would move "expeditiously" to start lifting sanctions against South Africa as soon as the Government had released all political prisoners.

US Assistant Secretary of State Mr Herman Cohen said this yesterday before returning to the US after a short visit.

He was commenting on President FW de Klerk's speech at the opening of Parliament when he announced the repeal of the Population Registration Act, Group Areas Act and the Land Acts.

Cohen said the US Government might have played a role in the Government's decision to repeal the Population Registration Act this year rather than when a new constitution had been negotiated.

The scrapping of the Population Registration Act and Group Areas Act are among the specific conditions for the lifting of US sanctions under the Comprehensive Anti-Apartheid Act.

He expressed confidence that De Klerk's announcement would lead to the lifting of sanctions as soon as political prisoners were released.

He pointed out, however, that the US Government's lawyers would have to study the actual repeal of the Population Registration Act before deciding whether it complied with the terms of the CAAA. - *Sowetan Correspondent.*

US sanctions to go 'once prisoners out'

By Peter Fabricius
Political Correspondent

The US government would move "expeditiously" to start lifting sanctions on Pretoria as soon as the SA Government had released all political prisoners, US Assistant Secretary of State Herman Cohen said yesterday in Cape Town before returning to the US after a short visit.

Mr Cohen was commenting on President de Klerk's speech at the opening of Parliament when he announced the repeal this year of the Population Registration Act, Group Areas Act and Land Acts.

Mr Cohen indicated the US government might have played a role in the SA Government's decision to repeal the Population Registration Act (PRA) this year — rather than when a new constitution had been negotiated, as it orginally intended.

The repeal of the Population Registration Act and Group Areas Act are among the conditions for the lifting of American sanctions under the Comprehensive Anti-Apartheid Act (CAAA).

Mr Cohen expressed confidence that Mr de Klerk's announcement would lead to the lifting of sanctions as soon as political prisoners had been released.

He pointed out, however, that the US government's lawyers would have to study the actual repeal of the PRA before deciding whether it complied with the terms of the CAAA — which stipulates that the Act should not be replaced with any other similar measures.

Diplomatic sources indicated that the lawyers might be concerned about the transitional measures which Mr de Klerk said would replace the PRA to allow the constitution to function in the transitional phase.

But Mr Cohen said the fact that children would stop being classified by race after the Act was repealed was "far more important than any transitional measures".

Asked when CAAA sanctions were likely to be lifted, Mr Cohen said this depended upon moves in South Africa.

As soon as the legal conditions had been met, the US government would move expeditiously to begin consultations with Congress about lifting sanctions.

Asked about reports that the black caucus in Congress would not budge on sanctions until the ANC had given the nod, Mr Cohen agreed that the black caucus had a strong voice in Congress.

"But we will consult with the entire Congress and not just the black caucus."

Mr Cohen said he was not disappointed that Mr de Klerk had not announced the release of prisoners or the amendment of security legislation in his speech.

He had assumed that Mr de Klerk was reserving this subject for the continuing talks with the ANC.

He had gained the impression from recent meetings with the Government and the ANC that they were optimistic that the problems of the release of prisoners and return of exiles would be resolved soon.

Europe to reward FW

CAM Trade 5/2/91 280

BRUSSELS. — Sanctions will be lifted by the Europe Community (EC) as soon as legislation scrapping the Group Areas Act, the two Land Acts and the Population Registration Act is tabled.

EC foreign ministers agreed to this move here yesterday as a reward to President F W de Klerk.

"The president is tackling three cornerstones of apartheid," Luxembourg's Mr Jacques Poos, who chaired the ministers' meeting, told a news conference.

"In these circumstances, the EC will begin preparations so as to lift sanctions still in force against that country as soon as legislation is set in motion."

Political observers said legislation scrapping the acts could be tabled as early as April, and the acts could be scrapped by the middle of the year.

President George Bush yesterday telephoned Mr De Klerk to congratulate him on his "courageous" speech last week, Foreign Affairs Minister Mr Pik Botha said.

The two leaders had also discussed the Gulf war and the meeting between Mr Nelson Mandela and Chief Mangosuthu Buthelezi.

'Legislative action'

A statement issued by the 12 foreign ministers yesterday said the remaining EC sanctions — bans on imports of South African gold coins, iron and steel — would end as soon as "legislative action was taken" to repeal the Group Areas Act and the Land Acts.

A senior EC offical in Brussels confirmed that the tabling of the draft bills in the South African Parliament consitutes "legislative action".

He said the next step would be for EC ambassadors in South Africa to notify the political committee of the exact text of the bills as they are tabled.

"Once they get the information, I think the political committee will be able to take a rather speedy decision."

He said the political committee would "take the appropriate steps", which could mean lifting some or all of the measures.

He said the process wouldn't take too long — "weeks or months".

The EC lifted the first of its sanctions — a voluntary ban on new investment — last December.

Yesterday's decision does not affect sanctions introduced in 1985 in line with UN decisions, which include a ban on arms sales and military and nuclear co-operation.

"The EC and its member states warmly welcome the announcement made on February 1 by President De Klerk of further important changes ... which will open the path towards the complete and irreversible abolition of apartheid and the establishment of a united, non-racial and democratic South Africa," the EC statement said.

● It is also reported from Brussels that South Africa considers membership of the African, Caribbean and Pacific (ACP) group of developing nations a long-term goal.

Professor Bhadra Ranchod, South Africa's ambassador to the EC, said South Africa wanted closer ties with all African countries after years in the diplomatic wilderness.

Dismantle apartheid

An EC spokesman said a black-ruled, post-apartheid South Africa could eventually become an ACP member, but described the idea of membership now as "something that is very far away, not in terms of years but in terms of politics".

● UN Secretary-General Mr Javier Perez de Cuellar said he hoped measures to dismantle apartheid and open the way to negotiations would accompany Mr De Klerk's speech.

"The address of President De Klerk at the opening of the South African Parliament advances further the process of removing statutory apartheid from the country's institutional framework," he said. — Sapa-Reuter and Ow[illegible]

SA 'could learn from Germany'

JOHANNESBURG. — South Africa could take lessons on how to address wealth imbalances from German unification, according to the German State Secretary in the Ministry of Economic Co-operation, Mr Hans Peter Repnik.

Mr Repnik, speaking at Jan Smuts Airport yesterday before leaving for Mozambique after a brief visit to South Africa, said Germany faced "the formidable task of equalising the vast differences in living standards in the Western and Eastern parts of Germany".

A social market economy had been chosen as Germany's economic vehicle and Mr Repnik said this had relevance for South Africa.

Germany was ready to support South Africa "on its difficult way into a just and democratic non-racial society within the limits of her possibilities", he said.

Mr Repnik said that if progress was made on the question of exiles, political prisoners and the proposed all-party congress, then "the Federal government and her EC partners will positively consider the relaxation of the remaining economic sanctions".

He said his visit came at "a very significant moment".

The German government welcomed the scrapping of apartheid legislation by President F W de Klerk and Mr Repnik said he hoped Parliament would scrap all remaining apartheid acts within the next few months.

Mr Repnik spoke to senior government leaders as well as extra-parliamentary opposition and non-governmental organisations.

He said he had held talks with Mr Nelson Mandela and the government on sanctions.

He said there was a contradiction between Mr Mandela's asking for sanctions and for the creation of more jobs.

"He told us that we should not lift sanctions. But if the government implements the decisions it has taken, the time will come when economic sanctions should be revised because there is a contradiction between on the one hand asking for the creation of more employment and on the other sticking to sanctions," Mr Repnik said. — Sapa

Independent Newspapers

Confidence

boosted

as EC lifts sanctions

AKGUS 5/2/91 (280

The Argus Foreign Service and Political Staff

CONFIDENCE in South Africa's speedy return to the international community has been boosted by the European foreign ministers' pledge to lift sanctions and a deluge of praise for President De Klerk's latest reform moves from around the world.

In prompt reaction to President De Klerk's promise to abolish the Land, Group Areas and Population Registration Acts, European Community ministers meeting in Brussels yesterday agreed to scrap sanctions as soon as legislation to repeal the Acts is tabled in parliament.

The EC's trade bans include imports of iron, coal, steel and Krugerrands.

The government today hailed the EC decision as a major breakthrough.

While an opposition leader warned that the decision would not necessarily address one of the country's biggest problems — lack of overseas investment — Foreign Affairs Minister Mr Pik Botha said the move was "a clear indication that we are now in the post-sanctions era and we need not push any further". World reaction to Mr De Klerk's initiatives had been favourable and positive.

To him the most significant response was from Australia and Canada

"Australia was at the forefront of efforts to isolate South Africa, especially in the Commonwealth. I welcome Prime Minister Bob Hawke's statement. Just as Australia had been been a leader in the campaign for sanctions it will now be in the lead to react positively."

But Dr Zac de Beer, leader of the Democraic Party, said that while the decision was reason for gratitude and relief it had not exactly come as a surprise.

"We should remind ourselves that trade sanctions have been of relatively little importance.

'Damaged economy'

"What has severely damaged our economy is the refusal of world financial institutions to lend and invest here We can only hope that this, too, will now change."

● The African National Congress had not given up hope that the EC would retain sanctions, said Mr Ahmed Kathrada, deputy head of the movement's department of information and publicity.

"It will be very unfortunate if sanctions are lifted because Mr De Klerk has not given answers on the position of political prisoners, exiles and political trials

"He has also rejected our calls for a constituent assembly. This is a crucial time because these things have not changed We will continue to try to dissuade these people from lifting sanctions."

● The removal of apartheid remained a precondition for any discussions with the government, said Pan Africanist Congress spokesman Mr Barney Desai

Financial rand rises

By TOM HOOD
Business Editor

INCREASING foreign investor confidence after President De Klerk's speech to parliament last week has boosted the financial rand.

The foreign investment currency, which rallied to 30,5 US cents immediately after Mr De Klerk's speech on Friday, rose further to 31 cents. The finrand was worth only 28,5c in mid-December.

Meanwhile, the Johannesburg Stock Exchange reacted positively to the president's speech, although the higher finrand kept a lid on share prices — foreigners are encouraged to sell shares when the finrand rises.

The JSE industrial share index rose 37 points on Friday and another 14 to 2 933 yesterday.

Retailers Pick 'n Pay and Wooltru were amomg shares to make impressive gains. Analysts said undertakings to uplift the black community would raise their incomes and spending.

'Hold the line'

"And that discussion will be on a constituent assembly. Our view is that sanctions must remain in place until we have a constituent assembly. Any move to lift sanctions is premature."

● The South African Communist Party urged the EC not to "take any precipitate actions against sanctions".

"We demand that they hold the line," said SACP spokesman Mr Essop Pahad.

The repeal of the laws in question "is only the government's stated intention, but they are still there".

It would be premature to call for the partial lifting of sanctions while these laws and the obstacles to negotiations had not been removed.

● The central Witwatersrand region of the Azanian People's Organisation (Azapo) rejected President De Klerk's reforms and called for the maintenance of sanctions and the cultural boycott.

The region's executive committee announced that its congress at the weekend had resolved to "stand firm on the cultural boycott and the isolation of South Africa by the international community".

Major and Hawke target sports sanctions

ANC: Can FW deliver?

Star 6/2/91 (280)

HARARE — President de Klerk's announcements on eradicating apartheid were a measure of his seriousness to effect change in South Africa, but whether he would deliver the goods was another matter, ANC deputy president Nelson Mandela said last night.

The declaration was important, he told journalists after flying to Harare for this week's Frontline states' summit and an Organisation of African Unity ad hoc committee meeting.

However, he said, two crucial issues in South Africa were that the black majority had no vote and no representation in government.

Mr Mandela said Mr de Klerk's announcements were received with mixed feelings depending on people's social and economic classification.

He said for whites, the impending repeal of the Group Areas, Population Registration and Land Acts caused a lot of excitement, but to the black majority, which did not have any meaningful income, this did not present any significant and immediate advantage.

"They do not have the resources to take advantage of this," he said.

In London yesterday, Prime Minister John Major told Parliament that Britain and Australia supported easing sports sanctions against South Africa after the decision to repeal key apartheid laws.

Describing President de Klerk's action as "a massive move forward", Mr Major said he and Australian Prime Minister Bob Hawke had agreed in a telephone call earlier in the day that the time was ripe for relaxing sanctions imposed under the 1977 Commonwealth Gleneagles agreement.

"He and I both very strongly agree that the time has come to begin lifting the Commonwealth measures, in particular the sports sanctions, particularly where the sports are integrated in South Africa."

Government sources said some of the sanctions could be lifted before the Commonwealth summit in Harare in October.

Mr Major, a sports fan, said he had discussed the issue with Commonwealth secretary-general Chief Emeka Anyaoku and US President George Bush.

The United Nations Special Committee against Apartheid said it opposed relaxing sanctions, believing they were the only effective way to maintain pressure to end "the system".

Chairman Professor Ibrahim Gambari of Nigeria welcomed President de Klerk's statement, but added the trial of Winnie Mandela could not have come at a worse time. — Sapa-Reuter, Special Correspondent.

Prospects for coal not as promising

Steel exports are set for a R400m boost

Bday 6/2/91. 280

THE EC's proposed lifting of economic sanctions could see the value of SA steel exports boosted by an estimated R400m if previous export levels are regained.

However, the prospects are not as promising for coal and Krugerrands, the two other products affected by the EC move.

Highveld Steel chairman Leslie Boyd said yesterday the steel industry had been exporting 500 000 tons of finished steel to EC countries prior to the ban and he was confident the new political developments could see SA producers regain this market.

SA's 1990 steel exports were an estimated 2-million tons. The country produced about 7-million tons of finished steel last year.

If SA were to export as much steel to the EC this year as it did in 1986, the total current value of the deals would be about R400m.

However analysts have warned against euphoria over the proposed EC decision, saying regaining prior markets would be an uphill battle, especially in the face of a world recession.

Boyd said the steel markets in EC countries were more profitable as their steel prices were higher than elsewhere.

He said Highveld Steel was ready to take immediate advantage of export opportunities to EC countries, to replace tonnage not being sold on the domestic market.

Seifsa said yesterday that although the reopening of the EC market was good news for SA steel exporters, it would not necessarily affect export trade immediately.

Regaining lost export markets would be a formidable challenge for SA exporters, but SA steel producers were well geared to supply markets in Europe.

MARC HASENFUSS

New jobs might be created to replace the estimated thousands lost in the industry.

The UK and other EC countries represent SA's largest single export market and the loss of iron and steel sales there had seriously affected the profitability of SA steel producers.

Iscor spokesman Piet du Plessis said the proposed lifting of EC sanctions was good news for Iscor, increasing its marketing scope extensively.

Although Iscor was currently at full production it could gear up at short notice.

ROBERT LAING reports that coal producers expect no volume bonanza when sanctions are lifted, but prices could gradually shed the political discount they have had over the years.

"Even if sanctions were lifted tomorrow, we couldn't export more coal because our ports are running at full capacity," an analyst said.

When sanctions were imposed it cost SA a quarter of its traditional coal market.

SA coal is sold at between $3 and $5 a ton less than world levels for various reasons. Some producers say it is mainly a "political discount", others say the coal's low-heat/high-ash quality pulls its value down.

The price has also been reduced by competition between local collieries.

Krugerrand exports, running at an annu-

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al 2,5-million coins prior to sanctions, were unlikely to come anywhere near that figure when sanctions were lifted. In 1986 sales stopped completely.

ANDREW GILL reports overall SA exports to the US have slumped by almost R1,9bn since the imposition of the Comprehensive Anti-Apartheid Act in 1986 and the outlook for regaining market share is bleak.

In dollar terms, overall exports to the US were down $745m to $1,3bn from $2,02bn in 1986.

Sacob deputy director Ron Haywood said such an immediate positive response from EC countries to political reform was very reassuring.

However he warned that there was no quick fix for the economy.

BILLY PADDOCK reports from Cape Town that Foreign Minister Pik Botha said at a briefing yesterday sanctions and boycotts had delayed negotiations and a constitutional settlement immeasurably.

He said it was because of concern about the moral and economic situation, not sanctions, that reforms came about.

● Comment: Page 8

SA still seen as a high risk

ZILLA EFRAT 280

THE removal of financial sanctions would not result in the automatic movement of funds into SA as foreign banks still regarded SA as a risk country, Senbank executive director Helmut Bahrs said in Johannesburg yesterday. B/paul

Speaking on Capitalising on Change at a conference, Bahrs said it was expected that President F W de Klerk's speech last week would give SA banks easier access into international markets. 6/2/91

However, he believed bank credit on financial loans, not trade credit, would remain restrictive.

While apartheid was being forgotten, the uncertainty surrounding SA's political evolution had taken its place, he said.

Bahr explained that the 1985 debt standstill was still impairing SA's banking relations and its full access to international markets.

Bahrs said SA companies involved in offshore operations should work closely with those SA banks active abroad because they understood the home base and SA's foreign exchange regulations.

Sanctions did not force change - Pik

Sowetan 6/2/91

IT was untrue that sanctions had brought about change in South Africa, Minister of Foreign Affairs Mr Pik Botha told a Press briefing yesterday.

"Sanctions and boycotts delayed the normalisation process. They did harm to slow down economic growth which resulted in more unemployment and grievances and inhibited the capacity to aid neighbouring states.

"These states suffered just as much. Their citizens have been crossing our borders in their thousands."

Botha said there were many NP members who had worked hard to get apartheid removed, but the advocates of sanctions had not made the task easier.

"This also meant that, until recently, the right-wing opposition could claim that the actions of the Government had met with no response on the sanctions front.

"There was no need to press the NP to change, the direction was clear because of moral and economic reasons." - *Sapa.*

Big boost for fruit, coal in EC move

CAPE Times 6/2/91

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By CHRIS BATEMAN

CAPE fruitgrowers will be able to promote their products more aggressively in Europe and will increase planting following the European Community (EC) undertaking to lift sanctions.

The weekend EC promise, conditional on Parliament scrapping central apartheid legislation, does not affect local fruitgrowers directly, but benefits would nevertheless be "enormous", a Unifruco spokesman said.

Fruit is not among the South African items targeted by the EC for sanctions.

Mr Fred Meintjies, public relations head of Unifruco — the Cape's biggest exporter and private sector employer with 230 000 employees — said Friday's speech by President F W de Klerk would bring fresh impetus to the industry.

Although Cape fruitgrowers had a century-old market in Europe, there had been a recent tendency by European buyers not to stock South African fruit. This began changing after last year's watershed presidential speech.

Mr De Klerk's latest announcements would "benefit the industry enormously", Mr Meintjies said. "Our products will increasingly be traded in normal commercial conditions — last year alone we earned R1,3 billion in exports."

Unifruco still faced sanctions from the US, Canada and Scandinavian countries, but expected changes on these fronts "soon".

Mr Wim Holtes, chief executive officer of the SA Foreign Trade Organisation (Safto), said the EC announcement, combined with the Gulf war, could also have a positive affect on local harbours with income from refurbishment and shipping repairs.

The greatest impact, however, would be the lifting of EC sanctions on coal, which he expected to boost foreign earnings by up to R400 million a year.

This would also speed up commitment to develop harbours such as Richards Bay and Maputo, while colliers could push output up by over two million tons.

An Iscor spokesman said that Iscor would not increase capacity or exports, but the lifting of EC sanctions would increase "market and pricing flexibility" for "target specific" products.

"The feeling is that there will be extra earnings, but we can't say how much yet," he said.

World focus on SA

11 Mar 6/2/91

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Iraq army toll high, — fighter wing chief

RIYADH. — Looking down from his F-15, Air Force Colonel John McBroom sees the rolling sands, the occasional oasis and, more important, "big blackened holes" where Iraqi troops are dug in.

"We're taking a very heavy toll on the troops," said Colonel McBroom, commander of the 1st Tactical Fighter Wing. "Everybody is getting hit down there right now."

Down there is Kuwait and southern Iraq, where the Air Force and other Allies are increasingly targeting Saddam Hussein's élite Republican Guard.

The additional sorties being flown against Hussein's formidable army are a prelude to an Allied ground offensive. Many unit-level commanders believe the offensive could come in a week or two.

From his perch, Colonel McBroom says the effort is achieving stunning success, but he still urged patience.

OBLITERATED

"The air war is just absolute-

Aussies to take lead on easing sanctions

The Argus Foreign Service

LONDON. — South Africa is back in the world spotlight, with sanctions and sports boycotts being reviewed on a wide front after President De Klerk's announcement that all apartheid laws will be repealed.

In London British Prime Minister Mr John Major told the House of Commons that Britain and Australia agreed the time had come to start lifting Commonwealth sanctions.

Mr Major confirmed that he and Australian Prime Minister Mr Bob Hawke "very strongly agree that the time has come to start lifting Commonwealth measures, particularly in those sports which have been integrated".

"President De Klerk has taken an amazing move forward and it is for the international community to respond," he said.

'People-oriented sanctions'

In a telephone call to Mr Major yesterday, Mr Hawke said that as Australia had taken the lead in imposing sanctions, it would be right for Australia to take the lead in lifting them.

Both heads of state agreed that sanctions should be eased in a phased fashion, starting with "people-oriented sanctions" such as sport.

This announcement confirms predictions at the weekend that the two countries would join forces in an international attempt to bring South Africa in from the cold.

Mr Major had already signalled to the Commonwealth that he wanted all sanctions dropped as soon as possible. Mr Hawke was focusing his efforts on getting South Africa back into world sport.

However, the United States State Department said the decision of the European Community would have no effect on US policy on lifting sanctions.



A spokeswoman said the US would continue to be guided by its own law, the 1986 Compre-

P.T.O.

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Mr Hawke

A spokeswoman said the US would continue to be guided by its own law, the 1986 Comprehensive Anti-Apartheid Act (CAAA).

She said the US official position was that South Africa had met 3½ of the five conditions stipulated by the CAAA. Once the remaining conditions were met — the release of all political prisoners and the return of exiles, and the repeal of the Group Areas Act and the Population Registration Act — the president could make a determination as to whether the requirements of the CAAA had been met.

The Argus Africa News Service reports that African heads of government are meeting in Harare today and tomorrow to review developments in South Africa and other parts of the region.

Of key interest will be the attitude to be adopted towards Pretoria in the light of Mr De Klerk's speech.

A meeting of leaders of the frontline states will be followed by one of the ad hoc committee on South Africa to be chaired by OAU chairman President Museveni of Uganda. Nigeria's President Babangida will attend both meetings.

The ANC's Mr Nelson Mandela and the PAC's Mr Clarence Makwetu will be in Harare to brief the leaders.

Mr Juan Antonio Samaranch, president of the International Olympic Committee, is expected to see that South Africa is readmitted to the Olympic Games next year after 32 years.

The readmission has been on the IOC's agenda since last year but the likelihood of it happening in time for Barcelona was remote until Mr De Klerk promised last week to dismantle all remaining apartheid laws.

The IOC has promised to do nothing without the approval of its African members, but a visit to South Africa by observers last year produced an encouraging report and a second high-level IOC group is due in April.

Its findings will be considered at an IOC session in Birmingham in June and what it decides will influence individual sports. Several federations are waiting for the nod to readmit South Africa to membership.

The ban on British actors performing in South Africa is unlikely to be lifted soon. A spokesman for the union, Equity, said its policy had always been established by referendum at the members' request and "there is nothing on the horizon at the moment to suggest that this is about to change".

● **Sport: The road back — page 11.**

● **What now for Gleneagles? — page 16.**

Steel industry welcomes EC move on trade

By SHARON SOROUR
Labour Reporter

THE European Community's announcement that trade sanctions against South Africa may soon be lifted has been welcomed by the Steel and Engineering Industries' Federation of SA (Seifsa).

Of all the country's exporters, the iron and steel industry has been hardest hit by the EC ban on importing certain commodities from South Africa, Seifsa executive director Mr Brian Angus said.

"The United Kingdom and the rest of the EC represent South Africa's largest single export market and the loss of sales of iron and steel there and in the United States seriously affected the profitability of South African steel producers," Mr Angus said.

As a result, South African producers were forced to find alternative, less lucrative export markets in South America and the Far East.

Mr Angus said the reopening of the EC markets was good news for exporters, but would not necessarily have an immediate impact on export trade.

CHALLENGE

Regaining lost export markets would be a formidable challenge for South African exporters but steel producers who were faced with a domestic recession and lower local sales volumes, were well geared to supply markets in Europe.

"In this way new jobs may be created to replace the estimated thousands lost in the industry due to sanctions by many countries in the world," Mr Angus said.

South African steel producers also would like to have normal trade relations with the US, he said.

WORLD BRIEFS

UN says no to lifting sanctions

NEW YORK - The United Nations special committee against apartheid opposes any relaxing of sanctions against South Africa, its chairman said yesterday.

Chairman Professor Ibrahim Gambari of Nigeria welcomed President FW de Klerk's February 1 speech as a step forward.

But he said that the president's speech could not be taken at face value. A rush to lift sanctions would "have the effect of prematurely depriving the international community of the possibility of applying appropriate pressure if necessary at a later stage," he said. Sowetan 7/2/91

He added that the trial of Winnie Mandela could not have come at a worse time. - *Sowetan Correspondent*

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Sports sanctions may be lifted

Star 7/2/91.

LONDON — International moves to break down sanctions against South Africa gained momentum yesterday when the Commonwealth Secretariat confirmed that a special meeting of the nine-member Foreign Ministers Committee on South Africa would take place in London next week.

British Prime Minister John Major and, for the first time, his Australian counterpart, Bob Hawke, are putting pressure on the Commonwealth to ease sanctions and boycotts, particularly sporting ties, with South Africa following President de Klerk's promise on Friday to scrap the remaining pillars of apartheid.

The 1977 Gleneagles Agreement cutting sports ties with South Africa is expected to come under closer scrutiny at the February 16 meeting, as well as at another meeting of 10 major Commonwealth leaders scheduled for June to review strategy, and at which a decision may be announced.

The countries represented next week will be Australia, Canada, India, Guyana, Tanzania, Zambia, Zimbabwe, Nigeria and Malaysia.

In the European Community this week, the wheels were set in motion to lift the remainder of its 1986 sanctions package as soon as Mr de Klerk's reform legislation is tabled.

This would follow the decision taken at the EC summit in Rome last year to lift the ban on new investments as encouragement to the South African Government.

It emerged after Mr de Klerk's speech that Mr Major had, well beforehand, invited the Commonwealth Secretary-General, Chief Emeka Anyaoku, to Downing Street for talks about a shift in the organisation's sanctions stance.

Mr Major is keen to have apartheid and South Africa, as a Commonwealth issue, largely settled before the organisation's summit meeting in Harare in October.

At the last three summits, held every two years, South Africa has been a divisive issue, leading to acrimonious words between Britain under Margaret Thatcher, who opposed sanctions, and other leaders who pressed for them to be intensified.

South Africa has effectively been banned from international sport since 1970, and the Gleneagles Agreement signed by Commonwealth leaders in 1977 was a voluntary pact to "do everything possible" to prevent teams from playing against South African sides which were not representative of all communities.

British government officials have indicated they did not believe a specific meeting of the Commonwealth was needed to repeal the Gleneagles Agreement and that a decision could well be reached before the October summit. — Sapa.

Two new airlines to use SA

By MICHAEL MORRIS,
Political Correspondent

TWO more international carriers — Austrian Airways and Hong Kong's Cathay Pacific Airlines — are to start services to South Africa this year as the country's diplomatic, trade and tourist relations with the world continue to improve.

The latest boost, announced last night by Minister of Trade and Industry and Tourism, Mr Kent Durr, comes amid indications that South Africa attracted "well over" one million tourists last year, half from Africa.

FLIGHTS INCREASED

Figures published in the National Transport Commission's annual report for 1989/90 — tabled yesterday — show that international flights to and from South Africa went from 27 200 in 1988/89 to more than 31 900 last year.

During the year, international scheduled air services were provided between South Africa and 32 other countries.

Twenty-eight foreign airlines had scheduled services to South Africa. Forty-six foreign points had direct air links with Johannesburg, four with Cape Town, four with Durban and one with East London.

Sanctions: No immediate boom

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(280)

The lifting of sanctions won't not have a big effect on the South African economy immediately, but the longer-term prospects are good, reports REG RUMNEY

THE scrapping of European Community trade sanctions, if done soon, will not boost South Africa's trade with the region immediately — the exception being steel.

This is partly because new markets were found to replace those lost in Europe, and partly because legal trade sanctions were limited anyway to three categories: krugerrands, coal, and iron and steel.

However, the lifting of legal sanctions that may follow President FW de Klerk's scrapping of apartheid legislation should be accompanied by a further change in European attitudes and make it easier to do business.

Standard Bank chief economist Nico Czypionka points out the loss of markets in fresh fruit in Europe came about because EC regulations specified the country of origin had to be clearly identified. The EC in effect aided the cause of anti-apartheid activists.

Clearly, markets weren't lost in terms of volumes but exporters have had to exercise care in their dealings, and there has been a political discount.

Hence competitiveness of South African exporters should improve. "Exporters should be able to channel goods towards optimal markets," says Czypionka.

SA Foreign Trade Organisation (Safto) joint-GM Ann Moore agrees, but feels the shift began after De Klerk's first watershed speech last February. Trade in Europe — except for those three legal sanctions categories — took off last year. So there isn't much room for further improvement, she believes.

Nedbank chief economist Edward Osborn notes krugerrands, which were a means of making gold bullion affordable for the small investor, have diminished in importance to South Africa. Other foreign gold coins, like the Maple Leaf, have taken its place

Coal export volumes, Osborn surmises, cannot increase much because of the physical limitations of the main coal export terminal, Richards Bay. Until the next phase of expansion at Richards Bay in 1994, which will lift the terminal's export capacity to 53-million tons a year, only around 46-million tons can be shipped out a year, and last year South Africa hit that limit.

This is confirmed by Trans-Natal MD Mike Salamon. "In the next three or four years we may be able to lift volumes." He believes better prices will be obtained for South African coal because when sanctions cut off the European market South African suppliers were crowded into competing in the same markets.

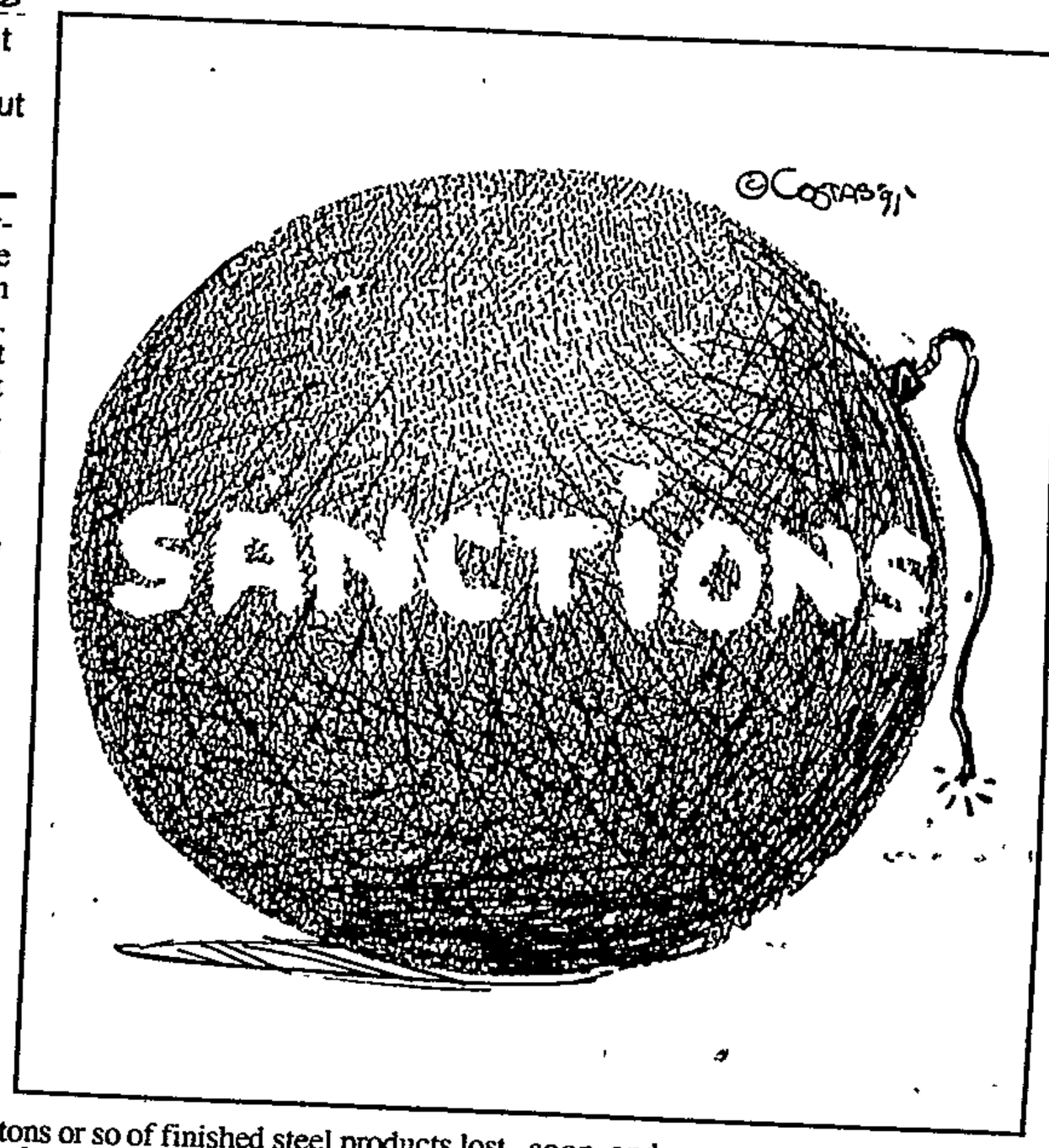
The fierce competition and the political dimension meant South African coal was trading, says Salamon, at "quite a significant discount". Prices could rise by 10 percent over a year.

Osborn says new markets were found for the iron and steel lost when sanctions were imposed. The replacement was achieved by selling into other less lucrative markets, and would be important to get back into the European markets. The question is: Can South Africa do this, in the face of a chronic world oversupply of iron and steel?

Iscor spokesman Piet du Plessis is upbeat. "We were established in those markets. It won't take us long to pick up where we left off."

He claims Iscor never discounted to sell its steel but did find other markets, and so did not decrease its capacity.

Highveld Steel chairman Les Boyd says if European markets are regained steel exporters could sell the 500 000 tons or so of finished steel products lost when sanctions were imposed. This might bring in around R400-million.



South Africa also lost a market for around 500 000 tons in America when sanctions were imposed there.

South Africa found other markets for that steel, but it still has the capacity to supply new markets. This is because domestic demand for steel has been declining. Last year South Africa produced around 500 000 tons of crude steel less than the year before. "The domestic market is in serious decline," says Boyd. If sanctions are not lifted soon and exports don't take up the slack, jobs will be lost.

Financial sanctions in the EC have already been lifted and new investors have show interest in South Africa.

Czypionka notes foreign debt repayment has become easier, with rollovers and better access to short-term credit. However, though the sluice gates of long-term finance won't necessarily open up there is potential for new long-term finance facilities to be found.

However, continued unrest and uncertainty about the country's political future will deter foreign investors

Warburg visitors predict foreign reinvestment

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MERVYN HARRIS

CHANGING perceptions about SA are reflected in remarks by three of the top brass of the Warburg international banking group currently on a visit here: "It is nice to come to a place where you can do business and not worry about the stamp in your passport."

The three — Peter Wilmot-Sitwell, Oliver Baring and Kenneth J Costa — have had close links with SA and companies here for many years. And they are now more optimistic about prospects for SA than at any time during their previous regular annual trips to the country.

They believe a reversal of the disinvestment programme seems on the cards as confidence in SA returns to the international investment community in the wake of President F W de Klerk's promise to repeal the last vestiges of apartheid.

But it is not going to be all plain sailing. "Economic fundamentals are not particularly good at present and there will be a bumpy road ahead for SA, both politically and economically," says Wilmot-Sitwell. He is vice-chairman of the SG Warburg Group, which has one of the largest merchant banks in the UK and also owns Anglo-De Beers' London brokers, Rowe and Pitman, and Mercury Asset Management which manages in excess of £30bn.

He notes that developments here will be closely monitored by overseas investors who have not found it fashionable to invest in SA. He relates the present poor economic fundamentals in SA to the depressed prospects for the world economy.

In its latest international economic briefing, Warburg says there is worse to come for the current US downturn. While Wall Street has appeared to be anticipating the end of the recession in recent days, there is more downside to demand and output. Recovery promises appear to be pretty anaemic — cheaper money and oil notwithstanding.

Indeed, Warburg has just revised downwards its 1991 GNP forecast, essentially by deepening the first-half decline. US GNP is now expected to contract by 1,2% over 1991 as a whole.

Moreover, there are clear signs that domestic demand, which fuelled Japan's post-1986 economic expansion, is slowing, while Germany's vulnerability to recession in Europe should not be underestimated.



☐ WILMOT-SITWELL



☐ BARING



☐ COSTA

The Gulf war has also increased uncertainty and contributed to the downtrend in the gold price through the substantial selling by the Saudis out of Riyadh in August to finance their defence following the Iraq invasion of Kuwait.

Furthermore, says Baring, the Gulf war is the major reason for the declining volumes and crisis on global stockmarkets as institutions hoard cash: "There has never been a bigger cash pile among institutions all over the world than at present."

This will probaly lead to further mergers and rationalisations in the broking community in the UK and elsewhere, but he adds: "At some stage, this cash has to be invested in stock markets. And it will certainly come earlier than people might expect."

The huge institutional cash piles are why bond markets worldwide are experiencing a good run, and investment will first come to SA through the bond market. SA's attractive yields of around 19% will be enhanced further by improving confidence in this country.

Latest developments in SA have also given the economy the ability to attract overseas capital and the country should, hopefully, be back within the arms of the IMF by the end of the year.

Says Costa: "Readmittance to the ranks of the IMF would be an important signal, bringing back investors who have not been able to come into SA because of sanctions and disinvestment.

"They would come back into the economy through investments in industry and major capital projects. We have learned on this visit that the whole negotiating process will work out in a positive way. We do not believe the SA economy can be anything other than a mixed one driven by free market principles. It is the only way to absorb the increase in population and give prosperity to everyone," says Baring.

Regarding issues such as nationalisation, Baring says the views of foreign investors would have to be taken into account.

"We at Warburg want to help in attracting that capital," he concludes.

LETTERS

Still a way to go before the US drops sanctions

There is not much chance of the US lifting sanctions against South Africa in the near future. **MARK GEVISSER** argues that one of the reasons is the state of affairs in Bophuthatswana

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SOUTH AFRICA might be saying "g'day mate" again to Australia; "*bonjour*" and "*ciao*" and "*guten tag*" to the Europeans, but there ain't gonna be no "how ya doin'?" for a while yet.

The US imposed the first and most stringent sanctions on South Africa and, contrary to the wishes of the Bush administration, there is little chance of these being lifted in the near future — because of continued and unabated repression in Bophuthatswana and because of an interim measure that will replace the Population Registration Act until a new constitution is in place.

The Comprehensive Anti-Apartheid Act (CAAA), passed in 1986, requires that all political prisoners be freed before sanctions can be legally lifted. It also requires that three of the four following conditions are met: that South Africa repeals the State of Emergency and releases all detainees; that it unbans democratic political parties and allows freedom of political association; that it repeals the Group Areas and Population Registration Acts; and that it "agrees to enter into good faith negotiations with truly representative members of the black majority without preconditions".

It is widely acknowledged that three of these conditions have already been met — the repeal of the State of Emergency, the unbanning of organisations, and the entry into "good faith" negotiations. And, with State President FW de Klerk's address last week, the meeting of a fourth condition is imminent, as parliament will repeal the laws that are the cornerstones of apartheid.

If, then, the government and the African National Congress agree on the release of all political prisoners by April 30, as is expected, all five conditions will be met. This means that President George Bush will be able to summarily repeal all sanctions, if he wishes, without even consulting Congress.

But Bush has promised that he will consult his legislature, and there are several ways that the Congress can (and probably will) prevent the lifting of sanctions.

Firstly, the exact wording about Group Areas and Population Registration is as follows: sanctions shall terminate if the government of South Africa repeals these Acts "and institutes no other measures with the same purposes". De Klerk stated, in his address last week, that for the purposes of administration, there will be an interim population registration measure until a new constitution is in place.

Unless De Klerk and his supporters in Washington can make a very strong argument that the new "caretaker" measure does not have the same purposes as the Population Registration Act, the CAAA may not legally be dismantled until there is a new constitution, and this could take up to four years.

Certainly, the one overriding condition — the release of all political prisoners — has not yet been met, but there is also disagreement as to whether the other conditions have been fully complied with.

This week, the Congress of South African Trade Unions (Cosatu) prepared a legal document which it is submitting to Congress claiming that there is still a State of Emergency in South Africa, and that there is not yet freedom of political association.



George Bush

Strange as it may seem, Cosatu's statement is correct: there is still a State of Emergency in Bophuthatswana, and constant harassment and detention of ANC supporters in the homeland means that there is no freedom of political association, even though its president, Lucas Mangope, has technically never banned the liberation movements.

While Bophuthatswana is recognised as a sovereign nation by South Africa, it is considered to be part of South Africa by the United States. And therefore, according to its own law, the US may not repeal the CAAA until Mangope comes into line with the reforms of FW de Klerk.

One way round the sticky Bophuthatswana issue may be to declare a separate sanctions policy against the homeland. But this would be tantamount to recognising the sovereignty of Bophuthatswana and, says a senior congressional source who has been instrumental in the implementation of sanctions, "it would be impossible to institute sanctions against Bophuthatswana without the assistance of South Africa".

Will Cosatu's argument fall on sympathetic ears in Washington? Popular opinion in the United States, particularly in the powerful African-American lobbies, is still strongly in favour of sanctions, and many of the critical lawmakers claim, sometimes quite unashamedly, that they are taking their cues from the ANC.

The congressional source comments that "in terms of the release of all political prisoners, we are waiting to hear how the ANC responds. If it is satisfied with its agreement with the government, we will follow suit."

OAU committee supports sanctions

MICHAEL HARTNACK

HARARE — The OAU "ad hoc committee on southern Africa" last night endorsed the Frontline states' call for the maintenance of sanctions against SA until there was a "clear mechanism for the transfer of power to a democratic order".

"The present state of affairs gives no guarantees that the political process under way in SA is irreversible," said a communiqué issued after a meeting of the 16-nation committee which went over its allotted time in reaching consensus on the sanctions controversy.

The OAU is expected to seek UN General Assembly backing for its refusal to accord any recognition to changes in SA.

Pragmatists among the seven Frontline leaders, such as Zambian President Kenneth Kaunda, were reported by conference sources to fear Africa would suffer serious loss of face by failing to come up with a graduated scheme of its own for restoring contacts with Pretoria at a time when East and West countries were establishing links, covertly followed by many African states.

However, Ugandan President and OAU chairman Yoweri Museveni told a Press conference OAU missions would be sent to lobby states against breaking sanctions.

Museveni said: "The mere intention is not enough." He said one man, one vote elections should have already taken place.

The closing communiqué said Pretoria had only indicated an intention to meet the conditions for reacceptance into the world community which were set out in the 1989 Harare Declaration on the eradication of apartheid.

The communiqué said the SA government had so far failed to release all political prisoners and had failed to allow the unconditional return of exiles.

The OAU committee expressed "grave concern" at the escalation of violence in SA and accused Pretoria of being reluctant to bring it to an end.

It also commended President Joaquim Chissano of Mozambique and President Eduardo dos Santos of Angola for their efforts to negotiate peace agreements with the Renamo and Unita rebel movements

Sapa-Reuter reports that Japan welcomed reform moves in SA but would not lift sanctions until the US did, officials and diplomats said in Tokyo yesterday.

Africa may phase out sanctions

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Howelfm 8/2/91

Sowetan Africa News Service

HARARE - African countries will call for the phased lifting of sanctions - but not yet, according to sources at yesterday's meeting of the Oorganisation of African Unity special committee meeting.

Frontline heads of state resumed in closed session after failing to complete their business yesterday.

Once they have finally agreed on a communique this will go to the OAU committee for endorsment.

Conference sources said the Frontline State's position would not be made known officially until the OAU commmittee has agreed to it.

However it is understood that the demand will remain for the release of all political prisoners, the return of exiles and the removal of certain security laws, before any sanctions should be lifted.

The communique is expected to back the ANC call for a constituent assembly and the establishment of an interim government.

The suggestion is that trade, sporting and cultural ties could be re-established once political prisoners have been released and the apartheid laws removed from the statute books, as promised by Mr De Klerk.

But the removal of oil and financial sanctions, and the establishment of diplomatic and political ties, would have to wait until a later stage.

Sources said the communique would generally follow the stand taken by the ANC which has urged western countries not to lift sanctions at this stage.

Frontline states back sanctions

HARARE. — African leaders at a key summit here to assess political developments in South Africa yesterday presented a solid front against granting South Africa any reprieve from sanctions.

Only President Kenneth Kaunda of Zambia, the chairman of the frontline states, appeared to be willing to assert that President F W de Klerk's February 1 promises to repeal apartheid laws were of major significance. But even he said that the frontline states "do not think it is time now to lessen the pressure on the regime".

Organisation of African Unity chairman and Ugandan President Yoweri Museveni said the proposed repeals were "only the first step" towards ending apartheid, while Pan-Africanist Congress president Mr Clarence Makwetu — in an unprecedented joint statement with the African National Congress — dismissed them as "a small positive step being hailed by the international community, especially big business"

Mr De Klerk's moves have been under close scrunity by the major African protagonists in the South African issue for the past two days.

Yesterday morning the frontline states concluded a lengthy meeting — nearly 10 hours on Wednesday and another two yesterday — which was followed immediately by the opening of a meeting of the OAU ad hoc committee on Southern Africa, the body mandated to formulate the continent's policy to towards South Africa.

The ad hoc committee last night endorsed the frontline states' call for the maintenance of sanctions against South Africa until there was "a clear mechanism for the transfer of power to a democratic order".

"The present state of affairs gives no guarantees that the political process under way in South Africa is irreversible," said a communique issued after a meeting of the 16-nation committee, which had to be abbreviated because the frontline leaders went over allotted time to reach consensus on the sanctions controversy

The OAU is expected to seek United Nations General Assembly backing for its refusal to accord any recognition to the changes wrought so far by President FW de Klerk, bringing it into diplomatic conflict with countries such as Britain now moving towards restoration of all economic, cultural and sporting ties — Sapa, Own Correspondent

NEGOTIATIONS 280

THE FINAL CARDS

In the eyes of most Western governments, President F W de Klerk has removed all the remaining obstacles to the lifting of sanctions. This makes the ANC vulnerable, because it had insisted on retaining sanctions as a prime negotiating tool. Senior ANC members have confided to the *FM* that the organisation is going to have to revise strategies and tactics in the light of De Klerk's moves FM 8/2/91

To some extent the ANC strengthened De Klerk's hand by refusing even to discuss a strategy document on sanctions presented at its mid-December conference. This proposed a linkage between the removal of sanctions and the scrapping of laws as well as discriminatory practices. But hardliners forced the leadership to maintain an absolute position on sanctions, this has now been undermined and there is nothing to replace it

The European Community is expected to remove sanctions when the Land and Group Areas Acts have been repealed But it seems that the US will adopt a more cautious line

The ANC is strengthening its hand elsewhere Talks with the Pan Africanist Congress this week and with Inkatha last week show the ANC building up a "patriotic front" of progressive groupings to go forward to the negotiating process and to participate in an all-party congress, primarily representing black aspirations

Meanwhile, according to ANC political education officer Raymond Suttner, the ANC is keeping an open mind on negotiations. There also appears to be flexibility on the issue of a constituent assembly. Says Suttner: "The most practical way to a negotiated settlement is through a constituent assembly, but it might not be the only one."

De Klerk's "proposal to find ways to integrate leaders of the negotiating parties into policy formulation" has aroused some interest. Suttner says it would "be prepared to govern the country with the NP, among others, for a limited period in an interim government, not as junior partners of this government; the question of co-option must be excluded It would need to be a government of equal powers of all parties and consensus; equal authority and equal responsibility."

As sanctions crumble, the tendency in ANC ranks will be to focus increasingly on mass action as a main way of expressing disenchantment with government and exerting pressure. But there is also an awareness in the ANC leadership that mass action has been ignored by government in the past and is not likely to influence it now. There is also a perception that with high unemployment and a struggling economy, now is not the time for extra days or hours off work.

While ANC deputy president Nelson Mandela commended De Klerk for Friday's announcements, there was no jubilation in the ranks of the extra-parliamentary organisations. The consensus is that while apartheid will go from the statute books, its effects will endure.

Mandela said that the NEC "noted with satisfaction the narrowing of the distance between the positions now being adopted by the NP and the historic policies of the ANC and its allies as adumbrated in the Freedom Charter and more recently in the ANC's draft Bill of Rights." Indeed, there are elements in De Klerk's manifesto which could have been lifted straight from a speech by Mandela himself.

The central issue in SA politics is no longer apartheid, but how to get the country on track to democracy and reasonable prosperity.

The greatest defect in De Klerk's speech, in the eyes of extra-parliamentary groupings, was in the area of security legislation. The failure to scrap the Internal Security Act and other security legislation, or free political prisoners, or put an end to political trials and detentions, or speed up the return of exiles — all these have been consistent stalling points in the negotiation process. It could also prove a block for some governments; the scrapping of SA security legislation has been called for by the Organisation of African Unity, the United Nations, the US Congress and some of the remaining sanctions bloc nations.

The reassuring aspect is that the amending or scrapping of the security laws, so resented by the ANC, is a matter of tactics for government, not an issue of principle.

Charlene Smith

Continued

Japan awaits US move

TOKYO. — Japan welcomes South Africa's new reform moves but will not lift sanctions until the United States does, officials and diplomats said yesterday.

An official at the Ministry of International Trade and Industry (MITI) viewed as positive President FW de Klerk's announcement last Friday to scrap apartheid laws.

His ministry was starting to think of a new policy but so far there had been no change.

In response to Mr De Klerk's moves, the European Community said it would lift a ban on imports of iron, steel and gold coins when Parliament repealed laws governing race and segregated housing and land.

A Western diplomat said that, while Japanese firms wished to increase trade with South Africa, they would not put at risk more important trade relations with the US. — Sapa-Reuter

OAU gives conditions for SA ties

Star Africa Service

HARARE — African countries will call for the lifting of trade, sporting and cultural sanctions against South Africa once political prisoners have been released, exiles returned, and apartheid abolished.

This was said yesterday by sources at the meeting of the Organisation of African Unity's ad hoc committee on southern Africa in Harare.

The OAU is expected to back the ANC call for a constituent assembly and the establishment of an interim government.

It was suggested that ties with SA could be re-established once political prisoners have been released and apartheid laws removed.

Sanctions: No let-up say black states



KAUNDA: a dream fades as leaders decide not to go easy on sanctions.

Star 9/2/91

ROBIN DREW

HARARE — African states have sent a signal to the Commonwealth that they will not — in public anyway — go easy on sanctions even though behind the scenes the erosion process may be under way.

This stand, spelt out at meetings here this week of the Frontline leaders who were later joined by other members of the OAU Special Committee on Southern Africa was a slap in the face for those who were looking for a public approach more in keeping with atmosphere of reform.

FW 'done enough'

Commonwealth Secretary-General Chief Emeka Anyaoku of Nigeria, who flew in unexpectedly for the OAU meeting, said there were people and governments who thought steps already taken by President de Klerk were enough to consider phased relaxation of sanctions.

This opinion and others would be tabled at next week's Commonwealth Foreign Ministers meeting in London.

However, the hardline stand taken here that sanctions and all forms of pressure must be maintained until agreement is reached on the "transfer of power to a democratic order" puts paid to any hope of consensus on the easing of sanctions.

References to a proposed phased lifting were included in a draft communique in which presumably Zambia, whose president, Kenneth Kaunda, is chairman of the Frontline states, had a major say. But this idea went out of the window after many hours of debate and re-written drafts.

The PAC were clearly delighted with the outcome which reflects the view of their new president, Clarence Makwetu, who said any relaxation of sanctions before the advent of genuine democracy in South Africa would be a violation of the Harare Declaration and the UN Consensus Declaration.

Mr Kaunda tried to soften the tone when he told reporters that relenting on sanctions would make President de Klerk more vulnerable to rightwing pressure to halt the reform process.

The Zambian leader is in the forefront of those who are most anxious to see the end of apartheid not just for South Africa's sake but in the belief that all of Africa will benefit.

Mr Kaunda got quite carried away with this theme when he forecast that once apartheid had been demolished Africa, as a whole, would flourish.

He envisaged hydro-electric schemes springing up over the continent, South African technology and capital being tapped by the rest of Africa, foreign investment pouring in and, finally, the strenthening of African currencies until they were on a par or even stronger than the yen.

Visions like this set against the hard words from others, coupled with the fact that African trade with South Africa is blooming, all contributed to the unreality of the weeks's events.

Mandela's

CAPE TIMES 9/2/91

JOHANNESBURG. — Mr Nelson Mandela warned yesterday that any easing of world sanctions against South Africa before apartheid was abolished would turn the country "upside down" with protest by blacks and prompt nation-wide turmoil.

Should the 12-member European Community end sanctions as a reward for President F W de Klerk's intentions to scrap South Africa's last race laws, "you can expect that mass action in this country is going to be the order of the day," Mr Mandela said.

"If the EC wants this country to be turned upside down, it will make good on its suggestions that sanctions imposed in 1986 against Pretoria are to be phased out this year," Mr Mandela said at a press conference to mark his first year of freedom after more than 27 years in prison.

His comments coincided with a remark by Foreign Affairs Minister Mr Pik Botha in Cape Town that sanctions "are no longer an issue."

Mr Botha said the focus of attention was now on reaching an agreement internally on a democratic South Africa.

He was reacting to a possible move by the Organisation of African Unity to persuade the United Nations general assembly, which began meeting yesterday, not to give recognition to the changes in South Africa.

Mr Mandela said confidential discussions between the ANC and the government would continue, but the ANC was not prepared to enter into another major summit meeting with the government until all the obstacles to negotiations were removed.

He said in terms of agreements reached at the historic Groote Schuur and Pretoria summits all political prisoners had to be released, abhorrant security legislation had to be repealed, all exiles returned and the homeland issue addressed before a third ANC/government summit could take place.

Although the announcements made in Mr De Klerk's opening of parliament speech last week, that all apartheid legislation was to be scrapped, were commendable, his failure to address the issue of security legislation was a mistake.

President De Klerk's speech had been aimed rather at convincing the international community that sanctions should be lifted than at solving South Africa's internal problems

Mr De Klerk's reforms still failed to address black demands for one-person-one-vote.

"I still have no vote," Mr Mandela said.

"The aim of sanctions is to get apartheid completely scrapped and the granting of the vote to all South Africans."

He said the ANC would soon "try and persuade" European countries not to lift sanctions until the movement gave the go-ahead and was hopeful the United States would consult the ANC before reviewing its own sanctions package.

US President George Bush "will not make the mistake which the EC has made, he will consult us," Mandela said.

US sanctions, also imposed in 1986, automatically fall away when Mr De Klerk implements his latest reforms and also releases all prisoners held for politically-motivated crimes and allows a full return of political exiles.

Mr Mandela played down suggestions that he was viewed as a black messiah or was the ANC personified.

"If people regarded me as a messiah . . . then they are living in a fool's paradise," he said, adding any public figure should expect criticism and that "criticism can also be very useful."

Mr Mandela's years in prison, after being sentenced to a life term for plotting to overthrow the government, had left him "very much elated to taste freedom . . . happy to be amongst my people."

Memo on education

PRESIDENT F W de Klerk and Mr Nelson Mandela are to meet on Thursday to discuss a memorandum on education submitted by the ANC.

A statement issued by the President's office yesterday said that the memorandum had been submitted to the President on January 29, and dealt with a variety of matters concerning black education and education in general.

In another development yesterday, the Minister of Agriculture and Development Aid, Mr Jacob de Villiers, announced that Mr Justice V de Pickard would head a one-man commission into the Department of Development Aid.

The commission is to inquire into:

*** alleged instances of irregular application, improper application or misapplication of State money or property at the Department, and**

*** alleged instances of irregular application, improper application or misapplication of trust money or property at the South African Development Trust.**

Stalling on the wall

Own Correspondent

LONDON. — The British government has declined to comment on claims that it has paid over £1 million (R5m) for a 1,98 metre wall around Mr Nelson Mandela's home.

However, the Foreign Office confirmed yesterday it has provided "low-level" security items — such as bomb detectors — to political organisations in South Africa.

A report yesterday alleged the wall was constructed at the instigation of Britain's ambassador to South Africa, Sir Robin Renwick.

The London Evening Standard newspaper said the sturdy brick wall "now surrounds Mr Mandela's Soweto house, screening it from the attentions of robust Afrikaners".

The ANC and Inkatha had both been given bomb detectors to check for explosive devices in their offices, a Foreign Office spokesman said.

Ramsamy will advise: keep sports sanctions

ST times 10/2/91 280

By MARK SMIT

ANTI-APARTHEID activist Sam Ramsamy will advise a meeting of Commonwealth foreign ministers in London on Saturday not to lift the international sports boycott against South Africa.

On his arrival in South Africa yesterday Mr Ramsamy, executive director of the London-based SA Non-racial Olympic Committee, said: "Yes, I have been asked to prepare a brief for the foreign ministers. But I can tell you now I will be suggesing that they do not lift sanctions at this time.

"I will recommend instead that they wait until they can see what progress has been made in unity and in the attitudes of administrators and sportsmen and women in South Africa."

Mr Ramsamy added that he felt internal factors precluded the lifting of sanctions now.

"There is too much instability in the country, none of the sports are properly organised and there is no code that has achieved unity yet," he said.

In reaction to signs of increasing pressure from external forces for the abandonment of the sports boycott, Mr Ramsamy said:

"The agenda for lifting sanctions will not be determined by forces outside this country. When sanctions were originally imposed, they were imposed collectively — from inside and outside the country.

Warning

"We must consult all the people involved in the sanctions debate — both inside and outside the country. Then, and only with general consensus, can we say sanctions must be lifted. In sport, it's not possible to lift sanctions unilaterally."

Mr Ramsamy denied he had been asked by the Commonwealth foreign ministers to find ways to drop sporting sanctions as quickly as possible.

● More bad news for South African sport came from National Olympic and Sports Congress leader Mluleke George — on the Sydney leg of his Australian cricket tour — who ruled out the possibility of rugby tours this winter.

In a warning to the warring rugby factions — the South African Rugby Board and the South African Rugby Union — Mr George said that unless Danie Craven and Ebrahim Patel stopped "playing games" and got down to "earnest" unity discussions, rugby tours to South Africa this winter were "out".

President's sanctions victory 'backfired'

Cpress 10/2/91 (280)

STATE President FW de Klerk's international triumph against sanctions has backfired badly by rekindling the internal conflict between the government and the ANC, possibly creating a grave new impasse.

Threats by ANC deputy president Nelson Mandela that the movement would launch massive economic disruption to deter any businessman from investing in South Africa is seen as a reversal of the progress symbolised by De Klerk's opening address to Parliament on February 1.

One direct result has been renewed efforts at a Johannesburg meeting on Monday to unite the ANC and PAC. A joint committee was established to put into effect Mandela's call at the ANC-Inkatha summit the previous week for a united conference of movements in conflict with the government. It is now likely the ANC will seek the broadest possible front to co-operate in mass action.

The ANC's mass action threat was an almost predictable reaction to President De Klerk once more seizing the initiative and removing the last major bargaining chips from ANC hands.

This was a view expressed by three leading Cape academics and political analysts who have intimate links with the organisation.

Stellenbosch University economist Prof Sampie Terreblanche, and executive director of the Institute for a Democratic Alternative in South Africa, Dr Alex Boraine, both regretted the apparent lack of prior horsetrading between Mandela and De Klerk to ensure there were no losers after his landmark announcements.

Both felt the two leaders were now painted into corners with little room for manoeuvre.

Head of Political Studies at the University of Cape Town, Prof Herman Giliomee, took a less pessimistic view, but agreed that Mandela's harsh words were "surprising".

Terreblanche, a known critic of the government, described Mandela's threat as "extremely harsh, coming from him. The sort of language one expects from Chris Hani . . ."

He felt it was not fair of the government to have placed so much pressure on the ANC, which was in a vulnerable position after having undertaken to suspend the armed struggle with internal unrest being the only hand left to play after sanctions were lifted.

"De Klerk should have known you can't have a winner and a loser," said Boraine. "He should know that the minute sanctions go, Mandela is the loser."

Terreblanche found it strange there had been no bargaining, perhaps offering the ANC some form of election to establish the extent of support the participants in the talks had.

"There are dangers inherent in De Klerk's fine political footwork. He is still operating in terms of his constituency and has not yet shown himself to be the national leader with the interests of 38 million people at heart," said Terreblanche.

De Klerk had not demonstrated by his speech that he grasped the full dimensions of South Africa's problem as created by apartheid – that massive upliftment has to come about "irrespective of whether we can generate economic growth".

Giliomee said that unless it was possible to regain the ANC's involvement it was back to square one.

It was necessary for De Klerk to announce the repeal of the last apartheid laws in order to keep the ANC negotiating. Now the ANC would have to run harder to catch up in gaining the higher moral ground.

"Now De Klerk comes out looking good and Mandela comes out fighting. I don't see how it can be resolved, because they're both backed into corners." – Sapa

Suspension of sanctions expected to bring agricultural exports boom

GERALD REILLY

PRETORIA — SA agricultural exports will get a multimillion-rand boost after the lifting of sanctions and the opening of markets closed to SA for nearly a decade, informed sources say.

The vast markets in the US, Canada, Northern Ireland and in the Scandanavian countries had been lost since anti-apartheid measures were imposed.

Sectors of the industry which would benefit included the citrus, deciduous fruit and sugar industries, and there would be spin-off advantages for the growing ostrich industry and possibly the grain industries.

Sugar Association of SA international marketing director David Hardy said the industry had been sanctioned out of the US and Canadian markets.

"The long-term benefits for the sugar industry could be considerable because of the wide potential market."

Volkskas assistant GM (business) Andre Louw said the potential for bigger agricultural exports would be significantly boosted after sanctions.

He said despite sanctions the industry had succeeded in maintaining export levels which made a significant contribution to foreign exchange earnings.

A Deciduous Fruit Board spokesman said new opportunities would open up after sanctions.

Although EC markets had always been open to deciduous fruit exports, agricultural sanctions were rigidly applied against SA by the US, Canada and the Scandinavian countries.

The value of deciduous fruit exports last year amounted to a record R1,3bn.

Citrus Exchange GM (operations and finance) Arend Venter said the suspension of sanctions could also boost the citrus industry. However, it was impossible to put a figure on any possible increase in foreign exchange earnings.

The board, he said, was operating in a fierce and highly competitive marketing environment in which supply and demand varied from season to season.

Venter said during the past few years all citrus available for export had been exported.

Suspension of sanctions would obviously facilitate the sale abroad of any future production growth.

Last year's citrus foreign exchange earnings amounted to R600m, he said.



ANC deputy president Nelson Mandela addresses the media on the first anniversary of his release from prison. With him are ANC secretary general Alfred Nzo, left and ANC spokesman Saki Macozoma.

Picture ROBERT BOTHA

End sanctions call may precede poll — Mandela

TIM COHEN (280)

ANC deputy president Nelson Mandela has hinted that the ANC might call for the lifting of sanctions before everyone has been given the vote.

At a media conference on Friday called to commemorate his first year of freedom, Mandela fielded questions for about 30 minutes on the sanctions issue.

He staunchly defended the ANC's continued call for sanctions and said mass action would result if the EC lifted remaining sanctions, as it has said it would. BIDay 11/2/91.

Asked whether the ANC would call for the lifting of sanctions when apartheid legislation was removed or when all had the vote, Mandela said the repeal of the Group Areas, Land and Population Registration Acts was "almost a non-issue" as far as blacks were concerned.

"What is the use of repealing the Acts when the government has given me no capacity to take advantage of their repeal?"

But he said that in the negotiating process, practical problems could delay one-man, one-vote elections for several years.

Mandela indicated that if a position of mutual trust with the goverment had been achieved and if it made an acceptable declaration of intent, the ANC would be prepared to signal that sanctions should be lifted.

He said on the face of it there was a contradiction between his concern for poverty and his calling for sanctions, but that this did not bear closer scrutiny.

"This is the price we are prepared to pay in order to get the vote," he said.

● Comment: Page 8

Mandela warns on lifting sanctions

By THEMBA MOLEFE

ANY sudden lifting of sanctions could accelerate the ANC and PAC's effort at a united political front, with the two organisations acting together in facing the international community.

ANC deputy president Mr Nelson Mandela on Friday said the ANC and PAC, "which are now working together, may have to undertake joint missions to the European Community (EC) headquarters in Brussels to push for the continuation of sanctions."

Addressing a media conference marking his first anniversary after being released from 27 years' imprisonment, Mandela's response to questions on the maintenance of sanctions confirmed the improving relations between the ANC and PAC.

He warned that if sanctions were lifted without consulting with the "oppressed masses", there would be turmoil in the country and foreign investors could become the target of mass action.

Top world bankers in SA this week

CM Times 11/2/91

WASHINGTON. — SA will have full access to the credit and development funds of the World Bank and IMF restored as soon as the EC lifts sanctions.

This is one of the messages which will be carried this week from Washington to SA by a team of World Bank and IMF economists.

EC sanctions are scheduled to be lifted "in a matter of weeks", possibly as early as February 19 when EC foreign ministers meet.

The IMF-World Bank delegation will meet secretly with Reserve Bank governor Dr Chris Stals and other top Pretoria officials. Reports have said that IMF managing director Mr Michel Camdessus will pay a one-day visit to SA later this week.

At stake are billions of rands which SA would be entitled to borrow from both the concessionary job-creating programmes of the World Bank and hard currency loans which it could take to stabilise its export industries.

Officials of the two agencies say they are following the lead of the EC foreign ministers who have tied the lifting of sanctions to the successful adoption of anti-apartheid measures proposed by President F W de Klerk to Parliament a week ago.

Investments

Returning SA to the World Bank-IMF fold and lifting economic sanctions would leave the US alone among the major boycotters.

US investments approached R7,5 billion in the mid-1980s but have shrunk to R1,875 billion, mostly in mining.

One of the tricky questions is whether SA will take its place as an African member on the executive boards of the two institutions.

Until its suspension from the executive board 15 years ago, Pretoria had been part of a block of former British colonies including New Zealand and Australia. — Daily Telegraph.

Sanctions: Tutu lashes out at Western countries

The Argus Foreign Service

WASHINGTON. — Anglican Archbishop Desmond Tutu says he is angry because Western countries discuss ending sanctions without consulting South African black leaders.

"It's something that operates between white people," he said.

Archbishop Tutu said sanctions should not end until an interim government was in place, a new constitution was written by representatives of all groups, and amnesty was guaranteed for political prisoners and exiles.

He was speaking at Columbia Theological Seminary in Decatur, Atlanta. He is in the United States on a brief speaking tour.

"I am quite angry that Western leaders seem willing to discuss ending sanctions without consulting with black South African leaders," Bishop Tutu said.

He said the reason for imposing sanctions was to destroy apartheid, but apartheid had not been destroyed. Political power was still in the hands of the white minority.

At each of his recent meetings with the State President the sanctions issue seemed to be an obsession, "which is why we say sanctions should be kept", he said.

He added: "Mr De Klerk has to be persuaded that his best course is to go the whole hog. An interim government should be named for a transition away from apartheid because the government of South Africa cannot be a player and also the referee."

Bishop Tutu said he would stand on the rooftops to shout for the end of sanctions once his conditions had been met. "I will become a salesman for economic development in South Africa."

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Mandela's sanctions statement slammed

JOHANNESBURG. — The SA Chamber of Business (Sacob) has hit out at statements by ANC deputy president Mr Nelson Mandela that the ANC would destabilise South Africa's economy if the European Community dropped sanctions.

In a statement yesterday, Sacob said Mr Mandela's comments on Friday contradicted stated ANC policy of socio-economic upliftment.

Businessmen would now ask "whether socio-economic development remains an urgent priority or whether it is to be sacrificed on the altar of political radicalism", the statement said.

It also said most South Africans would not accept that socio-economic upliftment had to wait for political solutions.

"International evidence, in any case, suggests that political change is more likely to succeed if socio-economic circumstances are favourable," the statement said.

Sacob appealed to the ANC "to reconsider its attitude to sanctions". — Sapa

French officials' visit signals thaw on sanctions

B Day 12/2/91

(280)

LESLEY LAMBERT

CAPE TOWN — A fact-finding visit to SA by high-ranking French government officials has thawed a decade-long freeze on economic relations between the two countries and paved the way for French companies to invest here.

The visit by a delegation led by a director of the French ministries of economic trade and finance is the first by French government officials in almost a decade and follows the EC's decision to ease sanctions.

The delegation, which also included a high-ranking official from the ministry of industry, met various SA Cabinet Ministers, including Trade and Industry Minister Kent Durr, to evaluate the economic and political situation and the opportunities for trade.

A number of areas of potential opportunity would be communicated to French companies, said delegation leader Elisabeth Kahn.

One such area was the provision of "collective" facilities like public transport systems, low-cost housing and electronic educational systems.

The supply of mining equipment and the growing demand for smaller consumer goods were other areas in which French companies were likely to be interested, Kahn said.

But, at this stage, the primary significance of the meeting appeared to be its symbolic value.

Sapa reports that five Portuguese Socialist Party members arrived in SA on Sunday as official guests of the government for two weeks before going to Maputo on February 25.

They planned to meet Ministers, members of government institutions, leaders of political parties including the ANC and Inkatha, and businessmen.

Yesterday Zairean Foreign Minister Kalimba wa Katana Mushobekwa led a five-man delegation on the first high-level meeting with his SA counterpart, Pik Botha.

Botha said after their meeting in Cape Town that discussions dealt with a wide range of subjects including industrial, trade and technical exchanges.

Allow us to compete openly for capital in international markets

SA needs investments not charity - Ackerman

Sowetan 12/2/91

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SOUTH AFRICA does not need - or seek - charitable handouts from the international community, according to a leading local businessman.

Speaking yesterday at the World Economic and Agro Forum in Davos, Switzerland, Mr Raymond Ackerman, chairman of Pick 'n Pay Stores Ltd said: "I must stress that I'm not here with a begging bowl.

"The South African economy is eminently capable of developing its own potential if permitted to do so. We simply ask that we be allowed to compete openly for investment capital, trade and development loans in the world's financial markets.

Leaders

He was speaking to an audience including an array of world political and business leaders, like Wilfred Maartens, the Belgian Prime Minister; Hans-Dietrich Genscher, the German Foreign Minister; Jan Vlielski, the Polish Prime Minister; the Deputy Trade Minister of Japan; Sir James Goldsmith, the International financier, and some 700 senior delegates from the IMF, GATT, the World Bank, and major international corporations.

FOCUS



RAY ACKERMAN

Should punitive economic measures by Europe and America persist, a new black government in Pretoria may inherit an economy not even able to satisfy the demands and expectations of its own population, let alone be able to stimulate economic activity elsewhere in Africa, he warned.

That could have dire consequences for the country, he said. "Economic decay will almost certainly make it impossible for an already-fragile democracy to survive in a new South Africa, an unable to prevent the new multi-party democracies elsewhere in Africa from sliding back into authoritianism.

"South Africa's future, therefore, is integrally linked with that of Africa as a whole. Given international, economic and political trends, it is realistic to suggest that South Africa must become the economic engine room of a continent which has steadily dropped on the priority agenda of the developed world.

"Your governments and companies are in a position to help all in Africa achieve the "de facto" economic independence it so desperately needs to legitimise its "de jure" political sovereignty", he said.

Investment

South Africa would undoubtedly attract investment capital for it is seen by the international business community as being both reliable and able to guarantee a decent rate of return.

Already, in fact, a number of leading world companies in the food industry alone have expressed direct interest in investing in South Africa.

On the subject of sanctions, Mr Ackerman said in the light of President de Klerk's announcements at the opening of parliament last week, these were no longer an issue. There can be no doubt South Africa was speedily and irreversibly on course to a new and equitable political dispensation.

"Unfortunately, these bold political steps come at a time when the world economy is preoccupied with decreasing growth rates and the problems of reconstruction in eastern Europe. Moreover, funds available for Africa are not what they were, and European trade and investment in Africa is on a downward slide.

"We in South Africa are ideally positioned to spearhead an economic recovery on our continent. We are better placed than most to export skills, experience and technology into Africa: in spite of sanctions (so vigorously applied by northern nations) our economic infrastructure is still the most sophisticated on the continent. The need for a strong, vibrant economy in South Africa, therefore, has continental, and even international implications.

"South Africa already trades with almost every country in Africa - exporting products worth some R5,6 billion last year - and despite sanctions, trade with African countries increased by more than 45 percent during the last 24 months."

Africa could provide export avenue

280

MARC HASENFUSS

THE lifting of economic sanctions could prompt the SA motor component industry to look for new export markets mainly in Africa and Eastern Europe, industry sources said yesterday.

Depressed economic conditions in the countries traditionally served by the local motor component industry are expected to hamper further export growth, even if formal trade links are established when sanctions are lifted

"The recent economic slowdown in the US, Western Europe and Japan, and not the remnants of economic sanctions against SA, will curtail efforts by local vehicle manufacturers to increase exports of components," a motor industry source said yesterday.

National Association of Automotive Component and Allied Manufacturers (Naacam) executive director Denzyl Vermooten said traditional markets in Western Europe and the Far East would not see further growth this year, but lucrative markets could open up in Eastern Europe and Africa.

He felt the local motor industry was well placed to serve the vehicle needs of African countries.

"Although new vehicle markets in most African countries will start from a low base, if we are patient the enormous growth potential in these countries will be realised."

The value of exports by SA component makers rocketed by 65% last year to almost R1bn, but Vermooten expects growth this year to taper off substantially.

Econometrix's Tony Twine said the African and East European markets had a serious drawback in that both areas did not have the hard currency to pay for exports.

Twine said Africa and Eastern Europe represented largely unexploited ground by the motor industry worldwide.

They were, however, structurally more open to opportunity than SA's established markets.

Opportunities in Eastern Europe could be taken advantage of in the short term as the Eastern bloc countries were restructuring their economies, he said.

These countries would benefit from the SA motor industry's technological expertise, he added.

However, exports to the rest of Africa would not be immediately viable because of certain African leaders recalcitrance in renouncing socialist principles that had kept most of the continent "wallowing in an economic morass", Twine said.

Zimbabwe, with a meagre 230 000 vehicles, has one of the highest vehicle populations in Africa. Most other African countries have significantly less in comparison.

Foreign investors begin the long trek back to SA

B1 pay 13/2/91

LONDON — The world's investment managers are cautiously turning their attention back to SA as the country begins to slough off its image as a political pariah.

But funds are unlikely to come rushing back into the country that was once a lucrative haven for Western investment.

"In general, most people over a number of years have taken the view that they don't want to invest for political reasons," said Lyndsay Thomlinson, MD of the UK's BZW Investment Management.

Dismantling

Fund managers in many countries believe investment opportunities are set to open up in the country following President F W de Klerk's recent reformist pledges.

But they remain cautious about these and are steering clear of the country until their customers are convinced that it has fully dismantled apartheid.

"These (reform) developments look encouraging, but we want to see the complete dismantling of apartheid before we change our policy," said Claire Sheahan, second vice president at Teachers Insurance and Annuity Association College retirement equities fund, the largest pension fund in the US.

In the Netherlands, which has historically strong links with SA, fund managers are especially cautious.

Dutch fund managers said they will wait and see how quickly dismantling of apartheid proceeds, adding that they want to wait and assess how their counterparts in other countries fare before they start to invest again.

Most Dutch pension funds, which are among the biggest in Europe, have investment committees that include representatives from workers and management.

Anti-apartheid activists used to demonstrate outside investment committee meetings of pension funds that held stock of Royal Dutch Petroleum Co.

As the biggest stock in terms of market capitalisation on the Amsterdam bourse, it is almost impossible for Dutch investment managers not to hold some Royal Dutch shares although demonstrations have made them careful.

UK fund managers are constrained by similar experiences and, like their counterparts in most countries, few were willing to be quoted on the subject.

A number of clients "absolutely ban South African investment," said one British fund manager. "Obviously I hope that attitude will change."

"There is value we believe if you assume, as we do, a fairly positive outlook for the SA economy," he added.

Government-imposed restrictions prevent fund managers in Japan from investing in SA and in the US legislation restricts pension funds from putting money there. But German and Swiss fund managers have few qualms about investing in SA. Many have already taken the plunge.

A number said they took up SA paper, especially bonds, in their portfolios several years ago in the hope that the reforms would lead to an increase in value.

Now many are looking to reduce their holdings, they said, because the recent dramatic political changes mean the uptrend had probably peaked.

Holger Schmitz at Fiduka Depotverwaltung gmbh, a German investment fund, said SA government bonds make up about 5-7% of its fund.

Schmitz said Fiduka put the SA paper into its fund over a year ago, noting the differential between the financial rand and the commercial rand, coupled with high yields, had made the bonds very attractive investments.

'Positive'

"We bought this paper when no one wanted it and are more than happy to sell it now that everyone wants it," Schmitz said.

A spokeman for a Swiss mutual fund that invests in gold mining stocks called the recent developments in SA "very positive".

"We are seeing a gradual reintegration of SA into the world economy. At the moment investment is going into short-term instruments, as SA interest rates are high, and there is certainly interest in SA bonds," Trevor Blench, Geneva-based partner at Johannesburg broker Edey Rogers & Co Inc, said.

"As the prospects for the southern Africa region pick up over the next 10 years, there will be tremendous scope for SA industrials because SA is the springboard for development in that region," he added. — Reuter.

Shell run off road by sanctions lobby

WASHINGTON — In an indication that the US sanctions movement intends to give no quarter, New Jersey Governor James Florio announced this week that Shell Oil would no longer be permitted to operate petrol stations on the New Jersey turnpike, one of America's busiest roads.

The announcement was viewed as the most substantial victory to date for the six-year-old Shell boycott launched by the United Mineworkers of America and religious groups to protest against the presence of Royal Dutch Shell in SA.

"Now is no time to let up," Florio said. "Much remains to be done before we win the final victory. As a former boxer, I understand when you've got a guy on the ropes you don't stop punching."

SIMON BARBER

Shell has the exclusive right to operate the 13 petrol stations along the state-run toll highway, which between them generate about $50m in annual revenues.

An UMWA spokesman said the campaign was launched to target Shell "as the worst corporate collaborator with the apartheid regime", adding it was the first time a state government had responded in such a way.

But a Shell spokesman in Houston said the action would hurt only the small businessmen who owned the stations.

Violence 'may lead to retribalisation'

BIDay 13/2/91.

TOWNSHIP violence poses the danger of a "retribalisation" of blacks, says Pretoria University's Institute for Strategic Studies.

Writing in the institute's bulletin, the executive and editorial director of the Research Institute for the Study of Conflict and Terrorism in London, Prof W F Gutteridge, argues similarly that Afrikaner tribalism has to subordinate itself to a new SA nationalism.

"SA's historical legacy is one of centuries of inter-tribal rivalry and violence. The present situation poses the danger that those in the towns, who had appeared to be detribalised, will be retribalised," Gutteridge argues.

However, both President F W de Klerk and ANC deputy president Nelson Mandela — the former by acknowledging a common SA nationalism, the latter by his non-racial approach — were undermining the tribal legacy.

Tribal divisions, however, were re-emerging in the guise of ideological conflict which had displaced territorial conflict. This had translated itself into violent conflict in an urban setting.

A related tribal problem was the legacy left by a long period of favouring whites — particularly Afrikaners.

"The legacy of a period of successful

PATRICK BULGER

"Afrikaner socialism" now stands in the way of the general acceptance of the concept of power sharing, partly because it has understandably encouraged among blacks belief in the "winner takes all" approach to politics," Gutteridge said.

White fears had to be addressed — both by a long period of erosion of these fears and by inspired leadership on all sides.

Against this background, getting negotiations going was more complicated than merely meeting artificial preconditions, he said.

"The parties involved need first to recognise their own fears and perceptions of threat and then ensure that the others involved understand them.

"Frankness and a willingness at least to discuss the unthinkable are the essential prerequisites for a settlement."

The first requirement for a settlement was a demonstrably workable constitutional proposal that could underpin economic growth.

Gutteridge did not foresee a permanent solution before 1994.

To initially expect more than to create an arena for non-violent political debate would, given the historical circumstances, be expecting too much.

Plea to maintain sanctions

CANBERRA — SA delegates to the seventh assembly of the World Council of Churches yesterday appealed to the international community not to phase out or lift economic sanctions against SA prematurely. BIDay 13/2/91

They said sanctions should not be lifted until the government moved decisively towards the abolition of apartheid, reports Zimbabwe's news agency Ziana.

Addressing a morning plenary session here, Institute of Contextual Studies director the Rev Smangaliso Mkhatshwa, and SACC deputy secretary-general Brigalia Bam said indications by some Commonwealth and EC countries that they were ready partially to lift sanctions against SA, in return for the reforms it had carried out, would remove the "only most effective instrument for change in our country".

Yesterday was the first day the SA situation was tabled since the assembly began. During this assembly it had been overshadowed by WCC delegates' preoccupation with the Gulf war between US-led allies and Iraq.

The assembly, which groups together more than 311 world churches representing about 350-million people, has been discussing political, economic and spiritual problems facing the world with a view to finding lasting solutions based on the ecumenical unity of nations. (280)

Bam said the reforms so far announced by President F W de Klerk "scratched the surface of the core of apartheid" and those that he had promised were only declarations of intent, which would not be useful unless the government followed them up with practical measures that ensured the transfer of economic power, education and skills to the majority.

If sanctions were lifted prematurely, "the government will be under no obligation to abolish the system", she said.

Mkhatshwa said SA reform propaganda had impressed the world, yet there was little change on the ground, because the wide gap between the rich and the poor remained and would continue unless radical reforms were undertaken. — Sapa.

Aussie move unsettles SA wool sector

DURBAN — SA wool growers accused the Australian government of throwing the market into confusion by scrapping the floor price scheme.

National Wool Growers' Association (NWGA) president Peter Kingwill said the Australian decision to suspend the reserve wool price until June 30 had dealt a blow to the SA industry.

"That wool prices here will also be adversely affected is undoubtedly true, but to speculate where the market is going to find its level is almost impossible," Kingwill told an NWGA congress.

Sales in Australia have been suspended since February 4 until at least February 25 as a result of the scrapping of the 17-year-old floor price scheme, which currently marks wool at a minumum of 700c/kg.

Kingwill warned that a lowering of the wool price would result in disaster for SA growers unless the SA government contributed to the stabilisation of the industry.

He said government intervention would probably have to be only temporary as wool stocks would quickly become depleted.

Market analysts expect the price of Australian wool to halve to around 350c/kg in an unregulated market.

The SA Wool Board said last month it would market more aggresively abroad, particularly in countries in Eastern Europe which had hitherto been inaccessible. — Reuter.

Call for EC rescue plan

ROME — Inkatha Freedom Party president Mangosuthu Buthelezi yesterday asked Italian Prime Minister Giulio Andreotti to urge the EC to consider a Marshall Aid plan for poverty-ridden SA.

In his memorandum, Buthelezi asked Andreotti — whose country currently chairs the EC — to thank the community for its decision to lift restrictions on new investments in SA, and warned of the "radical left" which he said was trying to capitalise on poverty.

Thousands upon thousands of blacks were living in squalor around every urban centre, he said, and they had great destructive potential.

Warning about the rise of the extreme right, Buthelezi said: "Unless we really deal with white fear, we will end up with accomplished change that will be destroyed by events which will make any attack by a Unita or a Renamo on a government seem child's play by comparison." — Sapa.



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Germans plan major expansions

US firms are looking at a return to SA

AT LEAST four major US corporations are believed to be examining seriously whether to establish (or re-establish) a presence in SA once US sanctions legislation has been repealed.

And one German company has confirmed plans for a major expansion of its SA operations, while another has announced its willingness to do so if and when economic conditions make it feasible.

US companies said by US and SA sources to be considering options in SA include industrial and infrastructural construction giant Bechtel, consumer goods manufacturer Sara Lee, and Apple Computers.

Confirmation could not be obtained from the companies themselves, and the sources said the continued operation of the Comprehensive Anti-Apartheid Act, and public sensitivities in the US, made it unlikely that such confirmation would be given.

Former assistant Secretary of State for Africa Chester Crocker confirmed yesterday that he had been approached by some companies for advice, but said it was "absurd to think there's a queue of Americans salivating to return".

Whitney Schneidman, SA analyst at the Washington-based Investor Responsibility Research Centre (IRRC), said: "Companies are still very much at the wait and see stage." He noted companies were continuing to cut even their non-equity ties with SA under pressure from state and local anti-apartheid lobbies.

Sources close to Bechtel indicate that it is studying involvement in regional reconstruction projects, but they emphasise this would not entail direct investment in SA.

ALAN FINE
and SIMON BARBER

IRRC meanwhile is in the process of organising a forum to develop a post-apartheid investment code, Schneidman said. Idasa has agreed to co-sponsor the forum. Government, the AHI, Sacob, Inkatha, Azapo and the SACP have expressed an interest in participating.

It is reported from Germany that Hoechst says it plans a R100m investment in SA in the coming months. The first project is a R60m project to double production of packaging materials at its Chamdor plant. Hoechst SA MD Reinhard Traub was unavailable for comment.

Siemens CE Reinhard Sanne said his company would "jump at any opportunity to expand our SA operations", but "recessionary conditions at the moment are not encouraging for new investment".

He said before then those forces which would co-determine the nature of a post-apartheid economy — including the ANC and the trade unions — "will have to spell out, sooner rather than later, what they mean by a mixed economy".

Meanwhile, former subsidiaries of US corporations in SA have begun to consider the advisability of re-establishing links with the former parent companies which disinvested from SA.

Samcor (previously owned by Ford) and Amalgamated Beverage Industries (Coca-Cola) are two firms which have indicated they would like their former parent com-

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US firms

☐ From Page 1

panies to return.

However, Samcor chairman Leslie Boyd emphasised that the matter had not been discussed with Ford and would not be until sanctions were lifted.

A contrasting view is taken by Engen, the energy division of Gencor which purchased the local interests of Mobil when the latter disinvested in 1989.

Financial director John Roberts said political pressures had forced Mobil to sell off its South African operation below asset value, for R650m. It would now cost Mobil about R3bn to repurchase the section of Engen it previously owned.

A Delta spokesman said the former General Motors subsidiary had no interest in re-establishing ties.

Sanctions are crumbling

13/2/91 Sowetan 280

THE African National Congress would have improved its international credibility if it had supported the selective lifting of sanctions, says veteran Africa specialist Colin Legum.

Writing in the latest issue of the London news magazine *New African*, Mr Legum says that in the crumbling of sanctions the ANC has suffered its most notable defeat so far.

"If the ANC had read the signs correctly it could have gained greater international credibility by taking the initiative in advocating a policy of selectively lifting sanctions instead of persisting in the hardline advocacy of keeping up economic pressure," he says.

Tambo

"In fact, many of the ANC's leaders - notably Oliver Tambo and Nelson Mandela - currently foresaw the irreversible crumbling of sanctions and sought to change the party's hard line.

"But they failed to persuade key elements in the movement to accept the political wisdom of placing less reliance on international than national pressures."

Consultative

The rejection of their advice was overwhelmingly demonstrated, says Mr Legum, by the recent decision by the ANC's consultative conference to pursue "the lost cause of a pro-sanctions policy."

He says sanctions are crumbling at a rate that already casts doubt on their credibility and effectiveness.

This is an undoubted triumph for President FW de Klerk as he wrests the initiative from his opponents in the opening phase of the negotiating process over a new constitution.

One reason for this is the difficulty the ANC has had in establishing itself as a disciplined and coherent political party with a proven mass following.



FW DE KLERK

So ANC should face the facts

Mr Legum, one of the most respected commentators on African affairs, was for many years publisher of the authoritative annual survey, *Africa Contemporary Record*.

He notes that the ANC is laying much of the blame for the eroding of sanctions on the European Community's decision to begin phasing them out.

Scapegoat

"But while the West Europeans are a convenient scapegoat, the reality is that the East Europeans, including the Soviet Union, and especially African governments, have done more to erode sanctions over the last six months than the European Community."

Dependence

Mr Legum recalls that Pretoria was invited to send an observer to the recent meetings of the Southern African Development Co-ordination Conference, (SADCC) which was formed partly to lessen dependence on South Africa, and the Preferential Trade Area (PTA).

And SADDC members have agreed to begin integrating their power systems with Eskom's.

"The opening of trade and co-operation links between South Africa and the rest of the continent are potentially far more important than the putative ending of sanctions with Europe.

"In a very real sense, therefore, it can be argued that the most serious breach in sanctions has been the result of the changing policies of African governments."

The ANC is unlikely to be more successful in persuading the Europeans and North Americans to maintain sanctions than it was with the Africans, Mr Legum says.

Economy

However, the crumbling of sanctions is unlikely to help South Africa's economy in the near future, he says.

Investors are deterred by political uncertainty and this will be the case while there is no positive outcome to negotiations for a new democratic constitution.

"This still gives the ANC the whiphand in the negotiating process.

"The bottom line is that there can be no meaningful progress towards achieving stability in South Africa without agreement between the Government, the ANC and other opponents of apartheid." - *Sowetan Correspondent.*

SA links cost Shell R150-m year contract

Sowetan 13/2/91

NEW YORK - The state of New Jersey is to cancel a R150 million a year contract with the Shell Oil Company in support of the international boycott against the company because of its South African ties.

Under a decision announced yesterday by New Jersey's Governor Jim Florio, Shell will lose its exclusive rights to operate 13 service points along the New Jersey Turnpike, a major freeway close to New York which is said to carry the heaviest daily volume of traffic of any roadway in the world.

The move comes at a time when there are signs of international sanctions against South Africa being eased.

Florio told union and religious leaders at an anti-apartheid rally at the United Auto Workers regional headquarters in Cranford, New Jersey, that the recent changes in South Africa "are a signal that sanctions are working" and that pressure should be maintained until blacks get full political rights.

"Now is no time to let up," he said. "Much remains to be done before we win the final victory. As a former boxer, I understand when you've got a guy on the ropes, you don't stop punching." - *Sowetan Correspondent*

The ANC is pursuing a lost cause on sanctions, says an Africa expert

Hardline policy spells defea t

Star 13/2/91 (280)

THE African National Congress would have improved its international credibility if it had supported the selective lifting of sanctions, says the veteran Africa specialist Colin Legum.

Writing in the latest issue of the London news magazine New African, Mr Legum says that in the crumbling of sanctions the ANC has suffered its most notable defeat so far.

"If the ANC had read the signs correctly it could have gained greater international credibility by taking the initiative in advocating a policy of selectively lifting sanctions, instead of persisting in the hardline advocacy of keeping up economic pressure," he says.

"In fact, many of the ANC's leaders — notably Oliver Tambo and Nelson Mandela — currently foresaw the irreversible crumbling of sanctions and sought to change the party's hard line. But they failed to persuade key elements in the movement to accept the political wisdom of placing less reliance on international than national pressures."

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One reason for this is the difficulty the ANC has had in establishing itself as a disciplined and coherent political party with a proven mass following.

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He notes that the ANC is laying much of the blame for the eroding of sanctions on the European Community's decision to begin phasing them out.

"But while the West Europeans are a convenient scapegoat, the reality is that the East Europeans, including the Soviet Union, and especially African governments, have done more to erode sanctions over the last six months than the European Community."

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"In a very real sense, therefore, it can be argued that the most serious breach in sanctions has been the result of the changing policies of African governments."

The ANC is unlikely to be more successful in persuading the Europeans and North Americans to maintain sanctions than it was with the Africans, Mr Legum says.

However, the crumbling of sanctions is unlikely to help South Africa's economy in the near future, he says. Investors are deterred by political uncertainty and this will be the case while there is no positive outcome to negotiations for a new democratic constitution.

"This still gives the ANC the whiphand in the negotiating process. The bottom line is that there can be no meaningful progress towards achieving stability in South Africa without agreement between the Government, the ANC and other opponents of apartheid." — Star Africa Service. □

Chalker expects no mass action

B/D 4/14/2/91

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BRITISH Development Minister Lynda Chalker said yesterday she did not agree with ANC deputy president Nelson Mandela that spontaneous mass action would follow the lifting of EC sanctions.

Chalker told a news conference at the end of her three-day trip to SA that she had a very positive meeting with Mandela yesterday, during which the EC's decision to lift sanctions had been discussed.

She said she explained to Mandela the EC decisions to lift bans on new investment and imports of iron, steel, coal and gold coins were specifically linked to progress in abolishing apartheid.

Chalker welcomed Mandela's statement that the ANC would send a delegation to the EC, as this would enable the two sides to discuss the sanctions issue.

But she added the EC would not adopt an "all-or-nothing" position on change and sanctions, adding the community believed in encouraging reform.

"As there is progressive normalisation in SA, there will be a response from the Community."

Chalker was asked whether she could tell British companies it would be safe to invest in SA in the light of Mandela's statement that there would be unrest if the EC lifted sanctions.

TIM COHEN

She replied: "I do not think that the sort of anxieties that Mandela was expressing are in fact going to occur."

Chalker said she congratulated Mandela on the agreement he reached with President F W de Klerk on Tuesday on activities related to armed action.

She said this would pave the way for the release of political prisoners and the return of exiles, and to a multi-party conference on negotiations.

Chalker said she believed the SA government's commitment to change was irreversible.

She also invited Mandela to visit Prime Minister John Major in London as soon as it was convenient for him to do so.

Asked if Major intended visiting SA, she said the visit would fall into place as soon as substantial changes had been effected.

Chalker also disclosed that the British government would increase its development aid to SA by R5m to R65m in the next financial year.

She said she was pleased with the management of the approximately 250 projects funded by her government.

She said that as she had gone around the townships, she had become deeply aware of the urgent need for jobs and job training.



British Development Minister Lynda Chalker and ANC deputy president Nelson Mandela in Johannesburg yesterday after their meeting. Picture ROBERT BOTHA

US sanctions: prisoners 'only obstacle'

THEO RAWANA

THE release of political prisoners was the only obstacle to the US lifting sanctions against SA," Ambassador William Swing said in Johannesburg yesterday.

Addressing a seminar on franchising, Swing said there had been much speculation regarding the lifting of international sanctions against SA.

"There is, I believe, widespread recognition that SA's move away from apartheid to a new political reality is, as President Bush has stated, irreversible," said Swing. "Foreign aid and international borrowing will no doubt ultimately be available to help support economic growth in the new SA."

Foreign aid would not be enough to support SA's new political system, Swing said, adding that foreign investors would adopt a "wait and see" attitude about SA.

"The primary resources, then, to generate the growth needed by this country's economy, will probably have to come from within SA."

Swing said: "But it is not only growth that is needed, there also has to be opportunity for all South Africans (particularly disadvantaged blacks) to participate fully in the nation's economy. In other words,

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Sanctions

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what's needed is growth with equity."

Creating economic growth with equity would require intelligent government economic policies and programmes, political stability and vision. It would require "the recognition that the future prosperity of SA will come not from the exploitation of black labour, but from the fulfilment of black needs".

Swing said no new political system could be secure without a healthy economy.

He said one option was to encourage more black entrepreneurs by nurturing black small business development.

Owning a business through franchising was one possible way of involving more blacks in small business, he said.

At the seminar, representatives of companies such as PG Autoglass, Kwik-Kopy, carpet-cleaner Rug Doctor and the US-based Ponderosa Steak House invited blacks to buy franchises.

One snag to lifting curbs - US envoy

(280)

THE release of political prisoners is the only issue standing in the way of the United States lifting sanctions against South Africa, says US Ambassador Mr William Swing.

Speaking at a business seminar in Johannesburg yesterday, Swing said there was widespread recognition that South Africa was moving away from apartheid and that this would relate sanctions to yesterday's issue while job creation would become the main issue in the country.

He warned, however, that apartheid could disappear in practice but the devastating effects of the policy would still be felt.

Swing said only a growing economy and social reconstruction could remove the effects of apartheid. - *Sapa.*

US cities, states tighten sanctions

w/Mail 15/2-21/2/91

Although sanctions against South Africa are being eased in Europe, American city and state legislators continue to turn the screw, reports REG RUMNEY

FINANCIAL sanctions pressure in the US is being kept up at local and state level.

On city level, for example, New York city financial regulations ranking banks according to their anti-apartheid efforts are on their way to implementation

Also, on state level New Jersey governor Jim Florio directed the state's Turnpike Authority not to renew a contract with Shell Oil

The news coincides with renewed interest in South Africa by American companies and moves in the European Community to drop statutory sanctions legislation in response to President FW de Klerk's scrapping of most apartheid laws

Loss of the New Jersey Turnpike contract, giving Shell the exclusive rights to operate all 13 service areas along the New Jersey Turnpike, reportedly will cost Shell R50-million to R60-million a year in lost revenue for five years

Interfaith Center on Corporate Responsibility (ICCR) told *The Weekly Mail* that at hearings on the New York city financial regulations last week the regulations were opposed by the New York Chamber of Commerce, but supported by serveral activists present.

There is now a period of comment before the regulations come into effect. (280)

ICCR director of South African programmes Donna Katzin told *The Weekly Mail* the regulations could be changed somewhat but would be promulgated within a month

ICCR executive director Timothy Smith said in a statement at the time of the hearings. "If the city passes and enforces strong regulations it will provide a multi-million dollar incentive for banks to cut their ties to South Africa until apartheid is abolished once and for all"

While new loans to South Africa were outlawed by the Comprehensive Anti-Apartheid Act of 1986, says the ICCR, US banks retain other ties which give them significant leverage on Pretoria Those ties outlined in the proposed regulations include correspondent banking, and the extension of maturities of outstanding short-term loans to South Africa

"Some of the banks which receive major New York city contracts, and could be affected by the regulations due to their South African ties, include Manufacturers Hanover Trust (MHT), Chemical Bank, Chase Manhattan, and Citicorp"

MHT, according to Katzin, did over $30-billion of New York city contract business in 1989.

"Foreign banks such as Credit Suisse, which have not stopped lending to South Africa (and their US subsidiaries, like First Boston), would also be penalised by the regulations for issuing new loans to South Africa"

Investor Responsibility Research Centre (IRRC) analyst Whitney Schneidman notes not only that some states and cities are still imposing penalties on corporations doing busines with South Africa, but there has been no effort to lift local laws applying to South Africa He points out some states and cities still have legislation applying sanctions to Namibia — almost a year after its independence

It will be two to three years after the US administration has decided to lift sanctions that the effect will be felt at local level, he believes

Nationally, sanctions are enforced under the Comprehensive Anti-Apartheid Act Also, the Rangel Amendment imposes double tax on US companies doing business in South Africa

Though activists are still determined to keep the pressure on, as far as the American public is concerned, the South African issue has slipped off the radar screen

It is premature to expect too much interest to be shown in South Africa as an area for investment.

American Chamber of Commerce in SA director Wayne Mitchell points out that although several US companies are investigating new links, legislated sanctions in the US are entrenched and won't be reviewed until all apartheid legislation is removed

Moreover, there are several reasons for US investors to adopt a wait-and-see stance

Political instability and violence make South Africa now unattractive for foreign investors

"Investors will be apprehensive until all political leaders have shown they have control over their constituencies, particularly on violence"

Also, the history of the relationship between African governments and foreign investors is cause for concern South Africa, Mitchell believes, should not wait for a negotiated settlement but should start working on a code for foreign investment right now.

w/Mail 15/2-21/2/91

While new investment may not stream in immediately, there are signs that the financial sanctions pressure that led to South Africa's debt standstill is easing.

SA Reserve Bank Governor Chris Stals said this week at the Frankel Max Pollak Vinderine annual investment conference that not only had South Africa's current account improved, but this was reinforced by an improvement in the capital account

"The total net capital outflow in 1990 amounted to about R2,5-billion, down from a net outflow of R4,3-billion in 1989. The estimated outflow in 1990 was indeed the smallest net outflow registered in any one calendar year since the debt standstill was introduced in September 1985.

"The improvement was even more significant if account is taken of the fact that gross commitments for the redemption of capital inside and outside the debt standstill net added up to more than R6-billion at the beginning of 1990.

"More than 50 percent of the maturing loans were therefore either extended, rolled over, or replaced by an inflow arising from drawings under new loans extended to South African borrowers" (290 227)

(250 221)

When new investment does materialise, South Africa should heed the advice of the Nedbank economic unit which pointed out last year one of the dangers that may face the "new" South Africa is foreign borrowing simply to finance "national prestige"

If South Africa had access to foreign capital the government itself could borrow abroad to finance capital expenditure It's here the danger lurks that a new government might be tempted to borrow for projects that merely enhance the national prestige of the country

"Brasilia, the splendid capital city of a heavily indebted Brazil, was erected and financed through the use of foreign capital, thereby increasing Brazil's foreign debt load substantially In addition, Brazil now boasts a magnificent system of super highways, financed with very expensive foreign loans," says Nedbank

Iscor 'will not flood markets after sanctions'

BL Pg 1 15/2/91

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JOHN CAVILL

LONDON — Iscor has promised not to flood the European market with SA steel exports when sanctions are lifted, says an editorial in the Metal Bulletin published here yesterday.

The bulletin says EC and US consumers "are likely to place immediate orders" for SA steel "which enjoys a reputation for quality to easily match European standards".

But, it says, "the ease with which Iscor, Highveld and Middelburg could slot back into the international steel market" raises problems for the balance between the US and EC. Also, EC steel producers — led by Germany — are faced with a 3% drop in European consumption and are opposing the renewal of import quotas for Brazil, Eastern Europe and "excessive liberalisation of their market to third-country imports".

"SA's steel producers are aware of the potential threat and Iscor in particular has sent out an early siganl that ... exports will trickle rather than flood into the EC" when sanctions end.

"Iscor, which claims not to have lost a tonne of sales through sanctions (but which has had to turn to some less favourably priced markets such as South America) will also be concerned not to lose hard won custom in the Pacific Basin," it says.

Highveld, however, has a different approach. "Unlike Iscor, Highveld makes no bones about the potential bonanza the lifting of sanctions could turn out to be. The company would like, as soon as possible, to export at least the 150 000 tons a year it sold in the EC and US before sanctions were imposed," says the bulletin.

It points out that the ending of export subsidies — to offset the difficulties of the trade embargoes — puts SA in a strong position to meet international free market standards.

Once SA is fully back in the world steel trade, however, the way will be open for American and European producers to extend the trend of international joint ventures to the republic. "The Columbus joint venture in stainless steel is an obvious candidate for a future US or EC partner after its failure to get off the ground with a Taiwanese partner last year."

This could take years to bear fruit. "Potential investors will want assurances that Iscor, for example, is not renationalised as part of a future SA political settlement," says the bulletin.

Warning not to count on return of US companies

PRETORIA — American Chamber of Commerce executive director Wayne Mitchell yesterday cautioned against expectations of an immediate influx of new US investment into SA and the re-establishment of disinvested companies after the scrapping of apartheid laws.

Mitchell said in an interview there were strong indications that the US business community was showing a renewed interest in SA.

He said a survey had shown many companies which recently pulled out of SA had renewed their interest in it. The chamber had also received inquiries from companies not formerly involved in SA.

Mitchell said it was clear that even if all apartheid laws were removed, and the conditions laid down in the Comprehensive Anti-Apartheid Act (CAAA) complied with, unrest and violence would continue to frighten off US capital and companies. Frequent labour unrest was another disincentive, he said.

GERALD REILLY

US business believed that SA's political leaders were unable to influence the level of turbulence.

Even if the US government lifted sanctions, there would be a lengthy delay before the state and city legislatures applying sanctions followed suit.

In 1983 there were 326 US companies operating in SA. Of these 189 had disinvested by the end of last year.

EC to boost funding from new SA base

THE EC will open an office in SA within days and more than double its funding for the country.

The EC contribution to development projects in SA will be increased from R80m to about R200m.

The move signals yet another chip in the sanctions wall imposed by the community.

It also opens the way in the long term for SA's possible admission to the Lomé Convention.

The money will be used for educational projects although housing and infrastructural development can also expect a boost.

The EC's representative in Windhoek, Tim Sheehy, was expected to arrive in SA yesterday to open and run what is being described as a "technical office".

The plan has been approved by the SA Cabinet but is being downplayed to guard the EC from criticism — especially from the ANC — that the EC has ignored its call to keep sanctions in place.

European diplomatic sources said yesterday the office was intended to co-ordinate EC development aid channelled to SA.

The funds are administered through the Kagiso Trust, the SA Catholic Bishops' Conference, the SA Council of Churches and trade unions but Sheehy is expected to provide overall technical guidance.

"The office will have the responsibility of overseeing the EC programme," one diplomat said.

PATRICK BULGER

By drawing SA closer to the EC, the opening of the office is being seen as helping SA's chances of admission to the Lomé Convention which allows African and Caribbean states preferential tariffs in their trade with Europe.

Up to now SA's membership could not, according to sources, be considered as the country was looked at in the light of being a First World state and as such could not be seen as gaining the same trade perks as less advantaged countries.

One diplomat said that SA admission to the convention was speculation, although in the longer term it was a possibility.

He said the opening of the EC office was part of a broader pattern of SA's reintegration into the world community.

A Foreign Affairs Department spokesman last night confirmed the EC move, saying it would co-ordinate development aid to SA.

Diplomatic sources emphasised that at this stage the office would be technical rather than political.

It is also significant in that it is part of a growing trend for diplomats and aid officials to administer their interests in SA from SA itself rather than from distant southern African capitals.

● Comment: Page 8

Mbeki to brief Commonwealth ministers

KIN BENTLEY

LONDON — ANC international affairs director Thabo Mbeki will brief foreign affairs ministers of nine Commonwealth countries during their meeting tomorrow to discuss sanctions against SA.

Mbeki will be the only outsider addressing the all-day meeting, a Commonwealth spokesman confirmed yesterday.

The foreign ministers, who meet under the chairmanship of Canadian Prime Minister Joe Clark, are expected to offer encouragement to President F W de Klerk.

Commonwealth Secretariat director of information Patsy Robertson said yesterday the committee had the "power to recommend action by heads of government".

Robertson noted any decision taken tomorrow would also be considered by the Commonwealth's 10-nation high-level appraisal group of prime ministers including Britain's John Major, which meets in June to consider the body's future role.

Major, who favours the lifting of sanctions before the Harare meeting, has invited ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi to meet him for talks if they travel to the UK.

Arrangements for Major's meeting with De Klerk in late April are going ahead.

Yesterday, Commonwealth foreign ministers began arriving for tomorrow's talks amid signs of a split between Australia, which favours the early lifting of sanctions, and the four African states on the committee — Tanzania, Nigeria, Zambia and Zimbabwe. Other members are India, Malaysia and Guyana.

The Foreign Ministers Committee on Southern Africa was formed in Vancouver in 1987 to "sustain the Commonwealth's anti-apartheid effort". Britain, under then prime minister Margaret Thatcher, decided not to join the committee, which at the time was unanimously pro-sanctions.

Earlier this month Australian Prime Minister Bob Hawke came out strongly in favour of lifting sanctions — starting with sport.

However, the OAU ad hoc committee on SA last week decided in Harare to back ANC deputy president Nelson Mandela's call for sanctions until all in SA have the vote.

Mbeki to brief ministers

Own Correspondent

LONDON. — Mr Thabo Mbeki, the ANC's director of international affairs, will brief Commonwealth foreign affairs ministers tomorrow on the issue of sanctions against South Africa.

Mr Mbeki will be the only outsider addressing the foreign ministers' meeting, a Commonwealth spokesman confirmed yesterday.

The Commonwealth foreign ministers are expected to offer warm encouragement to President F W de Klerk.

Although the meeting has no power to take binding decisions, its recommendations will carry significant weight.

Commonwealth heads of government will hold a summit in October, but British Prime Minister Mr John Major and his Australian counterpart Mr Bob Hawke have called for a relaxation of sanctions before then.

The ANC, however, has convinced the Organisation of African Unity ad hoc committee on South Africa — which includes a number of Commonwealth countries — that sanctions should continue until blacks have the vote.

my."

Cape Times 15/2/91 Reuter 280

EC to double investments in SA

Own Correspondent

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By drawing SA closer to the EC, the opening of the office is being seen as helping SA's chances of admission to the Lomé Convention which allows African and Caribbean states preferential tariffs in their trade with Europe.

Kiwis may lift sanctions

ROTORUA, New Zealand. — Sporting, cultural and academic sanctions against South Africa could be relaxed "within a few weeks", a member of New Zealand's cabinet said yesterday.

The government believes relaxing sanctions would be an appropriate response to the repeal of South Africa's main apartheid laws, External Relations and Trade Minister Mr Don McKinnon said.

He suggested that New Zealand reestablish ties with South African groups which were already integrated, such as certain sports unions.

"We are attempting to show the South African government that we want to reflect our pleasure at their moves with moves of our own," he said.

New Zealand should not wait for the complete dismantling of apartheid before softening its stance toward South Africa, Mr McKinnon said.

"I believe moves should be taken in concert; they make a move, we make a move," he said.

Mr McKinnon said trade sanctions should be lifted when a constitutional conference was "clearly on the track toward allowing the kind of government in South Africa that would be acceptable to the majority of people and their representatives". — Sapa-AP

Watch for a shift of goalposts when US sanctions go

PRESIDENT Bush has promised there will be no shifting the goal posts when it comes to lifting sanctions against South Africa, but the reality is his administration may succumb to pressures to keep at least some in place as leverage to wring further concessions from President De Klerk.

Officially, the Bush Administration has been very clear that once the requirements of the Comprehensive Anti-Apartheid Act (CAAA) of 1986 have been met, sanctions against South Africa will be lifted automatically.

The US government has also made it clear that if only four out of five of the conditions have been met, Mr Bush will advise Congress of specific modifcations or suspension of some of the sanctions.

According to the US government, Mr De Klerk has already met three of the five conditions and he has met half of a fourth. The remaining half condition is the release of all political prisoners. If this is met, the outstanding fifth condition would be the repeal of the Group Areas Act, the Separate Amenities Act and the Population Registration Act.

Laws scrapped

The South African government has agreed to release all political prisoners by April 30, and Mr De Klerk has announced parliament will repeal the Group Areas Act and the Population Registration Act during the current session (the Separate Amenities Act has already been scrapped).

Superficially then, it would appear the De Klerk government is about to comply with all five of the conditions of the CAAA so that US sanctions can be lifted by the middle of the year at the latest.

The problems for President Bush in this regard are, however, manifold.

Firstly, there is by no means agreement in Washington that South Africa has already met three of the CAAA conditions.

–Secondly, the US will not decide all political prisoners have been met if the African National Congress and other opposition groups disagree.

From DAVID BRAUN
Argus Foreign Service
in Washington

Thirdly, the US is waiting to see what temporary alternative measures to the Population Registration Act are going to be implemented. If the measures amount to an implementation of the race classification system under another guise, this condition will not be deemed to have been met.

Administration officials concede Mr Bush will not make a major issue of South Africa if Congress takes a vigorous position against lifting sanctions, in spite of the President's public assurance to Mr De Klerk last September that the conditions of the CAAA will be broadly interpreted and the goalposts will not be shifted.

The White House has decided it will not risk a huge political brawl wth the US black community and the Democratic-led Congress over an issue that is simply not one of its priorities.

Disagreement

Disagreement over whether South Africa will have met five or even four of the CAAA conditions would therefore suit the Bush Administraton very well, because it would then be able to continue to duck taking any decision by arguing that it is bound by the restraints of US law.

If the South African government and the African National Congress do not agree that all political prisoners have been released by the end of April, Washington will simply say it cannot take the decision because it is none of its business.

Similarly, it will not be the arbitrator in any disagreement over whether the Population Registration Act has genuinely been scrapped.

If neither of these two issues has been resolved, sanctions will continue to be in effect because South Africa will still not have met the requirements of the CAAA.

If there is agreement that one or even both of these conditions have been met, and the ANC maintains its position that it is too premature for Western governments to relax sanctions, Mr Bush will have a tough fight trying to implement the CAAA.

Warning shots have aready been fired by the Congressional Black Caucus, which maintains that not even three CAAA conditions have been complied with.

Intense resistance from this important body combined with a rather laid-back attitude by the US Senate may well result in the Congress disagreeing with the Bush Administration that the time has arrived for a modification or suspension of sanctions.

It will be at this point, according to a senior Administration official, that some very tough bargaining in Washington will start.

Mr Bush, by then probably only about 18 months to the next US presdential election, will most certainly not want to be branded as soft on racism.

If Mr Bush badly wants to reward Mr De Klerk he will have to pay for it in the form of other concessions to Congress and the Black Caucus -- that is the way the US political system works.

Scenario

The sanctions to be modified or suspended are therefore likely to be more symbolic, rather than of substance.

At least some officials believe the Administration should retain a few substantive sanctions so that Washington can continue to use them as a stick against Pretoria.

In this regard, there is some speculation that the US will be using sanctions to push Mr De Klerk into accepting an interim government and an elected constituent assembly — two items he has so far rejected.

In this scenario, one official says, a behind-the-scenes deal can be struck with Congress: suspend and modify a few sanctions in return for an undertaking that the sanctions left in place will be used to pressure Pretoria for concessions not stipulated in the CAAA.

The goal posts will be shifted.

Selective cultural boycott a muddle

Star 16/2/91

GARNER THOMSON

LONDON — The ANC's decision to allow selected international artists to perform in South Africa has thrown British performers' unions into disarray.

Both the actors' union, Equity, and the Musicians' Union oppose members performing in South Africa and neither has any plan to alter its stance.

But a measure of the problems they now face appeared this week in the form of a front-page article in the industry trade weekly, The Stage and Television Today.

It claimed that, despite assurances to the contrary by both Equity and the Muscians' Union, "even the most determined anti-apartheid campaigners admit that the boycott may soon be coming to an end".

This was followed by the first sign that some left-wing actors in Britain may be about to break ranks over performing in South Africa.

Actress/politician Glenda Jackson has voiced approval of artists visiting the Republic.

Equity spokesman Rosie Brocklehurst said: "The union's position isn't about to change. Ever since the release of Nelson Mandela there have been calls for more cultural links, but we would rather wait and see what happens in the future."

Equity's Afro-Asian committee member and former councillor Louis Mahoney told The Stage he saw the demise of the boycott "in a matter of months, rather than years", provided the De Klerk Government honoured its commitment to scrap the main apartheid laws still in place by the middle of this year.

"I think they will probably be relaxed when there's a clear indication of change. I think that, given the goodwill that the De Klerk regime appears to have, once this (change) is implemented and in place, there's going to be little opposition."

The Stage reports that "wide disagreement" exists even within the ranks of South Africa's radical black movement

Azapo had already attacked the ANC's assumption of the right to determine when the cultural boycott should come to an end, it notes.

Mahoney commented. "This means that people are going to have to make up their own minds whether they choose to go over and work with the ANC or support the Azapo line or follow the advice of the union. They will have to look to their individual conscience."

Following reports that the ANC would now allow selected overseas artists to visit South Africa, Glenda Jackson told reporters here: "I have always automatically refused all work offers in South Africa. But if the ANC is prepared to reopen the doors, that is wonderful."

Ms Jackson's reaction to the ANC's statement is believed to be shared by at least some other left-of-centre actors, as well as those who have always insisted they had the right to perform wherever they chose.

Those who stand to gain most from a relaxation of the cultural boycott are the marketing arms of Britain's television companies who have long seen South Africa as a hungry and lucrative market.

Mr Rupert Dilnott-Cooper, director of business affairs for Central Television, described South Africa as the continent's biggest market, paying up to £2 000 (R10 000) an hour for imported programmes.

Optimism on sanctions

By TOM HOOD
Business Editor

THE expected lifting of sanctions — bringing improved business confidence — could see a reverse in the brain drain, better technology, a cut in the price of computer equipment and an increased demand for property.

"Increased optimism in the economic and political future of South Africa could see a return of some of the skilled people who left the country," says management consultant Mr Wally Strickland.

"We also predict many of the international parent companies will no longer limit the incoming flow of trained personnel to their local subsidiaries," says Mr Strickland, managing partner of Andersen Consulting in Cape Town.

"This may be negative in the short-term as the stemmed inflow of trained personnel forced South Africa to develop local skills. However, these skills could be redirected and should not be lost."

Mr Strickland says the lifting of sanctions could also open new markets to South Africa in the rest of the continent.

"South Africa could become a major source of technology to other African countries where communications are in a poor state.

"This country has a number of suppliers of communications technology who would be more competitive than overseas suppliers. This could boost the local industry significantly."

Mr Strickland says it will be interesting to see how many overseas companies — who withdrew from South Africa because of sanctions — will return when sanctions are lifted.

"In many cases local management buyouts included buyback agreements. The overall effect of a possible return of the multi-nationals should be beneficial in increased capital inflow and direct access to vendor support skills.

"But some of the South Africans who now hold equity positions in the third party companies which were set up to supply equipment may regret the loss of direct control."

South Afica could also see a short-term drop in sales in the mainframe computer market.

Many companies forward bought computer hardware which they did not really need at the time, for fear of not getting equipment when they needed it.

However, prices of computer equipment could drop significantly, he says.

Mr Mike Meredith, divisional director of computer retailer Joffe Office Automation Network says the high price of computers is one of the most dramatic effects of sanctions.

"Sanctions busting saw the introduction of various middlemen and transport costs rose in having to supply the products via 'grey' markets.

"Being able to buy directly from manufacturers and importing equipment via the shortest route will definitely bring the price of equipment down.

"It will also bring better after-sales product support from manufacturers, quicker deliveries, greater access to a wider range of products and a broader 'legitimate' market.

"Retailers will be able to sell to previously 'banned' government departments. Educational discounts for schools and universities not previously allowed by the manufacturers could become available."

The new faith in South Africa is already creating increased overseas demand for property and foreign governments planning local diplomatic and trade missions will require homes for their staff.

SATURDAY FEBRUARY 16 1991

Softlee, softlee Japan lifts ban

S/Times 17/2/91

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By DON ROBERTSON

JAPAN has quietly lifted its trade sanctions on SA and a highly placed diplomatic source in Pretoria says its ban on investment in this country should be lifted before the end of the year.

Japan was one of the first countries to impose economic sanctions against SA when it banned investment in the 1960s.

The ban came after incidents such as the banning of a Japanese jockey from riding in SA.

Trans-Natal Coal managing director Mike Salamon says "There has been much talk by Western countries about lifting sanctions, but little action.

"Japan is the first country to really change its stance."

Blind

A diplomatic source in Tokyo says that although the trade ban has not been officially scrapped, the Ministry for International Trade and Industry (Miti) is turning a blind eye to the "overall amount of trade between the two countries".

Informal restrictions on imports of SA minerals have gone. When imposed in 1986 they placed a ceiling on the value of imports. This cost Trans-Natal a 33% reduction in tonnage sold to Japan because coal prices rose.



BRAND PRETORIUS: More Toyotas as Japanese restrictions disappear

It will not be able to regain the lost tonnage overnight as it has committed itself to other markets and bottlenecks in Richards Bay harbour are limiting the growth of coal exports.

While the issue remains sensitive, the extent of Japanese exports to SA is being left to the "discretion" of the companies involved, says the Tokyo source.

After a sharp increase in SA-Japanese trade in the mid-1980s, America effectively forced Miti to instruct industrialists to back off under threat of US restrictions.

To protect its huge exports to America, Miti insisted that goods shipped from Japan to SA be limited to volumes ruling in 1987. This was subsequently changed to a dollar-related figure which allowed slightly greater volumes.

The restrictions hit the motor industry particularly hard. Manufacturers of Japanese vehicles, in an effort to avoid embarrassment for their source companies, agreed not to disclose monthly sales figures of individual models.

Sales figures had previously been published through the National Association of Automobile Manufacturers of SA (Naamsa).

America's attitude to SA has softened, allowing the Japanese a freer hand.

One manufacturer of Japanese cars has been told by its source company that "guidelines" on trade with SA have been lifted. This affects all members of the Japanese Automobile Manufacturers Association, the equivalent of Naamsa

It has been accepted that Japan may again become SA's largest trading partner.

Brand Pretorius, managing director of Toyota Marketing SA, says that although no formal notification has been received from Japan, "it appears that trade restrictions are no longer an issue".

The SA company has increased its 1991 component order from Toyota Japan by about 4% compared with last year.

Although vehicle sales this year are expected to decline by about 5% on 1990 figures, Toyota SA is to increase production of its Corolla and Conquest range from 175 a day to 220 at a cost of R7-million.

Low

Mr Pretorius says: "We have been unable to meet demand for Corollas and Conquests for the past three years. Our dealer stock position was low in January. With this increased production, we hope to resolve the problem.

"Japan's attitude to SA has improved dramatically. Toyota Japan has always backed us, but it is now much more relaxed."

Peter Cleary, marketing director of Mercedes-Benz which assembles Honda in SA, says that although no official notification has been received, "we are now able to get additional completely knocked down

□ To Page 3

a head — that is almost...

Japan

□ From Page 1

(CKD) kits if needed".

Honda Japan has also relaxed its requirement that three CKD kits must be exported for each fully built-up model. This has allowed Mercedes-Benz to introduce the fully imported Honda CRX sports car, which will be launched next week.

Nissan SA chief executive John Newbury is unable to comment until he has been officially told of Miti's change of heart.

Spencer Sterling, managing director of Samcor which assembles Mazda, is unaware of any official notification.

Mr Sterling says: "I am confident that Japanese restrictions on exports to SA will be relaxed in the very near future."

FOREIGN NEWS

Europe takes another step to end sanctions

S/Times 17/2/91. 280

By JEREMY BROOKS
London

THE European Community, anticipating an end to sanctions, is opening an office in South Africa, Brussels officials confirmed at the weekend.

They conceded the office, to be opened by EC Windhoek representative Tim Sheehy, was the first step to a fully fledged EC "embassy", opening diplomatic channels with Europe.

But a spokesman said: "We just want to take a closer look, examine all the options."

Mr Sheehy, who flew into Johannesburg on Thursday, has a delicate task: any precipitate action would incur the wrath of the ANC, which is calling for sanctions to stay in place.

But signs that the EC will move swiftly once given the green light are there.

Increased funding, at R800-million, for development aid projects has already been earmarked — an increase from R80-million.

Prospect

Brussels' interest raises the prospect of SA's eventual admission to the Lome Convention, where Third World countries in Africa, the Caribbean and the Pacific are given preferential treatment in agricultural exports to the EC.

SA has hitherto been regarded as a fully fledged industrial country and, as such, not eligible for favoured status.

Two weeks ago, in reaction to President FW de Klerk's speech, Brussels indicated that EC sanctions could be lifted within a matter of weeks.

EC political directors, meeting in Brussels, would prepare "appropriate responses" once bills to repeal the Group Areas and Land Acts had been tabled, said officials.

But since then the issue has been clouded by ANC deputy president Nelson Mandela's impassioned plea for sanctions to stay in place, coupled with the threat of "mass action" should they be relaxed.

Mr Mandela's views would be under consideration when EC foreign ministers meet again on Tuesday, said an official.

● SIPHO NGCOBO reports that the ANC and PAC will send a joint delegation to the EC to persuade its foreign ministers to retain sanctions against SA.

This was confirmed by PAC secretary-general Benny Alexander.

Sources close to the ANC confirmed the impending visit. It was apparently proposed by Mr Mandela at an ANC/PAC unity meeting on February 4.

The organisations' decision is in reaction to President De Klerk's February 1 address.



John Major ... favours renewed sporting and cultural ties.

No easing of curbs yet, says Clark

Cpress 17/2/91. (280)

THE Commonwealth Committee on Southern Africa's special meeting to review the latest reforms in South Africa was unlikely to recommend an easing of sanctions at this stage, Canadian Foreign Minister and committee chairman Joe Clark said in London yesterday morning before the talks started.

The nine-member committee of foreign ministers was meeting to discuss the latest developments to enable it to make recommendations prior to the Heads of Government summit in Harare in October.

The committee, formed in 1987, was called to London by Commonwealth Secretary General, Chief Emeka Anyaoku, to discuss State President FW de Klerk's promise on February 1 to scrap South Africa's last remaining apartheid laws.

British Prime Minister John Major and his Australian counterpart, Bob Hawke, are putting pressure on the Commonwealth to at least lift the ban on sporting and cultural ties with South Africa.

The ANC, which insists sanctions should be maintained for the time being, has sent its Foreign Affairs director Thabo Mbeki to brief the ministers – who are from Australia, Canada, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe.

Speaking to reporters outside the Commonwealth's Carlton Gardens headquarters, Clark said the meeting would assess reaction to change and progress away from apartheid in South Africa.

"We want to be sure we know what the implications are, and we may then begin to consider a position that might be sensible for the Commonwealth to recommend."

Australian Foreign Minister Gareth Evans, who is expected to urge the Committee to take serious note of his Prime Minister's new views on South Africa, confirmed the 1977 Gleneagles Agreement – which effectively cut Commonwealth nations' sports ties with South Africa – would be discussed.

Clark said he could not answer the current question of whether the Commonwealth would ease sanctions against South Africa.

"Our purpose here is to inform ourselves on developments, rather than to (consider) any sanctions at this particular meeting. I learned some time ago not to predict at the beginning of these meetings what will happen at the end.

"Obviously we want to be in a position to make recommendations to the Heads of Government meeting in Harare in October, but we need not do that here ... we can do that at other meetings sometime before Harare." – Sapa



Thabo Mbeki ... wants sanction maintained for the time being.

Sanctions to stay until promises turn to deeds

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Star 18/2/91

LONDON — All Commonwealth sanctions against South Africa will stay in place until President de Klerk turns his promises of reform into concrete action.

This decision was taken at the weekend by a committee of Commonwealth foreign ministers who met in London to discuss the latest moves away from apartheid.

However, it hinted that towards the end of the year it would support the return to international competition those South African sports that were fully integrated.

Australia, the only committee member which had pressed for concessions, went along with the decision.

Britain, which is not a member of the committee, said it hoped the 50-nation Commonwealth would start lifting measures before its next summit to be held in Harare in October.

The nine foreign ministers pledged to consider — at their next meeting in New Delhi after April 30 — specific proposals to be put to the Commonwealth's October summit.

Committee chairman and Canadian Foreign Minister Joe Clark said: "We think that if there is to be any relief to sanctions, that should be in response to particular actions, not promises to do something, but actual things that have been done."

Mr Clark added· "If one talks of rewards, we will reward afterwards."

A communique issued at the end of the meeting said the committee had decided that, because sanctions "have been crucial in bringing about the changes to date", the Commonwealth should maintain pressure "through all stages (of change), up to and including adoption of a new constitution".

All sanctions would be maintained until the Government:

- Released the remaining political prisoners.
- Allowed the return of exiles.
- Abolished "repressive security legislation".
- Repealed the Group Areas, Population Registration and Land Acts, as promised.

Dealing with the question of sport, the foreign ministers said they were pleased with the progress made by some South African sports organisations towards unifying sport.

The committee said it would present further specific proposals regarding the sports ban to the Commonwealth's October summit in Harare.

The only outsider to address the meeting was Thabo Mbeki, the African National Congress's director of international affairs.

Asked why the committee had not also invited the South African Government, committee chairman Mr Clarke said the Government view had been given by Canadian Ambassador to South Africa, Ronald Mac Lean, who was also in London at the weekend.

Foreign Minister Pik Botha yesterday said the committee had at least brought itself to the point where it could welcome the announcements made by President de Klerk.

The tone of the statement had been different to previous ones and "this is at least a step in the right direction".

In Wellington, Foreign Affairs Minister Don McKinnon said today New Zealand supported the Commonwealth foreign ministers' decision.

"The fact that they didn't entirely agree with the New Zealand preferred option I don't feel too upset about," he told a news conference.

Mr McKinnon said the decision would slightly delay the lifting of sanctions, as proposed by New Zealand last week.

"We are probably talking about a time difference of two to three months, and that to me is no problem," he added. — Star Bureau, Sapa-Reuter-AP.

● The goalposts will be moved — Page 8

Morobe urges America not to lift curbs

Star 18/2/91

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WASHINGTON — Lifting sanctions against South Africa now would serve only to give Pretoria a new lease of life instead of hastening the end of apartheid, said Murphy Morobe, assistant publicity secretary of the United Democratic Front.

Mr Morobe was the keynote speaker at a function in Washington at the weekend to celebrate ANC's 79th anniversary.

Mr Morobe said he hoped the American people and the Congress would not allow themselves to be duped into thinking irreversible change had already been achieved in South Africa.

This point would only be reached when a democratic constitution was in place.

He said some elements in the US State Department were trying to pressure the UDF and the ANC to shy away from their commitment to a constituent assembly. — Star Bureau.

Commonwealth will retain all sanctions

Sowetan 18/2/91

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LONDON - A nine-nation Commonwealth committee decided on Saturday to retain all sanctions against South Africa, although it suggested sports boycotts might be eased later this year.

Australia, the only committee member which had pressed for concessions, went along with the decision.

Britain, which is not a member of the committee, said it was disappointed.

Committee chairman Joe Clark, Canadian External Affairs Minister, said: "We think that if there is to be any relief to sanctions, it should be in response to particular actions - not promises, not undertakings to do something - but actual things that have been done to change the system."

Britain, which is not a member of the committee, said in a Foreign Office statement: "Sadly, the Commonwealth Committee on Southern Africa felt unable to recommend action."

The Foreign Office added that it hoped the 50-nation Commonwealth, an association of Britain and its former colonies, would start lifting measures before its next summit in October.

Australian Prime Minister Bob Hawke said in Sydney that Saturday's meeting effectively had set a timetable for the easing of sports sanctions.

"If you have integration of sport in South Africa ... then there will be no reason why sporting contacts can't be initiated."

The special meeting of the committee followed the February 1 announcement by President FW de Klerk that he proposes to scrap the last major apartheid laws covering land and race classification.

The decision to maintain embargoes, in line with the recommendation of the ANC, was expected.

Thabo Mbeki, a senior ANC official, addressed the committee for 45 minutes soon after the one-day meeting began.

Action

The committee - consisting of Canada, Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe - was set up in 1987.

In a five-page communique, the committee said it would meet again after April 30 to consider "appropriate action" providing De Klerk's Government had scrapped race laws and repressive security legislation, freed all political prisoners and allowed back all exiles.

Clark said that the first embargoes to go would be sports and "people to people" measures, such as obstacles to travel and obtaining visas.

"It probably need not be too long before the various sporting organisations in South Africa are able to satisfy the requirements that would enable them to return to international sporting events," said Commonwealth secretary general Emeka Anyaoku.

But the committee indicated that Commonwealth trade and financial embargoes will remain until De Klerk's Government is gone.

It said that the lifting of these embargoes would require "a further major step ... down the path of constitutional reform," such as the establishment of an interim government.

Clark denied that the decision to maintain embargoes was a snub to De Klerk which failed to acknowledge major steps by his government.

Britain, which refused to go along with most of the Commonwealth embargoes imposed in 1985 and 1986, has pressed the Commonwealth to ease measures since Mandela's release.

After De Klerk's announcement on the race laws, Hawke, a one-time advocate of sanctions, said they should be phased out starting with a 20-year-old boycott of sporting and cultural contacts.

British Prime Minister John Major said this month that both he and Hawke agreed sports sanctions should go.

Britain has already scrapped embargoes covering academic and cultural links and new investment.

With the rest of the European Economic Community, Britain will scrap bans on imports of iron, steel and gold coins when the South African land laws are repealed.

The Commonwealth economic embargoes imposed in 1985 and 1986 include bans on air links, investment, and bank loans.

Zimbabwe and Zambia, which are economically dependent on South Africa, never implemented many of the embargoes. - *Sapa-AP*.

'US sanctions must remain'

Sowetan 18/2/91

280

WASHINGTON - Lifting sanctions against South Africa now would serve only to give Pretoria a new lease on life instead of hastening the end of apartheid, a United Democratic Front spokesman told an American audience.

UDF Assistant publicity secretary Mr Murphy Morobe, keynote speaker at a function commemorating the 79th anniversary of the ANC, said he hoped the American people would not be duped into thinking irreversible change had already been achieved in South Africa.

About two dozen individuals and organisations sponsored the celebration, attended by South African and US political leaders.

Irreversible change, Morobe said, would only be reached when a democratically achieved constitution was in place, as had been envisaged in the Harare Declaration.

Thus, the time was not right to start easing sanctions. The screws should rather be tightened to ensure the end of apartheid, he said.

He said some elements within the State Department were trying their best to convince the UDF and the ANC to shy away from their commitment to a constituent assembly and an interim government.

Liberation

These same elements were trying to persuade the liberation movements that change in South Africa had been irreversible, he said.

He questioned the motives of those who had claimed sanctions would not work against South Africa, wondering whether this was not a case of "blood and skin brothers" standing together. - *Sowetan Correspondent*

Hope for sport

Carl Trips 18/2/91 (280)

Commonwealth hangs tough, but door opens . . .

LONDON. — Commonwealth foreign ministers have rejected British and Australian calls to start lifting economic sanctions, but have opened the door wide for a quick end to most sporting and cultural isolation.

After a one-day meeting here on Saturday the Commonwealth Committee on Southern Africa decided to continue to use a carrot-and-stick approach to sanctions.

Australian Foreign Minister Mr Gareth Evans indicated that South African sports which are fully integrated are closer to international re-admittance — possibly even by May

Mr Evans, who carried a brief from Prime Minister Mr Bob Hawke to press for easing sports sanctions, spoke to journalists after the official press conference. He said: "We would expect in May to be able to confirm that significant batches of sanctions will be lifted, particularly those relating to human contact" — in other words sports and cultural ties

Mr Evans's remarks were a glimmer of hope after a hardline communique issued by the nine ministers after their meeting.

The committee, dominated by the frontline states and chaired by Canadian Foreign Minister Mr Joe Clark, decided that the Commonwealth's 1985 sanctions had proved effective and decreed these should all remain as continued pressure on President F W de Klerk to turn reform promises into concrete action.

However, efforts by certain sports to achieve racial unity should be recognised, the ministers said They promised to consider at their next meeting in May in New Delhi specific proposals to be put to the Commonwealth summit meeting in Harare in October "to encourage non-racial sport"

The communique spelt out a checklist of actual implementation of reforms needed before sanctions-easing action could be taken — including the release of remaining political prisoners, clearance for exiles to return, review and repeal of repressive security legislation and Mr De Klerk's scrapping of remaining apartheid laws.

The Commonwealth ministers have adopted the April 30 deadline agreed between the South African government and the ANC, but Mr Evans's assessment indicated there was potential leeway here.

The May proposals would be made in the full expectation that Mr De Klerk would take the steps demanded, but he indicated the Commonwealth would begin moving if his measures were "at the very least in the pipeline".

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From page 1

Commonwealth

At the press conference Mr Clark confirmed that if the Commonwealth decided to ease sanctions, those measures which were "people-oriented" would be top of the list, while trade and financial boycotts would be the last to go

In another development offering hope to Mr De Klerk, Mr Evans said he felt the more pragmatic members of the committee were beginning to convince hardline, no-concession frontline state members that a more realistic approach to undeniable change for the better in South Africa should be adopted.

Evidence backing this up was the fact that the day's talks unexpectedly dragged out for more than two extra hours as ministers haggled over the precise wording of the final, five-page communique

The British government, which is not a member of the Committee on Southern Africa, yesterday said it was "disappointed" that financial and investment sanctions were not being removed forthwith to give economic clout to reform

But the Foreign Office in no way rebuked the Commonwealth attitude. Whitehall officials said the meeting had signalled clearly that relations between South Africa and the Commonwealth were probably at their most hopeful in decades

In Pretoria the Minister of Foreign Affairs, Mr Pik Botha, said yesterday he had not expected the committee's statement to be any different and he believed that at least some of the countries represented at the London meeting would not change their stance on sanctions even if the ANC were to ask for them to be lifted

However, the tone of the statement had been different from previous ones and this was "a step in the right direction".

In London ANC foreign affairs spokesman Mr Thabo Mbeki said on Saturday after addressing a special Commonwealth ministers' meeting on sanctions against South Africa that he had urged them to maintain current measures and was happy with their response.

He dismissed speculation that the Commonwealth might already be moving to ease the ban on sports ties embodied in the 1977 Gleneagles agreement.

"It doesn't matter what happens, but South African sports people are not going to co-operate in any process which ends sports sanctions now," he said — Own Correspondent and Sapa

–'Club' leaders want more reform 'proof' before sanctions go

From MIKE SILUMA
Argus Foreign Service
in London

COMMONWEALTH leaders meeting here at the weekend refused to lift anti-apartheid sanctions, but gave an indication for the first time of how they propose to relieve pressure on Pretoria once their conditions have been met.

The decision was taken by a meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa, set up in 1987 to help facilitate the process of dismantling apartheid.

At the end of a day-long meeting, the committee committed the 50-nation body to review the South African situation after six weeks, with a view to relaxing pressure on Pretoria.

It also hinted it would support the return to international sport of South African sports which have been fully integrated.

A communique issued at the end of the Saturday meeting said that because sanctions "have been crucial in bringing about the changes which have occurred to date", the Commonwealth should maintain sanctions pressure "through all the stages (of change), up to and including the adoption of a new constitution" in South Africa.

Step-by-step

But, clearly anticipating the possibility that as a result of further changes in South Africa the Commonwealth may have to start relaxing sanctions soon, the committee agreed a "programmed management approach, relating any change in the application of sanctions ... to the adoption of real and practical steps in the destruction of apartheid".

The step-by-step approach to the lifting of sanctions would entail maintaining all sanctions until the government has:

- Released the remaining political prisoners;
- Allowed the return of exiles;
- Abolished "repressive security legislation" (such as the Internal Security Act);
- Repealed the Groups Areas, Population Registration and Land Acts, as promised by President De Klerk.

The committee — comprising the Foreign Ministers of Canada, Malaysia, Tanzania, Zimbabwe, Zambia, Australia, Nigeria, India and Guyana — agreed to meet again in New Delhi "after April 30 to consider the appropriate response".

Finality

But it warned that the Commonwealth would fight for the retention of "the most important forms of pressure" — relating to trade, investment and finance — until "some further major step has been taken down the path of constitutional reform ... (such as) the establishment of an interim government, a constituent assembly or some other agreed constitution-making process marking the commencement of final negotiations".

The arms embargo, the committee decided, should not be lifted "until such time as the new constitution is firmly in place".

While welcoming Pretoria's pledge to abolish the remaining apartheid legislation, and the agreement reached last week between the government and the ANC, the committee said "there has as yet been very little change on the ground and that there had been more promises than concrete action by the South African government".

But when dealing with the question of sport, the foreign ministers said they were pleased with the progress made by some South African sports organisations towards unifying sport under non-racial administration.

"The committee agreed that it was appropriate for those sporting codes which achieve unity to be recognised by the international community," said the committee's communique.

The secretary-general of the Commonwealth, Chief Emeka Anyaoku, replying to a question at a press conference, said soccer was one sport where encouraging progress had been made.

In its review of the sporting ban, the Commonwealth — which led the world in isolating South African sport through the Gleneagles Agreement off 1977 — would, however, continue to be guided by the non-racial sporting organisations in its review of the sports ban.

The committee said it would present further specific proposals regarding the sports ban to the Commonwealth Summit in Harare later this year.

The decision not to relax sanctions represents a setback for the governments of Britain, Australia and New Zealand, which are known to support the early relaxation of pressure, particularly on the sports front.

The only outsider to address the meeting was ANC Director of International Affairs Mr Thabo Mbeki.

'Sanctions must stay' - Morobe

ARGUS 18/2/91

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From DAVID BRAUN
Argus Foreign Service
in Washington

LIFTING sanctions against South Africa now would serve only to give Pretoria a new lease of life instead of hastening the end of apartheid, United Democratic Front spokesman Mr Murpy Morobe has told an American audience.

Mr Morobe, assistant publicity secretary for the UDF, was the keynote speaker at a function in Washington at the weekend to celebrate the 79th anniversary of the African National Congress.

About two dozen individuals and organisations sponsored the celebration, which included South African and US political leaders and a cultural presentation by South African singers.

Mr Morobe said he hoped the American people and the Congress would not allow themselves to be duped into thinking irreversible change had already been achieved in South Africa.

This point would only be reached when a democratically-arrived-at constitution had been written and was in place, as had been envisaged in the Harare Declaration, he said.

Mr Morobe added the time was therefore not right to start easing sanctions. The screws should rather be tightened to ensure the hastend end of apartheid, he said.

He said some elements within the State Department in recent times were tring their best to lean on the UDF and the ANC to shy away from their commitment to a constituent assembly and an interim government.

These same elements were trying to persuade the liberation movements that change in South Africa had been irreversible.

He questioned the motives of thos who had claimed sanctions would not work agsint South Africa, wondering whether this was not a case of blood-and-skin brothers standing together.

UK report unveils plan for sanctions

(280)

B Idag 19/2/91.

KIN BENTLEY

LONDON — A House of Commons foreign affairs select committee is expected to recommend a timetable for the lifting of British sanctions against SA in a report to be published later this month, or early in March.

This will bolster Prime Minister John Major's efforts to persuade other Commonwealth leaders to bring SA back into the world community later this year.

The committee, which spent a year investigating British policy towards South and southern Africa, is also expected to recommend that a post-apartheid SA be readmitted immediately to the Commonwealth, which it was forced to quit 30 years ago.

These are just two of a "host of recommendations" which will be made by the committee, whose members visited SA and neighbouring states late last year, and heard evidence in London.

Sections of the British Press yesterday published leaked extracts from the draft report. A committee assistant yesterday declined to comment on the claims, or to confirm that the draft report was cleared by the MPs last week.

The Times of London reported that the Labour MPs on the cross-party committee voted against recommendations for lifting all economic sanctions after the repeal of apartheid legislation.

However, it said the majority of MPs called for the phased lifting of sanctions by Britain as a member of the Commonwealth and the EC.

The Evening Standard, which reported the recommendation of immediate readmission to the Commonwealth, claimed that President F W de Klerk would be "heartened" by the report.

Although only advisory, the report carries a substantial amount of weight in parliament.

Meanwhile, Sapa-Reuter reports from Wellington that New Zealand Foreign Affairs Minister Don McKinnon said yesterday hs country supported the decision by Commonwealth foreign ministers to delay lifting sanctions,

Last week McKinnon said New Zealand was prepared to work with other Commonwealth countries in lifting sporting sanctions against Pretoria when the SA government introduced draft laws to dismantle apartheid.

The Commonwealth committee on SA, of which New Zealand is not a member, said sanctions should be lifted in response "not to mere statements of intention, but to the adoption of real and practical steps in the destruction of apartheid".

McKinnon said this would slightly delay the lifting of sanctions, as proposed by New Zealand last week.

C

Timetable for lifting sanctions is likely

280
Sowetan
19/2/91

LONDON - Britain's Common Foreign Affairs Committee is to recommend a timetable for lifting sanctions on South Africa, according to a report apparently leaked yesterday in advance of the official findings.

The sports boycott should be lifted, it recommends, but the arms embargo should stay.

After a 12-month inquiry, the committee has agreed to back Prime Minister Mr John Major's efforts to persuade other Commonwealth leaders to draw the Republic back into the world community later this year.

The report, drafted by former Conservative Minister David Howell was cleared by MPs last week and is due for publication in early March.

However it is reported here that some Labour members of the all-party inquiry were strongly opposed to the lifting of all economic sanctions after the repeal of apartheid legislation over the next few months.

The majority of the committee calls for a phased lifting of sanctions by both the Commonwealth and the European Community.

The MPs want sporting contacts restored, but the arms embargo to continue. - *Sowetan Correspondent*

Poehl hopes for end to sanctions

Lifting sanctions would certainly revitalise bilateral trade between South Africa and Germany, Dr Karl-Otto Poehl, Governor of Germany's Bundesbank, said in Pretoria yesterday.

Delivering the annual Gerhard de Kock Memorial Lecture at the Reserve Bank, Dr Poehl said Germany's trade with South Africa, as a percentage of Germany's total foreign trade, has been halved from 1,4 percent in 1975 to 0,7 percent last year.

"The potential for recovery not only in trade with Germany but also with other industrialised countries is obvious. SA also stands to gain additional export opportunities from the recent opening-up of eastern Europe." (280)

"With the prospect of peaceful and equitable solutions to the internal conflict in South Africa, one would expect your highly developed economy to play a crucial part in Africa's revitalisation," he said. Star 20/2/91

In this context, Dr Poehl hoped economic sanctions imposed by the European Community would soon be lifted.

Dr Poehl told a media conference there had been increased European interest in developments in South Africa, a country with enormous potential.

But he declined to discuss issues surrounding sanctions because of their political nature.

Dr Poehl is visiting South Africa until Saturday as the guest of the Reserve Bank.

He will also be meeting State President FW Klerk and ANC vice-president Nelson Mandela during his short visit, but he stressed that all discussions will be private.

Sanctions must go, House of Lords told

(280)

KIN BENTLEY

LONDON — The lifting of financial and economic sanctions was now essential to stimulate economic growth in SA, a Conservative peer told the House of Lords during a debate on criteria for lifting sanctions.

Speaking late on Monday night, Tory spokesman Lord Reay underlined government's intention to continue a policy combining pressure and encouragement. "There is scope for the repeal of some sanctions now, and thereafter there should be a step-by-step approach.

"Future relaxations of restrictive measures should, we think, take account of their probable impact on the South African economy," he said.

"Without growth the people of SA may not perceive the benefits of the transition to non-racial democracy."

He said the British government was in close touch with the American government, exploring opportunities for returning SA to a normal commercial and financial environment.

Lord Reay said the UK government did not propose to abandon sanctions immediately.

"Our policy, without EC partners, is to promote change by gradual action. We hope that the Commonwealth will subscribe to that principle, and act without waiting for the Harare meeting of heads of government (in October)."

Lord St John of Bletso, who flew in from SA for the debate, said: "The easing of sanctions by the international community would have a profound effect on the creation of new jobs."

Labour peer Lord Hatch of Lusby, who initiated the debate, warned government not to interfere politically over sporting sanctions.

Lord Hatch said it should be left to SA sporting associations to make their sports genuinely non-racial and then apply to the international sporting organisations for readmission.

Prime Minister John Major said during question time in the House of Commons yesterday that: "The time has come for Britain to resume sporting links with SA."

But he stressed that this should only occur "in those areas where there is proper integration in sport in the Republic".

Britain to fight for end to sanctions

Sowetan 20/2/91

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LONDON - Britain will press for the early lifting of economic sanctions against South Africa, a government spokesman has told the House of Lords.

Spokesman Lord Reay joined with other peers in arguing that without economic growth the reforms to end apartheid could be endangered.

Reay said that financial sanctions, together with other factors, had curbed South Africa's economic growth in recent years.

In the government's view, he said, the elimination of such sanctions was "now essential".

Reay, who also renewed the earlier appeal by Prime Minister John Major for the early ending of the ban on sporting contacts with South Africa, stressed that the government did not favour the speedy removal of all sanctions.

He said: "There is no question of lifting the arms embargo or associated military sanctions until there is a fully democratic constitution in South Africa."

Lord Cledwyn of Penrhos, leader of the Labour peers, and Baroness Seear, for the Liberal Democrats, warned against the immediate abandonment of sanctions.

Reay said the government would continue to argue for the lifting of Commonwealth measures, especially in trade, finance and sport.

He hoped progress would be made before the meeting of Commonwealth heads of government in Harare in October.

Lord Pitt of Hampstead, maintained that it would be wrong to wait until South Africa had a democratic government before lifting financial sanctions.

"It is quite easy to keep on particular sanctions too long," he said. - *Sowetan Correspondent*

AROUND THE WORLD

Schwarz spells out his new role

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Star 20/2/91

By Paula Fray

Sanctions, which had dominated local debates, would not be the predominant issue facing him when he took up his post as ambassador to Washington next month, former Democratic Party MP Harry Schwarz said last night.

Mr Schwarz, who described himself as slightly battle-weary after a number of farewell parties, was speaking to the South African Institute of International Affairs at the University of the Witwatersrand.

He said that while sanctions might predominate in local debates and people were preoccupied with them, the issue at stake was whether America would "wash its hands of South Africa" once the country had fulfilled the basic provisions of anti-apartheid legislation.

"The real issue is what actually happens in the relationship between South Africa and the US after apartheid.

"South Africa must remain on the (US) agenda during and after the negotiation phase."

He said it was his belief that sanctions would go.

Outlining his tasks, Mr Schwarz said the obvious thing to do was to normalise all relations between the two countries.

He said he wanted to demonstrate that South Africa was an ally of America and that there were very real risks for both countries if South Africa did not get the kind of constitution that ensured a truly democratic government.

IMF visit first in decades

Sowetan 21/2/91

INTERNATIONAL Monetary Fund managing director Mr Michel Camdessus visited South Africa this week, marking the first visit by an IMF chief to the country since the 1970s.

By ALI MPHAKI

Camdessus met ANC, PAC, Government and Reserve Bank officials privately before jetting out to Mozambique, where he was scheduled to meet President Joaquim Chissano and Foreign Minister Mr Pascoal Mocumbi.

Mr Tito Mboweni and Mr Max Sisulu of the ANC's economic planning department held talks with him on Sunday, as well as the PAC deputy leader Mr Dikgang Moseneke.

Mboweni said the IMF chief was aware that South Africa faces serious problems in areas such as unemployment.

But he said the IMF would not depart from previous policies.

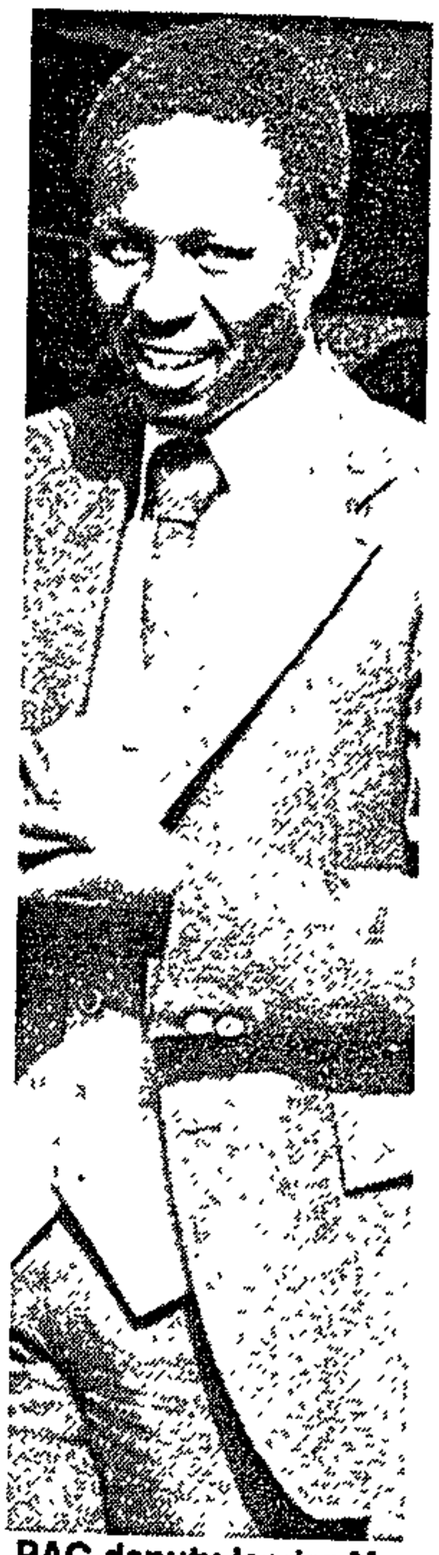
South African access to IMF funding is blocked by the United States 1983 Gramm Amendment Act, which requires Washington's IMF to deny loans to Pretoria while apartheid remains.

Camdessus was accompanied by IMF executive director for English-speaking African countries Mr LB Monyake.

Their unofficial visit was at the insistence of the South African Government following a meeting between Camdessus and Finance Minister Barend du Plessis at the annual IMF dinner in Washington last September.

Government officials say that while South Africa is unlikely to require IMF loans because it has no balance of payments problem, renewed access would unlock other sources of finance.

Reserve Bank Governor Mr Chris Stals has said: "Lenders will feel much more comfortable with their exposure in South Africa if they know we have such a backstop facility, that we can go back to the IMF like any other country and apply for assistance if we do run into a balance of payments problem," he said.



PAC deputy leader Mr Dikgang Moseneke met with a top IMF official this week.

Swedes look at reform

STOCKHOLM - Sweden, a long-standing and forceful critic of apartheid, yesterday said it might soon reconsider its sanctions against South Africa.

"Important steps have now been taken in the direction of fundamental and irreversible changes in South Africa," the Swedish government said in a policy statement to parliament.

"The time is thus approaching when the question of Sweden's sanctions must be reconsidered."

Sweden has prohibited investment in South Africa since 1979. In 1987 it imposed a unilateral trade ban on the country, after the United Nations failed to pass such an embargo.

It also has financially supported the ANC since 1972.

The policy statement said talks between the ANC and the South African government have led to important agreements, and termed President FW de Klerk's February 1 pledge to work to abolish apartheid's foundations "very gratifying".

But it also said the South African Government bears ultimate responsibility for halting the political violence that has ravaged the country and that the government should quickly start negotiations on abolishing apartheid and implementing democracy.

Foreign Ministry spokesman Lars-Olof Lundberg said there was no specific timetable for reconsidering sanctions. "It depends on the developments in South Africa," he said. "The most important is democracy." - *Sapa-Reuter*

Callers grill Mandela on sanctions stand

AR645 21/2/91 280

The Argus Correspondent

JOHANNESBURG. — Nelson Mandela was questioned last night on the ANC's insistence that sanctions be maintained while the ANC continues to accept money from abroad.

Mr Mandela was a guest in an hour-long phone-in programme on the Nguni/Sotho radio service.

One caller accused the ANC of hypocrisy by pleading for financial help for itself from the international community while calling for the maintenance of sanctions. This, the caller said, deprived many people here of a chance to get money and make a living.

HIGH UNEMPLOYMENT

Another caller said sanctions were responsible for the high unemployment and crime rate and the suffering that blacks had to endure, and wanted to know if it was not contradictory of the ANC to call for economic growth and the reduction of crime while supporting sanctions.

None of the callers who asked the ANC leader about sanctions supported the punitive measures.

In his response Mr Mandela said sanctions were introduced for the total abolition of apartheid.

Sanctions were "the price we have to pay to induce the government to make the changes we require".

SANCTIONS FM 22/2/91 (280)

MORE THAN A GAME

Certain official agencies in the Commonwealth are coming under increasing pressure over sanctions. This is not merely because President F W de Klerk's announcements of February 1 have overtaken expectations, but because several agendas for the relaxation of sanctions are coming into conflict.

Nowhere is this more apparent than within the Commonwealth Committee of Foreign Ministers on southern Africa — which met in London at the weekend to deliberate on a co-ordinated response to the imminent abolition of the core race laws.

The committee has a marked Third-World orientation. This, while reflecting the composition of the Commonwealth itself (excepting Britain, which does not participate in the foreign ministers' committee), means that the committee reflects ideological divisions between the old "white" Commonwealth states, like Canada and Australia, and the newer bloc with members like Tanzania, Guyana, Zimbabwe, Zambia and Malaysia.

The weekend meeting found itself particularly at odds over the relaxation of sporting sanctions. Canada and Australia's almost immediate and positive response to the February 1 announcements were felt to have been far too precipitate by the Third-World bloc. The result has been twofold.

Firstly, the official statement released after the meeting appears to make little concession to the fact of reform: while "particular note" is taken of the SA government's commitment to "the creation of a free and democratic political system," the committee raised the familiar complaint that "as yet" there had been "very little change on the ground" and that "the purpose of sanctions is to end apartheid."

This response would seem to endorse the position of ANC deputy president Nelson Mandela — that the pressure must be kept on — and even, perhaps, to sound a hint of warning about majority Commonwealth displeasure at possible relaxation of sanctions efforts by the "white" Commonwealth. Sport is an area in which divisions are very apparent, with the Gleneagles Agreement under mounting stress.

Indeed, the committee went so far as to add what in effect amounts to a further restriction to those in the well-known litany of the release of remaining political prisoners, return of exiles and actual repeal of the pillars of apartheid.

This is that sanctions should remain in place until "repressive security legislation has been reviewed and repealed." Such a

FM 22/2/91 (280)

condition is of course impossibly hard to define — it would require an exact international legal definition of what is or is not "repressive," and begs the question of whether Zambia, Zimbabwe, Malaysia, Guyana *et al* are in any position to contribute to a meaningful debate on human rights.

Secondly, however, the committee — after, it seems, some acrimony — agreed that "the most effective way of securing these objectives in the crucial months ahead would be for sanctions pressure to be maintained by a programmed management approach" — a kind of business school phrase which suggests, at least, flexibility.

Beyond the fissures of the day lies a big question which is beginning to be considered within the Commonwealth — whether a post-apartheid SA should be readmitted to that body. While such a development lies in the distant future, it has a symbolic force in influencing Commonwealth decisions here and now on the relaxation of sanctions. The old Commonwealth is seen as seeking to reward the new SA prematurely; the Third-World bloc believes that a black-ruled SA would, in its terms, be a major force and wants to do nothing at this stage to alienate its future rulers. ■

Apartheid's end signals a return to the Commonwealth, reports **Graham Linscott**

Long-closed doors creak open

22/2/91 Star

280

SUGGESTIONS are doing the rounds in Britain that South Africa will be invited to rejoin the Commonwealth, which we left 30 years ago over the apartheid issue.

It is another sign of our coming in from the cold and I would rate it a near-certainty as a medium-term bet.

More interesting (and more significant) in the short-term is whether we will be invited to join the Southern Africa Development Co-ordination Conference and the Preferential Trade Area, both of which would stimulate our trade with equatorial and sub-equatorial Africa and at last bring it out in the open.

These are also near-certainties because the states of Africa need our economic input and expertise just as much as we need their markets.

However, the problematic bet is the Lomé Convention. This is the equivalent of selecting a 500 to 1 outsider in the Grand National — a huge payout if it comes off, but Becher's Brook and a few other obstacles lie along the way.

Signatories to the Lomé Convention receive preferential access to the European Community for their agricultural production. If we were to join, it would be a wonderful boost for the sugar and fruit industries in particular.

Countries benefiting under the Lomé Convention are former French, Belgian and British dependencies in the African, Caribbean and Pacific regions. The convention really replaces such arrangements as the imperial trade preferences, by which Commonwealth countries exported to Britain at a tariff advantage. The difference now is that the market is much bigger — the entire EC.

But to become a Lomé signatory you have to be a "developing" country (in other words broke) and South Africa is held not to qualify — any more than Australia, New Zealand or Canada would.

But, with our huge and growing Third World component, should we really be classified with Australia and the others?

Does South Africa not deserve special treatment if it is to succeed in building something to replace apartheid?

Cynics might argue that with our economic decline we are heading for basket case "developing" nation status anyway. Pik Botha does not go that far but has publicly floated the idea that we should be reclassified and should join the Lomé Convention.

Foreign Affairs already have a mission in Lomé (which is in the French-speaking West African state of Togo) and are understood to be quietly lobbying the case in Brussels.

Membership of Lomé would be the cherry on the top, conferring the kind of economic benefits the Commonwealth once did.

But it's a long-odds bet. The Commonwealth is more like a favourite.

□□□

If membership of the Commonwealth no longer confers the economic benefits it once did, what is the point beyond the head of government being photographed once a year with the Queen and various other statesmen — not all of them having the most savoury reputations?

It's rather like asking what the point is of belonging to a club when you can eat, drink and play billiards in any hotel.

Commonwealth membership does hold certain benefits.

It is a meeting place of the First and the Third Worlds and important decisions are made there, not always formally.

Britain and Canada are also members of the Group of Seven industrial countries and South Africa could well do with investment from them.

Within the Commonwealth there is an exchange of information and expertise. Outsiders don't have the same access.

Sports and cultural ties are enhanced.

And for white South Africans there is an important psychological prop. As the country embarked on a democratic future, they would feel themselves part of a greater whole and not quite such an isolated minority.

But it is all rather intangible. Perhaps the best argument for the Commonwealth is that of the two countries which have left (Pakistan walked out in protest at recognition of the secession of Bangladesh), one has already returned.

Compare that with the Warsaw Pact. □

Sanctions the price we must pay for reform – Mandela

By Kaizer Nyatsumba
Political Staff

Radio listners this week questioned Nelson Mandela on the ANC's insistence that sanctions against South Africa would have to be maintained while the ANC continued receiving funds from abroad.

The ANC deputy president was answering questions on a Nguni/Sotho-language radio phone-in programme.

One caller accused the ANC of hypocrisy by pleading for financial help from the international community while calling for the maintenance of sanctions. This, the caller said, deprived many people in SA of a chance to make a living.

Another caller said sanctions were responsible for high unemployment and crime rates and the suffering blacks had to endure, and asked whether it was not contradictory of the ANC to call for economic growth and the reduction of crime while supporting sanctions.

In his response, Mr Mandela said sanctions had been introduced for a certain purpose — the total abolition of the apartheid system.

Sanctions, he added, were "the price we have to pay to induce the Government to make the changes we require".

The ANC leader, who said the ANC's vision for a nonracial and democratic South Africa was based on the organisation's Freedom Charter of 1955, said he remained optimistic that the country's problems could be resolved through negotiations.

Mr Mandela denied that the alleged kidnapping of Pelo Gabriel Mekgwe, a key State witness in Winnie Mandela's trial, had harmed the ANC's image locally and internationally.

"Anyone who thinks that events surrounding the trial of Comrade Winnie have harmed the ANC must have been fast asleep 24 hours a day since the beginning of the trial. The people of South Africa have answered that question by showing up in big numbers at the (Rand Supreme) court. The whole furore caused by the media has nothing to do with facts," Mr Mandela said.

Questioned about the ANC's suspension of the armed struggle, Mr Mandela denied this had left blacks "disarmed".

He said the ANC would not hesitate to resume the armed struggle if negotiations and "all else" failed.

Responding to numerous questions, Mr Mandela also:

- Defended the ANC's right to engage in mass action, pointing out that this was a democratic right enjoyed by people all over the world to bring their grievances to their government's attention.
- Reiterated the ANC's belief in a mixed economy.
- Assured listeners that an ANC government would respect freedom of religion.
- Said the SAP as currently constituted would never be the police force that would operate in the new South Africa.
- Said the cultural boycott against South would stay.

NEWS

US woes may delay lifting of sanctions

280

Star 25/2/91

By David Braun
Star Bureau

WASHINGTON — Severe recession in the US may prevent the US government from lifting certain sanctions on South Africa.

US analysts say Congress is likely to face pressure not to lift bans on SA coal, steel and agricultural produce.

There are likely to be strong arguments to protect US industries by retaining restrictions on some SA imports.

Paul Simon, chairman of the Senate's foreign relations subcommittee on Africa, last week declared he did not want to have Pretoria feel the pressure was off until there was significant progress on the most fundamental right of all, "the right to choose their own government".

This is not a requirement of the 1986 Comprehensive Anti-Apartheid Act.

Analysts believe SA can expect the suspension and modification of one or two sanctions if the Act's requirements are met this year: restoration of SAA landing rights, repeal of the ban on Krugerrands and relaxation of the prohibition on new investment.

Need for non-disclosure still there — registrar

BIDay 26/2/91 (280)

GILLIAN HAYNE

THE perceived easing of sanctions has not slowed the number of companies seeking to limit public access to corporate information, says Registrar of Companies Mossie van Rensburg.

Although there had been favourable noises from the international community about the lifting of sanctions, in reality very few had gone, he said recently.

"It is therefore advisable for companies with foreign interests to continue to cover themselves by applying for non-disclosure of strategic information."

On average about 30 requests for exemption were received each year.

The prohibition on the disclosure of certain company information is covered by Section 15 (a) of the Companies Act, which was promulgated in 1978 because of sanctions.

"Certain information" could, for example, relate to details of foreign activities which circumvent sanctions restrictions.

The latest successful applicant in terms of the section is Rentmeester Beleggings (Rentbel).

World bars must be lifted to aid SA blacks, says Chalker

B Pay 26/2/91

280



LONDON — Lynda Chalker, Britain's Minister for Overseas Development and Foreign Office Minister responsible for sub-Saharan Africa, said yesterday it was "critically important" that international measures restricting the economic advancement of blacks in SA be lifted.

This, she said, would help blacks to take their "rightful place" in the country.

But she also stressed that the extension of the vote to the disenfranchised remained a "very important" principle.

Answering questions in the Commons following her trip to SA early this month, Chalker said she had been impressed by the speed at which moves towards political reform were taking place.

President F W de Klerk and his government were clearly determined to move ahead with the repeal of the Group Areas Act, the Land Acts and the Population Registration Act, she said.

She noted that while she was in SA, the government announced provisions, in advance of the repeal of the Population Registration Act, making it no longer necessary for babies to be registered by race.

Chalker rebuked one of her own backbenchers who argued that the opening of the SA market to world trade was more important than the principle of voting.

She told him: "The principles of voting are very important and I hope the all-party congress (in South Africa) will proceed apace.

"But of course, it is critically important that we do lift a series of bans which are holding back the progress of black South Africans.

"South Africa needs involvement in world trade if it is to give training and opportunities to black South Africans so that they can take their rightful place in the new South Africa," she said.

Violence still deterring foreign investors

Business Day Reporter

WARNINGS that violence and political instability would continue to deter foreign investment and trade were sounded yesterday by the Taiwanese embassy and a top-level British trade delegation.

Taiwanese embassy spokesman Albert Liu said incentives for foreign investment in SA had been largely offset by township instability and increasing disharmony in management-labour relations.

"Violence, stayaways, strikes and the like can easily scare off foreign investment," Liu said in a statement.

He said in addition to internal unrest, productivity of most SA workers left much to be desired. It was hoped labour unions would also begin to express their concern to these problems and work together with management towards a solution.

Meanwhile UK SA Trade Association (Uksata) chairman Sir Keith Stuart told a Press briefing in Johannesburg yesterday that, following the lifting of the EC ban on new investment, British businesses would seek to boost exports to SA, but only if the internal security situation improved.

Investors, he said, were still awaiting greater clarity on SA's future economic structure before investing.

Stuart is leading a six-member Uksata delegation which is in SA to reinforce links with the SA business community and identify trade and investment opportunities.

He said problems in the Middle East and the UK recession were helping to make the SA market attractive.

"If sanctions and boycotts were ever in the past a disincentive to your salespeople in the UK market, I would urge them now to go all out in the UK market. I think they will be pleased with the results," he said.

● Picture: Page 3

ANC 'may revise sanctions policy'

BDay 27/4/91

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LONDON — The ANC might review its sanctions policy after April 30 if obstacles to negotiations on a new constitution had been removed by then, a senior ANC official said yesterday.

If, however, the April 30 deadline for the release of political prisoners and return of exiles was not met, the ANC would review all accords with government including the suspension of the armed struggle, he warned.

ANC NEC member Hermanus Loots was addressing about 200 anti-apartheid leaders at a conference of the Southern Africa Coalition.

The coalition represents more than 100 British organisations lobbying Prime Minister John Major's government to retain sanctions against SA.

Keynote speakers came from British religious groups, trades union, local government and other organisations, and included Loots and SA Council of Churches general secretary Frank Chikane.

"The ANC is not unaware it will need at some point to review its stand on sanctions ... we will have to do so at some time," Loots said.

There were three critical moments in the process towards democracy, when the ANC could possibly review its stand, he believed.

"The first one will be after obstacles to negotiations have been removed," he said in a reference to the April 30 deadline agreed between President F W de Klerk's government and the ANC's Nelson Mandela for the release of political prisoners and the return of exiles.

This deadline was only two months away, however, and he pointed out current "talks-about-talks" negotiations with the government were complex and time-consuming.

"The second critical moment will be when we have, in place, a constituent assembly.

"The third will be when a new, democratic constitution is in place ... at that point in time we can all come together and say that sanctions should be lifted," Loots said.

He was asked by a delegate if he was outlining official policy of his organisation. "This is my personal point of view, but more than one person can hold (such) a personal view."

The Southern Africa Coalition conference later resolved to call on the UK government not to lift any sanctions against SA until the 1989 conditions laid down by the UN had been met by De Klerk. — Sapa.

C

NEWS

UK body calls for sanctions to stand

By Mike Siluma
Star Bureau

Representatives of nearly 100 British anti-apartheid organisations, claiming to represent several million members, have urged the British government to maintain sanctions against Pretoria and to play a more direct role in promoting a negotiated settlement of South Africa's problems.

The call was made yesterday by about 200 delegates to a conference called by the Southern Africa Coalition (SAC), comprising churches, trade unions, development agencies, the British Anti-Apartheid Movement and local authorities.

Prior to making the call, delegates heard the general secretary of the SA Council of Churches, the Rev Frank Chikane, criticising Western governments for ignoring the views of the majority of South Africans in assessing political change in South Africa.

Removed

"The international community has tended to look at events in South Africa from the point of view of the powerful, through the eyes of President F W de Klerk. This has led to the view that it is now necessary to reward him."

Mr Chikane pointed out that the government had still not removed all obstacles to negotiations, as set out in the OAU's Harare Declaration and the United Nations resolutions on South Africa.

The conference, which was also addressed by ANC national executive committee member Hermanus Loots, urged the British government to:

- Actively seek the removal of all obstacles to negotiations by intervening with the South African Government.
- Promote the establishment of an elected constituent assembly and the formation of an interim government to rule South Africa during the transition to democracy.
- Refrain from relaxing any form of pressure, including sanctions, until "profound and irreversible change has taken place".

Exclusion of any ad valorem excise duties 'very difficult'

B/Day 28.2.91

CAPE TOWN — Any attempt to exclude ad valorem excise duties from the value on which VAT was charged would present great difficulties, Vatcom said yesterday.

It said these duties would have to be separately identified throughout the production and distribution chain until the item reached the consumer, and it was doubtful whether this was possible.

Vatcom recommended that, to the extent that government considered excise duties necessary, the system proposed in the draft VAT Bill of including them in the value for VAT purposes be retained. Calls for a multi-rate system should be resisted.

The committee said it had received a number of representations that when VAT was introduced, ad valorem excise duties on a number of products be abolished.

In support of this request, the committee had been referred to the Margo Commission recommendations that the list of ad valorem duties be re-evaluated and such duties on essential items be abolished as far as possible.

The abolition of these duties was a budgetary matter which fell outside Vatcom's terms of reference, but it was brought to the attention of government for whatever action was deemed necessary.

Other recommendations by the committee on imports were:

- The valuation formula for imported goods should include an upliftment of 10% instead of the cost of commissions, packing, transport and insurance as proposed in the draft VAT Bill;
- The present practice of allowing importers to defer tax by storing imports in Customs and Excise warehouses should not be extended to any further goods, and that in the long-term consideration be given to phasing out the VAT deferral opportunity;
- Warranty replacements for imported goods should be exempt from VAT, and
- Because of the relief that would be provided through the normal credit system and the difficulty of identifying replacement units, no change be made to proposals in the draft Bill that, in repair exchange programmes, tax be paid on the full value of the imported exchange unit. — Sapa.

Sanctions scrapped by June, say French MPs

B/Day 28/2/91 (280)

FRANCE would lift economic sanctions against SA by the end of June, after the scrapping of the remaining apartheid legislation, a delegation of five French parliamentarians said yesterday.

The delegation, led by Jeanny Lorgeoux, said France would lift sanctions after the scrapping of the Land Acts, Group Areas Act and the Population Registration Act.

Addressing a Johannesburg press conference at the end of a week-long fact-finding mission, the delegation said SA was going through an important time in its history — the scrapping of apartheid to create a non-racial and democratic society.

Lorgeoux said by the end of June, SA would have regained its true place in the international community.

"The European Community has already shown its support to the new community by lifting interdiction against new investment," he added.

The delegation met President F W de Klerk, Foreign Affairs Minister Pik Botha, Minister of Constitutional Development Gerrit Viljoen, ANC deputy president Nelson Mandela and representatives of the CP, PAC, Azapo and Inkatha.

The delegation said for SA to regain a prosperous economy and its place in the modern world, it would have to overcome the divisions inherited from the past.

"A tremendous effort will have to be made for social reform to fill the gap between the different communities. The nation will have to mobilise all its forces and financial means to manage this tremendous challenge," Lorgeoux said.

Once the SA conflict was resolved, a great political revival of southern Africa should follow to create the necessary economic infrastruture for the progress of all.

"The courageous political thinking of De Klerk shows the way; the courageous attitude of Mandela opens the path," Lorgeoux said. — Sapa.

UK report may call for end to SA curbs

KIN BENTLEY

LONDON — The long-awaited Commons Foreign Affairs Committee report on British policy towards SA and the other states of the region, will be published on Monday. The report is expected to recommend the lifting of sanctions — probably on a phased basis as each milestone on the road to a non-racial SA is reached.

But it is also likely to back Prime Minister John Major, who wants sporting links between SA and Britain restored immediately in sports that have been integrated.

Political observers believe Labour members of the Conservative Party-dominated committee could issue a minority report on sanctions, which Labour wants maintained until apartheid is completely removed and a new constitution is in place.

Also expected in the report is a recommendation to increase UK aid to black political parties in SA, such as the ANC, PAC and Inkatha, which amounted to R325 000 last year.

The committee is likely to support further aid for the "victims of apartheid", particularly in promoting self-help schemes. Similar schemes elsewhere in the region should also benefit.

A recommendation that a post-apartheid SA be accepted into the Commonwealth could also feature in the report.

Stability would boost trade with UK

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Sowetan 28/2/91

STABILITY and certainty are the two key elements that would determine growth in trade between South Africa and the United Kingdom.

This was said by Sir Keith Stuart, leader of the visiting United Kingdom South Africa Trade Association delegation, at a Press conference this week.

He said UK businessmen were waiting to see whether these two elements, which could only be brought about by a government enjoying the consensus of the majority of the population, would come into being.

"Current political developments here made South Africa more attractive for trade and investment, and SA-UK business relations are poised for expansion."

Turning to investment, Sir Keith said that there was some new investment at present, but that most potential British investors were waiting for a clearer picture of the likely economic structure in a new South Africa.

"With the lifting of the ban on new investment, and provided the security situation could be stabilised and improved, I think you will see a quickening in the pace of effort by UK business to increase exports to SA."

He warned, however, that it would be regrettable should the ANC persist with its policy of nationalisation if it came into power.

"It is not so much a matter of what politicians do, but what they say that affects business confidence. Nationalisation would be a major disincentive to invest in SA."

Sir Keith said years of nationalisation in the UK had proved inefficient and not conducive to ecomomic growth.

The British government could decide to go against the Com-

"We won't go on for ever without recognising the progress being made in this country. We see the progress as irreversible."

While he could understand the need for it, a reduction in trade barriers in South Africa would be necessary to encourage a two-way trade, Sir Keith said.

He said that recent proposals by SA to reduce tariffs on about 50 percent of items on the Gatt list, had been suspended.

"We are against protected markets and would like to see this country's tariffs more in keeping with those of Britain which imposes a five percent import duty."

With the country's improved international status, Sir Keith urged SA businessmnen to aggressively market their products in the UK market.

France to lift sanctions

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FRANCE would lift punitive economic sanctions against South Africa by the end of June, a delegation of five French parliamentarians said yesterday.

The delegation, led by Mr Jeanny Lorgeoux, said France would lift sanctions when the Land, Group Areas and Population Registration Acts had been scrapped.

Addressing a Press conference at the end of their fact finding mission, the delegation said South Africa was experiencing "an important moment" in its history. Sowetan 28/2/91

The delegation held discussions with various political parties, including the African National Congress, the Pan Africanist Congress, Azanian Peoples' Organisation and Inkatha Freedom Party.

Lorgeoux said South Africa would have regained its true place in the international community by the end of June.

"The European Community has already shown its support to the new community by lifting interdiction of new investments in South Africa," he added.

The delegation paid tribute to President F W de Klerk and ANC deputy president, Mr Nelson Mandela.

"They are trying to build, together with others, a framework of

French to lift sanctions if race Acts go

By Monica Nicolson

France will lift sanctions against South Africa when the Land, Group Areas and Population Registration Acts have been scrapped, said a delegation of French parliamentarians visiting the country.

This move was expected at the end of June this year.

The five-man delegation, led by Jeanny Lorgeoux, yesterday left after spending a week in South Africa. They held discussions with the Government, the ANC, the PAC, Inkatha and the Conservative Party.

Addressing the press in Johannesburg, Mr Lorgeoux said President de Klerk had set the process of eradicating apartheid firmly in motion.

He said the European Community had already shown its support of the changes by lifting the ban on new investments in South Africa.

● French rail workers are to demand the maintenance of sanctions, Claude Marache, secretary of the French railway workers' union, said yesterday.

He was addressing the opening of the third national congress of the South African Railway and Harbour Workers' Union at Nasrec, Crown Mines.

Trade unions pledge `strong pressure' on sanctions

LONDON - The International Confederation of Free Trade Unions has pledged to continue calling for strong pressure on South Africa, including sanctions, to be maintained until progress in the country is tangible.

eIn a special editorial in the latest issue of its mouthpiece, *Free Labour World*, the ICFTU said it was listening to the voices of those who knew apartheid best - the black people - and acting in line with the wishes of Cosatu and Nactu, which represented the majority of black workers.

The ICFTU rejected international moves to relax sanctions.

"Those who make hasty judgements should also bear in mind that even when each and every repressive apartheid and security law has been removed from the statute books, the political and economic inequalities caused by 40 years of white minority rule will have to be addressed.

"The involvement of unions in this long awaited process will be central." (280)

The ICFTU said the good news was that there were sure signs apartheid was being eradicated, but the bad news was it was far from gone. Sowetan 11/3/91

Repression continued and negotiations between black majority representatives and the present whites-only Government had still not started.

"President FW de Klerk's speech on February 1 should be welcomed, yet the fundamental issue of one person one vote is still very much up in the air.

"The good news has not come as a gift to the black people. It had to be wrought from the Government." - *Sapa*

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Sanctions: ANC slammed

By ANTHONY JOHNSON
Political Correspondent

THE ANC's position on sanctions is untenable, according to the executive director of the Institute for a Democratic Alternative in South Africa (Idasa), Dr Alex Boraine.

In a frank editorial carried by the latest issue Idasa's newsletter, Dr Boraine calls for an "urgent" end to sanctions, and criticises Mr Nelson Mandela's stand on the issue.

Dr Boraine writes that the ANC correctly demands reparations for those South Africans who have been severely discriminated against for so long.

At the same time, Mr Mandela insists that sanctions cannot be lifted until there is a new constitution.

"But there is no way in which serious attention can be given to the plight of the dispossessed unless there is significant economic growth, and a new constitution is several years down the road.

"South Africa simply does not have the time to wait until then," Dr Boraine argues. "The new South Africa must start now."

Dr Boraine writes that the negotiation process should be accompanied by urgent attention to the economic plight of the majority of South Africans.

President F W de Klerk's "enlightened and courageous" decision to scrap the fundamental race laws which have bedevilled South Africa for so long has led to a shift in the the international community's stance on sanctions.

"And Mr Mandela is seen as the loser, at a time when South Africa simply cannot afford winners or losers.

"It would, of course, have been preferable if there could have been a joint statement by the State President and the leader of the ANC calling for an end to sanctions and a plea for investment.

"But the ANC's December conference made that impossible. The ANC's position on sanctions is untenable," Dr Boraine writes.

He also stresses the importance of initiating an all-party conference as soon as possible.

Every effort should be made to persuade the PAC, Azapo and the Conservative Party to change their decision not to attend the conference, Dr Boraine said.

Talk of SA returns to UK's boardrooms

B|Day 11|3|91

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POLITICAL changes in SA had put the country back on the agenda for discussion in the boardrooms of British companies, UK SA Trade Association (UKSATA) chairman Sir Keith Stuart said yesterday.

Speaking at a luncheon of the SA Britain Trade Association (Sabrita) in Johannesburg, Stuart said a year ago, when the UK public was euphoric about the markets the collapse of communism in Eastern Europe was expected to create, there was fear SA would be sidelined.

However, he said, the UK public was wiser about Eastern Europe now and believed communism would take longer to dismantle.

In addition, the Gulf war made the honey pot the Middle East presented to the UK less enticing than it used to be.

All this had affected the attitude of UK business to SA, making SA look a more attractive market for exports and foreign investment.

ZILLA EFRAT

Stuart said SA was now being seen as a significant old traditional market and was again receiving attention from UK companies.

The level of trade between the two countries — about R11bn a year in both directions — and the huge investment that UK firms had in SA already served as a large basis on which to build further relations.

However, Stuart cautioned that while SA was again being discussed in UK boardrooms, more evidence was required to show there was likely to be a peaceful settlement in SA.

Stuart added he believed the UK government would lift its sanctions against SA even if the Commonwealth countries or the EC showed a stubborn refusal to accept the changes that had taken place in SA, and did not lift their restrictions.

Idasa's Boraine lashes Mandela on sanctions

Political Staff

THE ANC's position on sanctions is untenable, says Idasa executive director Alex Boraine.

In an editorial in Idasa's latest newsletter calling for the "urgent" end to sanctions, Boraine criticises ANC deputy president Nelson Mandela on this issue.

Boraine writes that on the one hand the ANC rightly demands that reparations be made to those who have been severely discriminated against for so long.

On the other hand, Mandela insists that sanctions cannot be lifted until there is a new constitution.

"But there is no way in which serious attention can be given to the plight of the dispossessed unless there is significant econcomic growth, and a new constitution is several years down the road.

"South Africa simply does not have the time to wait until then," he argues. "The new SA must start now."

Boraine writes that hand in hand with progress on the negotiation front should go constant and urgent attention to the economic plight of the majority of South Africans.

FW de Klerk's "enlightened and courageous" decision to scrap the fundamental race laws which had bedevilled SA society for so long had led to the perception that he was being "rewarded" by a shift in the international community's stance on sanctions.

"And Mr Mandela is seen as the loser at a time when SA simply cannot afford winners or losers."

UK could 'go it alone'

By Frank Jeans Star 11/3/91

If the EEC and Commonwealth "stubbornly refuse" to lift sanctions in the face of quickening pace of reform in South Africa, the United Kingdom might well "go it alone".

This hint was given to a SABRITA lunch yesterday by Sir Keith Stuart, leader of a mission by the United Kingdom South Africa Trade Mission (Uksata), the mirror group of Sabrita.

"Public support in Britain for normalisation of relations with South Africa has never been stronger," said Sir Keith.

"In the boardrooms of British industry, South Africa is now back on the list of countries with which companies want to do business."

Stressing that it was his personal view, Sir Keith believes Britain could, in the light of the progressive dismantling of the apartheid system, could move independently to lift sanctions against South Africa even if the EEC maintains its stance.

more powerful and accurate missiles, perhaps loaded with chemical biological and nuclear weapons, could bring untold devastation to

into question certainties, not least the importance for Israel to control the occupied territories.

which starts attacking [illegible] miles from the sea."

For Prime Minister Yitzhak Shamir, the war is a

will want to see [illegible] resolving the Palestinian problem.

WASHINGTON DIARY



SIMON BARBER

IT IS all but certain that Pretoria will have satisfied the United States' sanctions-lifting conditions by mid-year. One would think this prospect would delight the Bush administration. To the contrary, it seems to have the State Department in holy terror.

The chief fear is that the congressional sanctions lobby — armed with detailed submissions by the ANC which argue that few, if any, of the Comprehensive Anti-apartheid Act's conditions have been fully met — will put up a stiff, racially-charged, resistance to any roll-back in sanctions, until the ANC itself gives the go-ahead.

Such is the nervousness on this score that it is impossible to glean any real statement of intention, policy or principle from Assistant Secretary of State for Africa Herman Cohen and his crew. Any such statement, they evidently believe, would only serve to stir up the sanctioneers.

This encourages an easy presumption that the administration means to move the goalposts by seeking a negotiated settlement with Congress under which some sanctions would remain in effect, even if Pretoria did everything the CAAA asked of it.

The accuracy of this presumption depends almost entirely on President George Bush, and, clearly, he is busy with other things. In the meantime, Cohen-level advisers have little choice but to wait and keep the president's options open.

My guess is that when the political prisoner issue is settled — in accordance with the international definition of political prisoners — and when the group areas and population registration acts are repealed, Bush will strike hard and fast to remove all the economically significant sanctions from the books.

In the wake of his astounding victory in the Gulf, congressional resistance will be perfunctory at best. Foreign policy is not an area in which Congress will soon seek to tackle him.

If this prediction is wrong, and the repeal of sanctions turns out to be a grinding, incremental affair regardless of Pretoria's having done all that was asked of it in the CAAA, there is an alternative avenue for seeing the law enforced as it was written.

THE act states simply that once all its conditions are met, the sanctions it contains "shall terminate". This means that there is nothing, short of passing a new law or issuing a new executive order, that either Congress or the president can legally do to prevent "termination". Therefore, should Bush not have the nerve to obey this clause and try instead to fudge on whether the conditions have been met, the decision can be taken out of his hands and placed in those of a judge.

For example, South African Airways might formally request reinstatement of its landing rights in the US, arguing that since the law's requirements had been satisfied, the ban had automatically ended. If, as would likely be the case, the Department of Transportation declined the request, the matter could then be tested in court.

It would be up to the court to decide, without prejudice, whether the South African government had taken five basic steps: released political prisoners and detainees, repealed the state of emergency imposed on October 2 1986, unbanned democratic political parties and activity, repealed the Group Areas and Population Registration acts and agreed to enter "good faith negotiations with truly representative members of the black majority".

AS the law is written, no subjective determination would be required on whether apartheid had ended either fully or "substantially". Completion of the five concrete actions above would be all that counted.

A judge is as fully empowered to decide on this question as the president himself, but is not so bound by the political considerations that might give the president pause. Were he to rule in SA's favour, the rest of the CAAA's sanctions — or, at least, those covered by conditions, which is virtually all — would fall away immediately and could be reimposed only by new legislation or executive order.

Several legal experts have told me in the past week that this would be an entirely legitimate, and quite likely successful, path to pursue. Of course, it would deprive Pretoria of the hoped for political statement from Bush. However, given the terror of Congress that seems to pervade Bush's advisers on the sanctions issue, it's worth exploring.

rgie, thighs and all, that shocked Buckingham Palace

'We'll let the sponsors decide who's got the biggest TV audience."

Britain on verge of lifting SA sanctions

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ST Times 3/3/91

By IAN HOBBS
London

A REPORT to be released by the British government tomorrow is expected to recommend the lifting of all sanctions against South Africa, with the exception of the arms embargo.

The report was compiled by a British foreign affairs committee chaired by David Howell. Labour Party MPs also serve on the committee.

While the report is not due for release until tomorrow, it is widely believed to contain far-reaching and potentially controversial proposals for lifting sanctions against Pretoria once President F W de Klerk has repealed the remaining apartheid laws.

It will almost certainly stop short of a resumption of military contacts and arms sales until democracy is firmly established, but British Prime Minister John Major will be advised to lift all other economic sanctions measures — including the oil embargo.

Risky

The report is expected to recommend an end to the sports, cultural and academic boycotts, as well as a lifting of the embargo on the import of steel and iron.

The opposition Labour Party has reservations about Britain acting prematurely and out of concert with other Western nations, risking a return to British isolation within the international community which resulted from former Prime Minister Margaret Thatcher's strident anti-sanctions stance.

However, the report is set to give a boost to Mr Major's standpoint that it is no longer a question of whether to lift sanctions, but when. And it's a case of sooner rather than later.

The report is also expected to recommend an active programme to encourage foreign investment and trade ties with SA and to assist wherever possible in the formation of a full democracy.



NICK MITCHELL, executive director of the United Kingdon SA Trade Association, and chairman KEITH STUART . . attitude improves

UK investors wait for dust to settle

S/Times 3/3/91

By DON ROBERTSON

BRITISH investors are waiting for a clearer picture of the likely economic structure in a new SA before committing themselves.

But the attitude to investment in SA has improved dramatically in the past year and businessmen are more eager to re-enter the SA market than Eastern Europe.

Keith Stuart, chairman of the United Kingdom South Africa Trade Association (Uksata), says that any moves to nationalisation "would be a major disincentive for investment".

Gold

Sir Keith says the UK has a long history of nationalisation, but many State enterprises have been returned to private hands. Nationalisation moves in SA would be regrettable.

Sir Keith is heading a team of five visiting SA to report on attitudes about business links with SA, to reinforce associations with businessmen, to meet political leaders and to establish the outlook for the economy.

"We believe we must reward the progress that has been made in SA and no matter what the rest of the Commonwealth says, we will go ahead," says Sir Keith.

Two-way trade between the two countries is worth about R11-billion a year and is almost in balance, making Britain SA's second-largest trading partner. British investment in SA is about R50-billion, nearly half of all foreign investment here.

Initial impressions indicate that economic conditions in SA will be difficult in the short term with a low gold price and large unemployment. In the next two to five years, however, the picture looks better, says Sir Keith.

The world has changed with the opening of Eastern Europe, but initial enthusiasm about investment there has waned because of political problems in the Soviet Union.

"We are now more interested in investing in SA than Eastern Europe than we were 12 months ago."

The problems in the Middle East and the recession in the UK economy are helping to emphasise the attractions of the SA market for goods and services.

"Provided the security situation can be stabilised and improved, I think you will see a quickening in the pace of effort by UK business to increase exports to SA," says Sir Keith.

Although SA products have been effectively boycotted in the UK, this should no longer be seen as a deterrent.

"My advice to SA exporters is to go out and sell to the UK. I think they will be pleased with the results," says Sir Keith.

Time to drop sanctions UK parliamentarians

MM605 4/3/91 280

The Argus Foreign Service

LONDON. — The clamour for the lifting of international anti-apartheid sanctions received a major boost today when an influential British parliamentary committee called for the lifting of virtually all sanctions against Pretoria within months.

The Commons Foreign Affairs Committee on Southern Africa, comprising members of both the governing Conservative and the opposition Labour parties, has declared, after hearing evidence from all shades of political opinion inside and outside South Africa, that all international measures bar the arms embargo should be lifted as soon as the Group Areas, the Population Registration and Land Acts are purged from the statute book.

COMMITTED

In addition, the committee urged Downing Street to take steps to persuade the American government to facilitate South Africa's access to the International Monetary Fund when the four Acts were repealed during the present parliamentary session.

Saying it was "clear that President De Klerk is genuinely committed to the abandonment of apartheid and the creation of a multiracial democracy", the committee voiced its belief that "the time is fast approaching for the UK to remove all of the economic sanctions against South Africa."

Restrictions the committee wants removed include:

- The isolation of South African sport.
- The oil embargo.
- The ban on South African iron and steel and gold coins.
- The cultural and academic boycotts, which it said were "out of date".

The committee said, however, that the ban on the arms trade and military contacts with South Africa "should not be removed until all South Africans of an appropriate age are given the right to vote under a new democratic constitution".

Significantly, it added that while its call for the relaxation of sanctions to be linked to the removal of the remaining vestiges of statutory apartheid was in line with the European Community's position, the removal of sporting sanctions should be lifted in consultation with other Commonwealth member states.

At the diplomatic level, the committee said Britain should support the return of South Africa to the Commonwealth "once a post-apartheid constitution is in place".

Namibia firm on Walvis handover

From DALE LAUTENBACH . Argus Africa News Service

WINDHOEK. — President Sam Nujoma says Namibia will accept nothing short of the unconditional handover of Walvis Bay and the offshore islands in terms of United Nations Reso-

SA's isolation is a thorny issue for the region, reports **Gerald L'Ange**

Africa's sanctions dilemma

Star 4/3/91 (289)

THERE appears to be more to the African National Congress policy on sanctions than meets the eye.

During the Frontline States summit in Harare last month, ANC officials are said to have leaked information to the press that the meeting would support a phased reduction of sanctions to reward President de Klerk for his progress in dismantling apartheid.

The claim is made in the latest edition of the London newsletter, Africa Confidential. Similar leaks were reported at the time by the Star Africa Service, but without identifying the source.

It was also suggested by sources in Harare that there was support among the Frontline delegations for the incremental lifting of sanctions.

Before the meeting ended, however, ANC leader Nelson Mandela joined Clarence Makwetu of the Pan Africanist Congress in calling for sanctions to be maintained. The Frontline leaders, who usually take their cue from the ANC on this issue, accordingly agreed to maintain sanctions until Mr de Klerk's changes became "profound and irreversible".

The apparent switch in the ANC attitude may have been influenced by a desire not to be outflanked by the hard-line stance maintained by the PAC on sanctions. Or perhaps, as Africa Confidential asserts, it can be explained in part by internal differences over the issue.

At the ANC's consultative conference in December the executive put forward a proposal, drafted by Thabo Mbeki, calling for a phased reduction in sanctions. It was decisively opposed from the floor, however, and was dropped.

In opposing the idea at Harare, says the London newsletter, Mr Mandela may also have been influenced by the fact that the ANC and the PAC have been coming under growing pressure from the Frontline states to set aside their old rivalry and form a united front against apartheid.

It is apparent, however, that behind the ANC's solid front on maintaining sanctions there is growing support for their incremental removal.

At about the same time as Mr Mandela was urging the maintenance of sanctions during his recent visit to Gabon, the secretary of the ANC's department of international affairs, Yusuf Salojee, was saying back home that the incremental lifting of sanctions was acceptable, "depending on certain conditions being met, such as the removal of obstacles to negotiation".

It may be that some in the ANC have come to believe that the major effect of sanctions is to damage the economy which the organisation hopes to inherit, without necessarily speeding up that inheritance

Or it may be that they recognise that, in the same way that apartheid began collapsing under its own weight (beginning with the abandonment of job reservation), economic sanctions against South Africa are also informally collapsing because the philosophy behind them is becoming untenable.

The ambivalence over the issue has led to the South African Government and the ANC playing a game of musical chairs in Africa. This month, for instance, Dawie de Villiers, the Minister of Energy Affairs and Public Enterprises, visited Gabon and Cameroon and was cordially received by the head of state of each country He was in Gabon only a few days after Mr Mandela had been there On the same trip Mr Mandela also visited the Congo, which has also received South African Government representatives recently.

Mr de Villiers's purpose was obviously to firm up trade and other ties with the countries he visited. Mr Mandela presumably was there to see that he failed Or did he privately give his blessing to the Minister's efforts?

It is noteworthy that the African visits by Mr de Villiers and other South African Government leaders are now being made quite openly, and without the host governments being subjected to criticism from other African countries or institutions

The changing African attitudes were reflected in an invitation to Pretoria to send an observer to recent meetings of the Southern African Development Co-ordination Conference (SADCC) and the East and Southern African Preferential Trade Area (PTA).

South Africa may not yet be fully acceptable in Africa, but it is a great deal more acceptable than it was a couple if years ago.

So much so that the ANC will risk becoming increasingly at odds with African governments if it is seen to be using sanctions as a lever for winning political power rather than toppling apartheid

It was one thing for African countries to support sanctions when they were seen as an effective weapon against an intransigent white regime that stubbornly refused to abandon apartheid It is another matter to use them against a Government that is giving every indication of giving up apartheid, thereby opening up opportunities for trade and aid that are highly valued in African countries.

Neighbouring and hinterland countries have no interest in seeing the South African economy destroyed. They do have a strong interest in seeing it preserved, for their own economies are so closely linked with South Africa's that they tend to rise or fall with it.

In deciding whether to keep supporting the public stand of the ANC and PAC, African countries, like all others, are going to have to confront what have become cardinal issues of definition: when must apartheid be judged to have ended? And by what criteria must reform be judged to have become irreversible?

This may require a more precise definition of apartheid than the vague one that has so far suited the world. Does the ending of apartheid mean the removal of statutory discrimination against non-whites and the introduction of universal franchise, albeit through the sharing of power? Or must it mean the placing of political power in black hands?

The stance adopted by African countries on these issues could leave the ANC painfully stretched between the aspirations of its supporters in Africa and those of its more radical constituents in South Africa. □

Anti-sanctions stance in new UK report welcomed

(280)

B Day 5/3/91

THE SA government has welcomed the strong anti-sanctions stand adopted by the British House of Commons foreign affairs report on UK policy towards SA.

The report, released yesterday, contained the most far-reaching Western proposals so far on lifting sanctions, as well as a comprehensive outline of diplomatic and financial aid for a pre- and post-apartheid society.

Foreign Affairs Minister Pik Botha said yesterday he was encouraged by the acknowledgement in the report of the initiatives taken by President F W de Klerk as well as the report's conclusions that UK diplomacy towards SA would no longer be dominated by the issue of apartheid.

The report recommended that virtually all British sanctions against SA — including the oil embargo but excluding arms sales — should be lifted as soon as De Klerk scrapped the last apartheid laws.

It said the embargo on arms sales should not be lifted before all South Africans had full voting rights.

Important recommendations on renewing sporting links with nonracial sports, ending the cultural and academic boycotts and inviting a nonracial SA to rejoin the Commonwealth, are also made.

It provides for political aid to recently unbanned political parties in SA as well as to oppressed opposition parties and politicians oppressed in Zambia and Malawi.

Botha said a clear message derived from the report was that "the days of free handouts are fast drawing to a close".

Sapa reports a Sacob statement welcomed the report's recommendations. It also welcomed the committee's initiative to persuade the US to facilitate SA's access to the IMF.

KIN BENTLEY reports from London that the ANC and Britain's Anti-Apartheid Movement (AAM) have expressed serious reservations about the report's recommendations.

ANC senior UK representative Mendi Msimang has said a consensus UN resolution in December 1989 stated sanctions should only be lifted when there had been "profound and irreversible" change.

At yesterday's media conference on the report, Foreign Affairs Select Committee chairman David Howell, MP, said Britain should seek to have the process of change in SA recognised as irreversible by the UN once apartheid laws were repealed.

Comments by Labour MPs who addressed yesterday's conference indicated the party's former hardline attitude towards SA had softened considerably.

Political Staff

'De Klerk committed to the abandonment of apartheid'

Now Britain ready to lift trade restrictions

Sowetan 5/3/91 (280)

LONDON - AN influential British parliamentary committee yesterday called for the lifting of virtually all sanctions against South Africa within months.

The Commons Foreign Affairs Committee on Southern Africa, comprising members of both the governing Conservative and the opposition Labour parties, has declared - after hearing evidence from all shades of political opinion inside and outside South Africa - that all international measures bar the arms embargo should be lifted as soon as the Group Areas, the Population Registration and Land Acts are scrapped from the Statute book.

In addition, the committee urged Downing Street to take steps to persuade the American government to facilitate South Africa's access to the International Monetary Fund when the four Acts are repealed during the current Parliamentary session

Saying it was "clear that President (FW) de Klerk is genuinely committed to the abandonment of apartheid and the creation of a multi-racial democracy," the committee voiced its belief that "the time is fast approaching for the UK to remove all of the economic sanctions against South Africa."



— BUTHELEZI —



— DE KLERK —



MANDELA

Removed

Restrictions the committee wants removed include:

* The isolation of South African sport.
* The oil embargo
* The ban on South African iron and steel and gold coins.
* The cultural and academic boycotts, which it said were "out of date"

The committee said, however, that the ban on the arms trade and military contacts with South Africa "should not be removed until all South Africans of an appropriate age are given the right to vote under a new democratic consutution"

Its position that South African sports should be allowed back into international competition dovetails with that taken by a special meeting of the Commonwealth Foreign Ministers' meeting in London last month.

The committee urged the British government to support the relaxation of sports sanctions at the next Commonwealth summit to be held in Harare in October.

At the diplomatic level, the committee said Britain should support the return of South Africa to the Commonwealth "once a post-apartheid constitution is in place."

Britain, said the committee, should continue with its programme of financial aid to political movements such as the African National Congress, as a contribution to the establishment of democracy

In the past year alone assistance totalling R325 000 was given to these movements.

The committee also called on the British government to urgently look into the possibility of helping with the rehabilitation of former exiles and freed political prisoners and their integration with society

Endorsing the current primacy of education in the British aid effort, the committee recommended that a greater proportion of such aid should be directed towards technical and university training.

Lifting

South Africans who gave evidence before the committee included the former Azapo president Dr Itumeleng Mosala, ANC deputy president Mr Nelson Mandela, Inkatha president Chief Mangosuthu Buthelezi, PAC general secretary Mr Benny Alexander, President de Klerk and Anglovaal chairman Mr Basil Herzov

The most far-reaching Western proposals so far on lifting sanctions, as well as a comprehensive outline of diplomatic and financial aid for a pre- and post-apartheid society, were contained in the first report since 1986 by the House of Commons Foreign Affairs Committee on UK policy towards South Africa

The recommendations meant that economic sanctions might be lifted by British Premier John Major shortly after the middle of the year, when Mr De Klerk's repeals are expected to have been passed by Parliament.

Using former Prime Minister Harold Macmillan's historic "winds of change" speech in 1960 to Parliament in Cape Town, the Committee said "a new wind of change" was blowing through Southern Africa.

It indicated the subcontinent's economic and social future depended substantially on a success story in South Africa, which badly needed new foreign investment and trade ties after years of international isolation.

It still required considerable imagination to see how the point of multi-party elections could be reached.

"Yet the impossible now seems possible," the Conservative Party-dominated Foreign Affairs Committee said

"The process of negotiation and reform in South Africa has to be further supported and encouraged, and ties with all the parties and peoples truly commited to reform, strengthened and thickened.

"The economy of South Africa has to be given every opportunity to grow and develop.

"High standards of democracy and good governance have to be demanded and monitored (but) without undue insistence on blueprints of particular systems of government.

On sanctions, the Committee said the dilemma now was one of timing.

"It is no longer whether to lift them, it is when to lift them"

"That recognition makes it highly unlikely that the current reforms will be reversed under the present administration, although there are still many obstacles on the way to a post-apartheid South Africa."

Sanctions had been imposed on South Africa not just because of its rejection of universal suffrage and its imposition of authoritarian rule, but because apartheid imposed, by law, segregation and discrimination on the basis of race and colour.

"When the legal foundations of apartheid are uprooted, sanctions which were intended to achieve precisely that result, will no longer be required, while South Africa badly needs new investment and greater trade links." - *Sowetan Foreign News Service*

New army must have non-racial character

Sowetan 5/3/91 (284)

LONDON - Although Defence Minister Magnus Malan has consistently opposed the integration of the SADF with "liberation armies," his statements have been dismissed by his own strategic planners as



racial government would continue to entrust security to a majority white force, Mills says it is not inconceivable that national service for whites might be scrapped.

"The extent of support [illegible]

ship would meekly surrender its major means of influence over white opinion without some fight."

Considering all the factors, Mills comes to the conclusion that "an all-volunteer force seems

Canada told to end SA curbs

VANCOUVER — A powerful exporters' organisation said yesterday it had asked the Canadian government to end sanctions against South Africa. Star 5/3/91.

The Canadian Exporters' Association (CEA) said it wrote to the External Affairs Minister, Joe Clark, asking for normal relations with South Africa. The CEA said its members had been placed at a disadvantage because of sanctions (280)

The Commonwealth Foreign Ministers' conference, chaired by Mr Clark, decided to leave sanctions in place. Ironically, official statistics show Canada's exports to South Africa grew by 52 percent during 1990. — Sapa.

nesday, March 6 1991

Cohen slams ANC — and Pretoria

WASHINGTON. — The State Department's top African specialist, Assistant Secretary Mr Herman J Cohen, criticised both the African National Congress and the South African government at a hearing yesterday before a panel of the House of Representatives.

"The ANC still seems wedded to the notion that it must somehow 'control' the economy," he said. "And the government must do substantially more to address the demands for education, housing, health care and land that apartheid has allowed to go unmet for so long."

Mr Cohen heard warnings against the lifting of sanctions on South Africa from two members of the majority Democratic Party on the sub-committee on Africa, which was holding the hearing. It is part of the Foreign Affairs Committee.

Mr Howard Wolpe said it would be wrong to allow a massive infusion of investment in South Africa before a multiracial society actually exists. There are better ways to encourage change, he added.

Mr Donald M Payne suggested that more sanctions might be desirable because not enough had been done to end apartheid and release political prisoners.

In a short interview after testifying, Mr Cohen said that President George Bush's administration had not asked that sanctions be lifted because the South African government had not complied with all the conditions of the US law.

In his testimony, he said the administration was looking beyond sanctions to ways of encouraging negotiations in South Africa.

He noted that US educational and other assistance to black South Africans had been slated to increase to about R100m this year, "an exceptional commitment in these days of stringent budget constraints".

Mr Cohen also went out of his way to praise US companies that had remained in South Africa "despite the many obstacles, such as state and local measures against them and the unfair burden of double taxation".

The US administration, meanwhile, told Congress yesterday that it opposed spending a million dollars (about R2,5m) to create a commission to raise and distribute private sector funds for black advancement in South Africa.

The plan, first mooted in 1989, is being pushed by congressman Mr Mervyn Dymally, the new chairman of the House Africa sub-committee, who said he was anxious that more "minority" organisations in the US be appointed as middlemen to distribute aid to "disadvantaged" South Africans.

An official of the Agency for International Development, Mr Scott Spengler, argued that the commission would be hard pressed to raise more money than was already being contributed from public and private sources. — Sapa-AP-Reuter and Own Correspondent

US to review aid strategy to help build the new SA

US aid will be directed in future at economic development, says ambassador WILLIAM LACY SWING in this article written for Business Day.

AS SA edges closer to the day when sanctions against this country will no longer be the centre of international ebate, I am constantly being sked what the focus of US interst will be in a post-apartheid SA.

I can immediately assure South fricans that our interest in this ountry and its people will in no way iminish once a non-racial, multiarty democracy has replaced partheid. The reasons for this are atent: if SA can transcend its legaies of repression and discrimination o create a just and equitable society apable of accommodating diversiy, it will stand as a powerful paraligm for other countries attempting similar transformation.

In addition, a stable and demoratic SA offers the lure of a thriving economy able to generate growth hroughout the entire southern Africa region. There is, frankly, no other country on this continent with SA's infrastructure, institutions, development potential and — once apartheid goes and political stability is ensured — appeal to investors.

THE "New South Africa", however, is going to create enormous economic expectations among its traditionally disadvantaged citizens: the vote means little to the homeless, suffrage means less without salaries. Economic growth will obviously be necessary, but in order to satisfy black expectations it must be growth with equity. In other words, the benefits of this country must somehow be spread around.

Precisely how "growth with equity" is to be achieved is perhaps the biggest problem facing SA today. Just how the government's commitment to improve the lives of all its people is to be balanced with the resources available may be the biggest problem facing this country tomorrow.

For these reasons I anticipate that America's interest in the future SA will be focused on the economy.

There will, of course, be available to the new government a "post-apartheid economic dividend": The American scholar Stephen Lewis suggests that the lifting of sanctions will add as much as $2bn per year to the country's real GDP. In addition, we will see an end to the costly duplication of services, an end to SA's international isolation and an end to the country's failure to develop (and use) skills for a large part of the population.

We fully expect that the international community will be able to offer some help to the new democracy. In order to determine how the US might best help a post-apartheid government use the potential of its people, we are currently beginning a review of our assistance programme to SA.

At present we are working in five areas mandated by the Comprehensive Anti-Apartheid Act (CAAA) of 1986: university bursaries, human rights, support of black labour unions, development of black entrepreneurship, and community leadership development projects. It is conceivable that the focus of our $50m aid programme may shift in the years ahead to aiding the victims of apartheid through a concentration on economic development programmes.



□ SWING

US public sector funding to support this country's economy and new democratic structures could come not only from USAID (the traditional US source for foreign aid) but also, for example, from the Export-Import Bank, the Overseas Private Investment Corporation (OPIC), the Small Business Administration, and even the Peace Corps.

It has never been our view, however, that SA is a country whose economy will depend on foreign public largesse. Instead, we recognise SA to be primarily a private sector country, a country whose future depends on private investment and entrepreneurial energy.

The US will need to develop ways of supporting this private sector orientation. I have in mind investment missions to SA involving US companies which left SA after the passage of the CAAA, American companies which we know are interested in coming to SA once sanctions are lifted, and companies whose technology is particularly relevant to the SA market.

In addition, South Africans may wish to go to the US to hold investment seminars in major cities such as Washington, New York, Chicago and Los Angeles. Included in such groups should be representatives of US companies that have remained in SA and major SA companies, as well as black businessmen. These individuals would be able to discuss frankly with American companies the opportunities for, and the difficulties of, doing business in SA.

Although discussions of a post-sanctions period tend to concentrate on the eventual lifting of the CAAA, the sanctions with the major economic impact for SA actually lie outside that legislation. First and foremost among these is SA government access to IMF credits, which would allow the emerging democracy increased resources for pressing social needs and at the same time send a positive signal to the world's capital markets about investment in SA.

Second, the eventual removal of the Rangel "double taxation" Amendment will encourage US companies to invest in SA, thereby providing new capital, new technology and new jobs.

Third, if traditional trade relations between the US and SA are to be re-established, attention will have to be given to the eventual removal of sanctions and boycotts at the state and local levels in the US. Efforts would have to be made in all three areas in order for US investment to benefit the SA economy to the maximum extent.

THE US began its official interest in SA with the arrival of an envoy in Cape Town in 1799. The dismantling of apartheid and construction of democracy in this country thus comes on the eve of the bicentennial of our relations with SA.

We continue to work with South Africans across the political spectrum and support peaceful transition and the "negotiating centre" which we believe will continue to expand; we reaffirm our interest in SA and our desire to stay involved as this country moves towards what we expect to be a free market economy and a non-racial, multiparty democracy.

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I can immediately assure South Africans that our interest in this country and its people will in no way diminish once a non-racial, multiparty democracy has replaced apartheid. The reasons for this are patent: if SA can transcend its legacies of repression and discrimination to create a just and equitable society capable of accommodating diversity, it will stand as a powerful paradigm for other countries attempting a similar transformation.

In addition, a stable and democratic SA offers the lure of a thriving economy able to generate growth throughout the entire southern Africa region. There is, frankly, no other country on this continent with SA's infrastructure, institutions, development potential and — once apartheid goes and political stability is ensured — appeal to investors.

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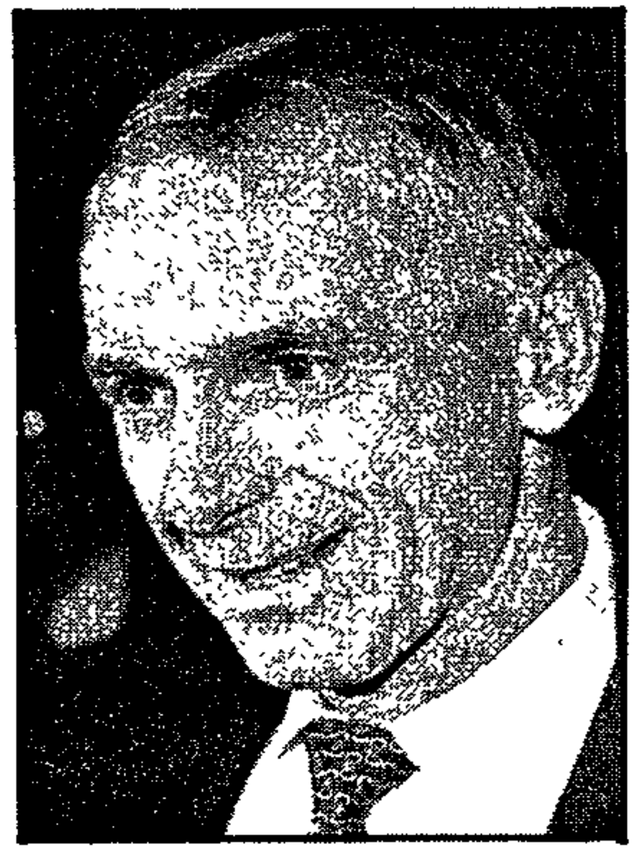

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Flood of trade delegations

SA firms in major drive into Africa

B1Day 6/3/91

KEVIN DAVIE

SUB-SAHARAN Africa is ignoring ANC pleas to keep sanctions in place and is showing unprecedented interest in developing trade and business contacts with SA.

SA companies are responding to the opening markets by increasing trade, tendering for development work and establishing joint ventures in many African countries.

Safto Africa specialist Paul Runge says that with a few exceptions, all sub-saharan countries are now open.

A host of business delegations have visited SA in recent months, including some from previously hostile countries, such as Nigeria.

Other delegations came from Guinea-Bissau, Burundi, Zaire, Angola, Nigeria, Mozambique and Madagascar.

Two weeks ago, Cameroon, one of the last nations observing the boycott, signalled its intention to allow trade with SA. Gabon was until recently allowing trade on an under-the-counter basis, but will now deal more openly.

Evidence of the new relationship with Africa is shown by the 40% jump in SA exports to Africa in 1989, which further increased by 22% last year.

Zaire has grown quickly to be SA's second largest market in Africa after Zimbabwe. Angola and Kenya also offer very good prospects.

SA trade delegations are now well received north of SA's borders. Companies which are gearing up to exploit opening markets in Africa include:

☐ Nissan, which has set up a special new trading company, Motoware, to handle exports to Africa, and is considering requests to establish joint ventures. The exports include parts made by other manufacturers;

☐ Tiger Oats, which is developing trade in nine countries, and has expanded its international arm to include an African desk;

☐ Safair, which is running its fleet at capacity because of demand from Africa. It is considering a flood of requests for assistance with infrastructural projects;

☐ The CSIR, which is active in eight African countries, including involvement in the rehabilitation of Malawi's road network;

☐ Grinaker, which has tendered in recent months for several World Bank projects; and

☐ Credit Guarantee Insurance Corporation (CGIC), which is active in underwriting the risks of new exports to markets in Africa.

Stanbic's Manfred Schutte says Botswana has recently granted a banking licence to an SA bank, and that Stanbic has been approached from one or two countries interested in re-establishing banking relations with SA.

"The Africans see that Europeans are less interested in Africa because of Europe 1992 and eastern Europe."

The French, says Safto's Runge, have reduced private investment in Africa by 30%.

Many African countries are therefore looking to SA. "They have excessive expectations," he says.

Safair's Braam Loots says Safair may

☐ To Page 2

Africa

☐ From Page 1

expand its fleet because of demand from Africa. He says Safair is active in the whole of southern Africa, and has dealings in, or inquiries from Zimbabwe, Zambia, Mozambique, Kenya, Gabon and the Ivory Coast.

B1Day 6/3/91

Nissan's Robin Phillips says: "Africa appears to be grubby and bankrupt, but penetrate the surface and there is gold, including billions of rands of aid money."

"We're optimistic. Africa is a very exciting and profitable market," he says.

Tiger Oats's Patrick McLaughlin says the company is travelling in nine or 10 African countries right now. "We find ourselves working in close co-operation with European companies who are already active and are looking more and more to SA as a reliable trading partner."

Laurence freed after judge grants bail

Star 6/3/91.

By Helen Grange

Journalist Patrick Laurence of The Star was last night granted bail of R500 by the Rand Supreme Court after a magistrate had earlier sentenced him to 10 days' jail.

The urgent bail application was heard by Mr Justice Levy in a bid to reverse the decision of magistrate Hein Verhoef who denied bail for Laurence following his refusal to divulge his sources as demanded by a subpoena in terms of Section 205 of the Criminal Procedure Act.

Mr Justice Levy granted bail pending an appeal against sentence and an application to have the validity of the subpoena reviewed.

Laurence walked out of Diepkloof Prison just before 11 pm. His wife, Sandra, the deputy editor-in-chief of The Star, Rex Gibson, and lawyer W Wendland met him.

Speaking soon after his release, Laurence described his stay in jail as "an interesting experience" and said he had been treated well.

"Prison officers who received me were considerate and kind," he said.

Mr Wendland said the review and appeal proceedings would be instituted soon.

Mr Verhoef earlier yesterday refused Laurence's application for a review of a subpoena issued to him under Section 205 on the grounds that an inquiring magistrate could not review decisions by the magistrate issuing subpoenas.

Mr Verhoef sentenced Laurence to 10 days' jail with immediate effect for his refusal to name a source who had supplied him with information about the disappearance of a key witness in the "Winnie Mandela trial".

Laurence was then held at the court cells before being transferred to Diepkloof.

However, last night Mr Justice Levy found that Mr Verhoef should not have assumed that the subpoena was beyond appeal.

The subpoena, he said, could be reviewed by an inquiring magistrate — and the subpoena should have at least been granted the hearing of a reviewing court.

The judge said that although his decision to grant bail would deny the State the opportunity of exercising pressure on Laurence, he was not prepared to put the matter to test.

In addition, Laurence's intended appeal against judgment and sentence would become academic since he would already have served his time in jail by the time the appeals were heard.

Laurence refused to give the name of his source to the magistrate yesterday, saying he was bound by his word and by journalistic ethics. It was only if and when the source relieved him of his commitment that he could disclose information for a police investigation into Gabriel Megkwe's disappearance.

Webber Wentzel, the lawyers acting for Laurence, intend launching an immediate appeal against the magistrate's judgment and sentence — as well as applying for a review of the subpoena.

In a statement yesterday, the editor-in-chief of The Star, Richard Steyn, strongly criticised the use of Section 205 against journalists. "It is wrong for the State to use the press to gather evidence or to trace witnesses.

"Compelling journalists to reveal sources not only exposes them to danger, but has serious consequences for free flow of information."

● Outrage over sentence — Page 2



Herman Cohen . . . says he will follow the law on US sanctions policy.

Not time to lift sanctions – Democrats

Star 6/3/91.

By David Braun
Star Bureau (280)

WASHINGTON — Democratic congressmen made it clear to the Bush Administration yesterday that they would resist the lifting of sanctions even if Pretoria complies with all the requirements of American law.

The gauntlet was thrown down during a hearing of the US House of Representatives Foreign Affairs Subcommittee on Africa. It prepared the way for a fierce debate when the committee meets on April 30 to get an update on US sanctions policy.

US Assistant Secretary of State for African Affairs, Herman Cohen, told the subcommittee the Bush Administration was committed to carrying out the provisions of the Comprehensive Anti-Apartheid Act.

However, ranking Democrat, Howard Wolpe, supported by others, said as encouraging as the recent changes were, it would be foolish to think they could not be reversed. Furthermore, nothing fundamental had changed with relation to the structure of power.

● Big US grant — Page 4.

Britain flexes its muscles on southern Africa, reports **Stanley Uys** from London

New wind of change in Afric

Star 7/3/91.

(280)

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THE report of the Foreign Affairs Committee of the House of Commons on Southern Africa, published this week, is phrased in the politest of language, but one can feel the muscles rippling under the surface.

What the report tells southern Africa, implicitly or explicitly, is that it must realise it is living in a changing world and needs to make its adjustments accordingly. South Africa in particular must remember that, even once it settles its political problems, it will still have a Third World economy and will need help, for which conditions will have to be fulfilled.

The report does not list all the changing circumstances in which southern Africa finds itself, but these may be summarised as follows.

First, even if the Cold War is not wholly over — the old guard in Moscow seems to have found its second wind — African governments will no longer be able to play the West off against the East in regional rivalries.

Second, Africa must compete more energetically now with the Eastern bloc, the Pacific rim and the European Community for investment funds.

Third, the Gulf is making huge new demands on money, time and energies.

As for apartheid, it will soon be yesterday's agenda, and this will change completely South Africa's political relationships with its neighbours. It will no longer be possible for Southern African regimes to run for international cover because of the threat from the south.

"A new 'wind of change' is blowing through Southern Africa," says the report. "The first led to the rapid decolonisation and transformation of colonial territories into independent nation states. This second wind of change is blowing through the political and economic structures of those states."

The primary needs of southern African countries in the new era now beginning will be economic, but if these countries want to receive economic help they will have to heed the warnings sounded in the committee's report, namely:

- The argument "still put forward by presidents Kaunda and Mugabe, among others" that tribal and regional divisions rule out multiparty democracy is not valid.
- There is no single model of democracy — southern African countries may all have their own traditions and conditions "and Western models may be worse than useless" — but certain principles are essential: "Multiparty democracy, free elections, a free press, the rule of law, an independent judiciary, an efficient and uncorrupt government and civil service, and separation between state and party."

The committee says: "It should be brought home to the countries of southern Africa that these principles are not options, but essential for economic development. If they are permanently to emerge from poverty, they will need to create wealth for all of their people, not only a section of them, and they will need to do so with the consent and co-operation of their people."

Like the voice of the turtle, the cry of "good governance" will be heard in southern Africa now, and it will be directed as much at Pretoria as at Lusaka, as much at Harare as at Lilongwe.

If there are governments that think the committee is being one-sided, they should note its comment on the IMF/World Bank structural adjustment programmes.

"The heavily centralised State-controlled economic 'models' adopted by a number of states are now discredited," the committee says. "The alternative, rather simplistic adoption of IMF principles has also ... created social and political strains which make lasting economic improvement difficult and dubious."

The report notes that "the World Bank has agreed that in the 1990s the way in which structural adjustment programmes are supported will need to change".

The interesting side to the report is that it is signed not only by the Conservative majority of its members, but also by the Labour minority, except on the sanctions issue, and in the case of Dennis Canavan, a left-wing Labour MP, additionally on the wording of a couple of other recommendations.

Former Labour Minister Ted Rowlands and Mr Canavan accept it is now only a matter of when not whether sanctions are lifted, but they want Britain to wait for a collective lifting, and not to go it alone.

The sanctions issue is, however, a fading one. Britain will push for the earliest possible lifting of sanctions, and on minor sanctions it may act unilaterally, but it is not going to get into a major argument again with the Commonwealth over sanctions. Those days are just about over.

In any case, the new order the committee has in mind will require the Commonwealth to redefine its role in southern Africa and become less political and more "functional" — fostering economic, technical and development co-operation.

The committee has no authority to impose its views on the British government or on anyone else, but it is clearly reflecting mainstream thinking when it offers a vision of South Africa restored to Commonwealth membership and the Commonwealth becoming a key player in southern Africa.

The vision not only gives Britain an "influential role" within the above framework, but also later sees it forming "a crucial link, between southern Africa and the developed world through the Commonwealth and perhaps also through the link between the EC and the ACP (Afro-Caribbean) countries of the Lome Convention".

The committee's underlying assumption is that even if there are still obstacles ahead, South Africa appears to be on the road to overcoming them, and its future lies in locking itself more closely into the Southern African region.

Some smaller neighbours might fear their economies will be swamped by South Africa in the new era, "but overall we discovered considerable enthusiasm for the prospect of a dynamic regional economy driven by South Africa's advanced industry and financial institutions".

That's the vision. Now it's up to the De Klerk-Mandela initiative to make its fulfilment possible. □

Investors may still be wary after sanctions go

B/DY 8/3/91 280

In this, the first of two articles on SA's prospects of acquiring offshore finance, Eskom GM (Finance) MICK DAVIS examines our recent record.

TO WHAT extent will the lifting of formal sanctions facilitate an inflow of new foreign finance into SA? I fear that the mere abolition of sanctions may not herald any significant inflows of new foreign loan and equity finance into this country.

Any coherent discussion of new foreign finance is dependent on an understanding of the impact of the "debt standstill" of 1985 and the implications of the reintroduction of the finrand at that time.

SA has for many years carried a certain risk profile relating to its internal political and social environment. This is borne out when one reviews the history of capital flows in and out of SA. The 1961, 1976 and 1984/85 unrest all caused significant outflows of capital as foreign bankers and investors withdrew their funds from the country because of their concern about stability.

In the intervening periods, foreign investment was at a reasonable level as was the provision of loan finance. Confidence in SA's economic position was maintained and only the relatively few periods of extreme political disharmony gave rise to temporary withdrawals of capital. However, since 1976 no new net foreign equity investment came into SA, although loan finance was provided.

Capital outflows resulting from Sharpeville and the 1984/85 unrest were so significant that the authorities were compelled to introduce exchange controls which, in effect, prevented non-residents from withdrawing their invested funds. Furthermore, the 1984/85 unrest coupled with the negative political impact of the Rubicon speech and general anti-apartheid pressure overseas gave rise to a liquidity drain on foreign reserves of unparalleled proportions.

A closer examination of the nature of foreign finance provided to SA business prior to the introduction of the debt standstill indicates that SA banks had been securing mainly short-term foreign finance. Bankers and investors were obviously unwilling to lend money on a medium- or long-term basis because of SA's then political risk profile. The liquidity drain was caused when certain large American banks refused to renew their short-term facilities provided to local entities, and this country found itself without a banker and insufficient reserves to meet the necessary repayments.

To protect the value of the rand and to prevent the devastating consequences of a capital flight, the authorities imposed a debt moratorium or standstill which had the ultimate effect of categorising SA as a debt rescheduling nation and increased our sovereign risk. Foreign providers of investment and loan finance also began to reflect upon the negative effect that political disharmonies would have on the economy.

The reintroduction of the finrand was a natural consequence of the debt standstill. It gave the authorities the mechanism to keep the existing foreign finance pool in the country, and to control through the various debt rescheduling agreements the quantum of leakages from the pool. (Certain categories of foreign finance were exempted — such as repayments of previously granted export credit facilities and the repayment of foreign currency bonds.)

The finrand system therefore had the effect of placing the bulk of foreign investment and loan finance invested in the country at September 1985 into a closed system. This means that if some party overseas wishes to withdraw money loaned to an SA entity prior to 1985, or withdraw any equity or bond investment since 1985 from SA, he can do so only if he can transact with somebody willing to invest in SA.

The transaction takes place via the finrand "outside" the system and does not affect the amount of foreign finance trapped in the country. Finrand transactions take place in a separate economic reality to that of the actual day to day reality of the economy. The finrand trades at a discount to the commercial rand because of restrictions on the movements of capital and the resultant lack of liquidity in that market.

A currency's external value is determined by a number of factors, such as its relative inflation rate to its main trading partners, its relative interest rates in relation to its main trading partners, its terms of trade and the relationship of exports and imports as well as movements on the capital account.

The finrand's value, however, reflects political sentiment and the influence of the relative desire to invest or disinvest from the country. It must be remembered that the finrand transactions do not affect the actual capital account of SA as the transactions take place, between parties, outside the system.

The Reserve Bank Governor has already indicated that the finrand is a product of the debt standstill, and will probably be abolished only once SA is no longer rescheduling portions of its foreign debt. One of the consequences of the debt standstill was to lower investment confidence in SA both internally and abroad. This gave rise to a reassessment by investors and lenders of finance of the creditworthiness of SA. It was realised SA's political problems would result in economic problems in future.

Foreign confidence is likely to be restored to a lesser or greater extent by the provision of a new IMF credit for SA. For some years SA has not been able to avail itself of IMF credit due to a congressional enactment. This law prohibits the US IMF board member from voting for new credit for SA, de facto inhibiting new credit being made available.

A future provision of IMF credit would do much to enhance the credit status of this country. It would thereby encourage those people who still wish to withdraw their funds and those who have adopted a cautious approach in their dealings with SA entities to revert to a normal business relationship.

The good news is that SA must be close to complying with all conditions required for the repeal of this law. The extent of this confidence booster may not, however, be sufficient in itself to give rise to a suspension of our debt standstill. Even if it does, SA will still have to shake off the fact that it once declared a debt moratorium and rescheduled payments on its foreign debt.

☐ **Part two will appear on Monday.**

Indaba the acid test for north-south trade thaw

Star 8/3/91

(280)

The SA Chamber of Business (Sacob) senses good vibes on both sides of the Limpopo about the chances of an imminent thawing-out of the freeze in trade relations between SA and the Frontline states as the collapse of apartheid improves the entire political climate. MICHAEL CHESTER reports.

THE readiness of black Africa to bury sanctions hatchets and resume normal trade ties will be put to the acid test in Swaziland next week

The occasion will be an economic indaba on March 13 to 15 that promises to mark the most significant initiative to boost north-south trade in decades

At stake will be whether the southern Africa subcontinent decides the time is ripe to talk in earnest about economic co-operation in a common market reaching as far as the Sahara, or whether lingering political suspicions force the issue back to the bottom of the agenda

Sacob deputy director-general Ron Haywood, a tireless advocate of a sub-Saharan economic union, is optimistic about the outcome.

Insiders know that in many ways the sanctions barricades erected by northern neighbours against South Africa have been more political rhetoric than reality Neighbours have been as grateful as South African exporters and importers about the refusal of the SA Department of Customs and Excise to disclose actual statistics of cross-border trade in recent years

Devious

The screen on information has protected one and all from the political embarrassment of revelations about the growing scale of two-way trade

However, running the political gauntlet has been an expensive handicap to both sides when one considers the cost of camouflage over trade operations — the sanctions premiums" paid to middlemen and the extra expense of finding devious routes to escape attention

Protagonists of economic union have begun to look at wider benefits than merely cuts in transport costs as a result of lifting trade from under the wraps of secrecy

They turn their binoculars on to the huge potential rewards promised the entire region if the neighbours mobilise and pool all their resources electricity services; road, rail and air links; medical facilities tourism attractions and agricultural and industrial know-how

'Even at the peak of sanctions there was quite a lot going on behind the scenes," says Mr Haywood "The mind boggles at the size of the economic potential that can be tapped if full-scale economic planning came out into the open"

The Swazi indaba is expected to provide a barometer to the trade outlook Not only will the conference be held on relatively neutral ground, but the mood has also been helped by the neutrality of the main sponsors — the Herbert Quandt Foundation, created by the BMW motor company of Germany

The neutrality and ambitiousness of the indaba is underscored by the wide spectrum of speakers and organisations expected to take part. Some 14 African countries will be represented, several of which have been at the forefront of the sanctions blockade until now

The powerful South Africa delegation preparing for the trade safari will stress its new business image by the inclusion of such leading black leaders as National African Federated Chambers of Commerce president Dr Sam Motsuenyane

Among a number of international speakers expected to be prodding the subcontinent towards greater co-operation will be David McAdams, head of the southern Africa division of the UN Development Programme

Reinhardt Kunstler, managing director of BMW SA is bursting with enthusiasm about the chances of a new north-south co-operation pact.

"The obvious vital need is a total industrial reconstruction plan that can generate more power out of the economic motors of the whole subcontinent," he says

Breakthrough

In view of all the positive vibes in response to invitations to the indaba, he believes a breakthrough may be at hand

So does Dr Motsuenyane 'It signals the beginning of an end to the trade isolation of South Africa that has had an adverse impact on economic development of the whole region,' he says The importance of the encounter is underpinned by the fact black business in particular will be given a practical opportunity to increase trade with our neighbours to the north"

SA Foreign Trade Organisation chief executive Wim Holtes adds 'The time has come to negotiate the economic future of the region with a clean slate Let's forget past confrontations and the harm done by the lack of communication between governments Let's sit down and discuss the immense mutual benefits of co-operation"

Mr Haywood agrees "Businessmen can no longer wait for the politicians to shake hands The first priority is to get the whole region in better economic running order □

day March 11 1991

Sanctions should stay - PAC leader

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Sowetan 11/3/91.

PAN Africanist Congress president Mr Clarence Makwetu has called on the international community to maintain sanctions until a non-racial democratic political order was established in South Africa.

Speaking at the weekend after a visit to Uganda, Makwetu said "all forms of struggles and pressures" should be maintained.

He said preconditions set out in the Harare Declaration, such as the release of political prisoners and the return of political exiles, should not be negotiated but rather unconditionally implemented.

He reiterated the PAC's call for a constituent assembly, elected on a common voters roll.

"Such a democratic forum would ensure the participation of all because representation in the constituent assembly will be proportional to the percentage of votes secured."

He said violence in the country had reached unprecedented heights following State President FW de Klerk's watershed address to Parliament on February 2 1990.

He said PAC investigations had revealed that the violence was instigated by "Government agencies, such as the Battalion 32 made up of the now defunct FNLA in Angola and former Koevoets from Namibia".

Makwetu said the PAC was opposed to granting minority rights as apartheid itself was based on group prejudices and privileges.

He claimed the Ugandan and Tanzanian leaders appreciated the PAC demand for a constituent assembly and the need for a united African position on sanctions and isolating the apartheid regime. - *Sapa.*



CLARENCE MAKWETU

Illegal for US to lift sanctions Dellums

By David Braun
Star Bureau

WASHINGTON — Not one of the conditions set out by the Comprehensive Anti-Apartheid Act (CAAA) have been met by Pretoria, so it would be illegal for the US to lift sanctions against South Africa, according to a document circulating on Capitol Hill.

This is the thrust of a letter signed by Ron Dellums, a prominent US congressman and former chairman of the Congressional Black Caucus.

The four-page letter circulated to fellow congressmen said a close look at the facts showed that the conditions of the CAAA had not been met and that sanctions should not be lifted.

The first criterion — that Pretoria release all persons persecuted for their political beliefs or detained without trial as well as releasing Nelson Mandela from prison — had not been met, Mr Dellums said.

The Government had released Mr Mandela, but only 300 of about 3 000 political prisoners had been freed.

Mr Dellums said the second condition, that the Government repeal the state of emergency and release all detainees held under the emergency, had also not been met.

"The state of emergency was lifted in 1990. But the Public Safety Amendment Act, which was imposed in 1986 and is still in force, authorises powers similar to those defined in the state of emergency. A virtual state of emergency continues to exist," he said.

A third condition of the CAAA required the unbanning of democratic parties and permission for the free exercise by South Africans of all races of the right to form political parties, express political opinions and otherwise take part in the political process.

Violated

President de Klerk had unbanned the ANC and other parties but, in fact, black South Africans could not take part in the political process. They could not run for elected office nor did they have the power to vote.

Mr Dellums listed nine statutes which hindered political activity. These Acts, together with a variety of ordinances and by-laws, impeded political activity by creating impossible conditions for peaceful activity, he said.

The statutes also violated basic rights. Therefore, the unbanning of political organisations as such se did not guarantee free political activity.

A fourth condition Mr Dellums said had not been met was the repeal of the Group Areas and Population Registration Acts.

Mr de Klerk had said these laws would be repealed, but it had to be understood that the situation created by the laws would remain. It would require positive steps to eliminate the racial imbalances which resulted from these Acts and to create a nonracial, democratic and united South Africa.

Mr Dellums said the fifth condition, that the Government agreed to enter into good-faith negotiations with truly representative members of the black majority without preconditions, had also not been met.

Mr Dellums said a sixth condition (not generally regarded as one of the CAAA conditions), that the Government make substantial progress towards dismantling the system of apartheid and establish a nonracial democracy, had not been met.

Despite reforms, apartheid remained intact and no democracy existed.

The Government rejected the ideas of an interim government and a constituent assembly, and insisted on sole management of the process of transition at both local and national levels.

"I believe very strongly that the criteria of the CAAA of 1986 have not been met. It would be illegal to lift sanctions at this time," Mr Dellums said.

The time for US re-engagement is now, not later

SIMON BARBER in Washington

THE US ambassador to Pretoria, William Lacy Swing, and Congressman Howard Wolpe, the former chairman of the House Africa subcommittee, appear to be marching in philosophical lockstep with regard to SA. One can only hope that neither man echoes the thinking of President George Bush, though that, unnervingly, happens to be Swing's principal brief.

Wolpe, appearing as a member of the Africa subcommittee last week, told Assistant Secretary of State for Africa Herman Cohen that it would be "foolish to buy into" the idea that change in SA was "irreversible". Nothing had changed in the basic power structure and there was as yet no "bona fide negotiating process".

In other words, the sanctions-lifting conditions of the Comprehensive Anti-Apartheid Act were still far from being met. And even if they were fulfilled in their entirety, Wolpe insisted that there should be no "carte blanche" repeal, as required by law. The president should rather proceed as though four of five conditions had been met, and propose an incremental lifting subject to congressional disapproval.

Indeed, Wolpe argued, Bush would be better advised to consider the removal of sanctions as a side issue and focus instead on painting an alluring picture of the benefits SA would enjoy once a new democratic government had been installed.

"We can be far more helpful by laying out what positive things will flow" after the transition. By contrast, "a massive infusion of activity in advance of a decision to establish democracy will be terribly counterproductive". It would lead to "a sense of abandonment" in the townships, and might even "undercut" President F W de Klerk.

The day after Wolpe spoke, an article by Swing appeared in Business Day. Though its tone is considerably softer and less direct, it nonetheless encompasses the same fundamental approach. Offering no encouragement on sanctions — except that they will fall away "eventually" — the ambassador does as Wolpe asks and tries to make mouths water about what the US will do when the new democratic day dawns.

Wolpe's basic position is that there should be no US re-engagement in the SA economy until the transfer of power is complete. Instead, the promise of re-engagement should be used as an incentive for the existing government to speed up the transfer. Not for one moment does he concede that re-engagement might itself be necessary for a smooth transition to a genuinely democratic result.

Neither does Swing.

His stated intention is to reassure South Africans that "once a non-racial, multiparty democracy has replaced apartheid" the US will not lose interest in SA, but will begin to focus on its economy, just as Wolpe himself suggests.

His explicit message to the government is: "Hurry up boys and deal yourself out of power so that we can send down the Peace Corps and give you access to the Overseas Private Investment Corporation, the Ex-Im Bank and why, even the Small Business Administration."

American companies will then send in "investment missions". How nice. SA businessmen may even "wish to go to the US to hold investment seminars in major cities such as Washington, New York, Chicago and Los Angeles".

Until that happy day, however, SA will just have to make do with "our $50m aid programme". Actually, it is rather less than $40m after middlemen have taken their fees. The $10m voted by Congress last year to "promote democracy" is dead in the water. But this is a mere quibble.

What is truly offensive about the Swing-Wolpe approach is that it ignores entirely the economic component of building democracy. As SA's new ambassador to Washington, Harry Schwarz, likes to point out, a solid economy will be the foundation of an SA democracy, not the other way round. A new democratic constitution will stand a chance only if SA gets its economy right first. A new dispensation that cannot deliver on its economic, chicken-in-every-pot promises will slide easily into authoritarianism or worse.

In Swing's defence, it may be said that he seems to get at least halfway there when he says "The 'New South Africa'... is going to create enormous expectations among its traditionally disdvantaged citizens.... Economic growth will obviously be necessary." However, this only serves to make his overall presentation even more pitiful.

Don't those expectations already exist? Why, if it is going to be so important in the future, is growth not critical today? Does he mean that the more equal sharing of prosperity which makes growth so imperative can be tackled only by a new government? What does he think the present one is trying to do? Why this constant use of the future tense?

Bush, in case the ambassador has not noticed, has declared the move to a "New South Africa" to be "irreversible". In other words, the process has begun and there is no turning back. To be even more blunt, the future is now. The government knows this, the private sector knows this, almost everybody knows this except the US government's representative and a milling crowd of idiots on Capitol Hill who want to see SA as a sort of morality play.

Swing evidently believes that the moment a new political order is in place everything will immediately begin to come right. He breezily assumes the new SA will be democratic in the Western sense. As for its economic underpinnings, he cheerfully observes that thanks to the lifting of sanctions there will even be an annual $2bn "post-apartheid dividend" to the country's GDP.

Assuming that figure to be true, what is the point in continuing to apply sanctions? Wouldn't such an expansion in GDP mean more jobs, more homes, more health care, better schools, less poverty now? If change is "irreversible" why should the poor suffering "disadvantaged" continue to be denied its benefits until — "eventually" — the politically appropriate moment arrives to unleash the extra $2bn?

Swing may say that his article only reflects American policy and the law that underpins it. In which case, he appears either to misunderstand or oppose both.

The CAAA, unlike the ambassador, implicitly recognises there will be a period between the ending of those government policies and practices which it seeks to penalise and the emergence of a non-racial democracy. It explicitly encourages the re-engagement of US economic interests during that period by *requiring* that its sanctions end when government has taken five specific steps.

When the Secretary of State certifies to the Secretary of Treasury that those steps have been taken, the Rangel double taxation amendment also falls away. Finally, as a matter of policy, the administration will exercise its prerogative to approve any SA application for IMF lending once those steps have been taken with the single further condition that SA be in genuine balance of payments difficulties.

It is conceivable that there will be some ambiguities over whether all five steps have been taken. If so, the ambassador would spend his time more fruitfully trying to clear them up so that sanctions can be lifted as soon as legally permitted.

Unfortunately, his article suggests he may be recommending quite the opposite approach.

End to US sanctions still out of reach

Star 12/3/91

By David Braun
Star Bureau

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WASHINGTON — Euphoria in South Africa that the United States is close to lifting sanctions should be tempered by the fact that eight states are considering imposing additional measures against Pretoria.

Furthermore, there are growing signs that a small but vociferous group in the US Congress will oppose the lifting of federal sanctions even if South Africa does comply with all the provisions of the 1986 Comprehensive Anti-Apartheid Act (CAAA).

In the circumstances, a number of South Africa-watchers in Washington now believe South Africa would play a much wiser game if it exercised a little more patience, and met not only the provisions of the CAAA but also waited for the start of the multiparty conference round about June or July before pressing for the lifting of all federal sanctions.

Prolong

Experts believe that to pressure Washington to suspend one or two token sanctions before then would serve merely to prolong the issue, politicise the debate even further and jeopardise the prospects of achieving the long-term objective.

If South Africa accepted the restoration of landing rights in the US, along with one or two other pats on the back, the ban on new investment would probably remain intact for another year or more and the Bush administration would be obliged to withhold support for the extension of International Monetary Fund facilities.

The eight state legislatures processing new punitive measures against South Africa are Illinois, Nebraska, Georgia, Mississippi, Texas, Pennsylvania, Nevada and Colorado.

● However, Sapa reports that the South African embassy in Washington says prospects for the lifting of federal sanctions are improving.

The embassy said South African consuls-general to the United States had an important role to play in ensuring that politicians were aware of changes in South Africa.

Trade, finance, investment and other ties between South Africa and the United States had to be normalised, said South Africa's new ambassador, Harry Schwarz, adding that the US had a vital role to play in the upliftment of disadvantaged South Africans.

Hope that EC might lift sanctions soon

B/Day 14/3/91

KIN BENTLEY

LONDON — The lifting of trade sanctions against SA by the EC could take place next month, following the tabling this week of draft legislation to repeal the Group Areas and Land Acts.

European Commission officials and political directors from the 12 EC governments were meeting to discuss an appropriate response, a spokesman for the commission's external relations department in Brussels confirmed yesterday.

The British Foreign Office noted in a statement yesterday the EC had decided last month that "when these Bills were tabled, it would lift the remaining restrictive measures imposed in 1986". It expected swift action now, it added.

No date had been set for the EC foreign ministers' April talks, which would probably be held in Brussels. The spokesman said sanctions were likely to be discussed.

The legislative action has enabled EC officials to start preparing a directive and to work on the necessary legal procedures for the lifting of the ban on the importation of SA iron, steel and Krugerrands.

'Sanctions fund' frees R1,2bn

KEVIN DAVIE

GOVERNMENT is making use of a R1bn post-apartheid dividend to fund social spending.

It is phasing out its R1,2bn National Supplies Procurement Fund which was set up in 1970 to anticipate sanctions. The fund stockpiled non-oil and non-arms strategic supplies, and made interest-free loans of hundreds of millions of rands for industry to warehouse essential supplies.

The Auditor-General's annual report tabled in Parliament last month shows that the fund had R1,09bn invested with the Corporation for Public Deposits (CPD) on March 31 1990. The CPD invests short-term government funds in the money market.

The fund will be phased out by the end of 1993 as sanctions recede. Stockpiles valued at about R180m will be sold.

Finance Minister Barend du Plessis used R319m last year from the fund to finance black housing and education.

The Auditor-General's report shows about R1,5m of stocks warehoused by private companies could not be accounted for.

Required stores certificates were not submitted in the case of five firms because of "obsolescence, liquidations and shortfalls". Government stores valued at R737 000 were involved. A further R750 000 was lost by another five firms which had loans granted by the fund.

Another loss was imported grain bags valued at R41 000, damaged in transit from the harbour to depots in the interior.

A potential saving for Du Plessis is that the fund received R695 000 last year from the Department of Trade and Industry. Most of this money went on warehousing.

☐ To Page 2

R1,2bn fund

☐ From Page 1

The fund had stores on hand of R32m at the end of last financial year. It had loans of R160m to private firms, mostly for the purchase of commodities for stockpiling. With its R1,1bn invested in the CPD the fund's total assets were R1,28bn.

The scaling down of the fund is already reflected in the Auditor-General's report. The number of inspection points had been reduced from 569 the previous year to 62.

Du Plessis told Parliament last month during the Part Appropriation Bill that the budgeted R1bn from privatisation proceeds for education and urbanisation spending had not materialised. He said R319m, which had come from the fund, had been spent on education and urbanisation.

He said the remaining R680m would be included in the Additional Appropriation for 1991/92 should such expenditure take place during the next financial year.

Sapa reports that Trade and Industry Minister Kent Durr said on Tuesday most of the original investment in government's stockpiling scheme had been recovered.

Replying to a question by Ken Andrew (DP, Gardens), Durr said government decided in 1988 to phase out the 25-year-old scheme. Government has 16% of the stockpiling scheme and the rest was financed by interest-free loans to stockpilers in the private sector, Durr said.

Too soon to talk of lifting sanctions, Congress told

8-ev 14. 13/91.

By David Braun
Star Bureau

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WASHINGTON — It was premature to say anything about changing sanctions on South Africa because not all the requirements of United States law had been met, Assistant Secretary of State for African Affairs, Hank Cohen, has told Congress.

Mr Cohen informed the House of Representatives foreign affairs Africa sub-committee yesterday that South Africa had only partially met the requirements of the 1986 Comprehensive Anti-Apartheid Act (CAAA). As the full criteria had not been met, it was too soon to say anything about adjusting sanctions mandated by the Act.

Mr Cohen's statement appeared to be somewhat more cautious than recent administration pronouncements on the lifting of sanctions.

This caution is probably due to increasing claims from certain quarters on Capitol Hill that it would be wrong to ease the pressure until black South Africans had the vote.

The Bush administration is known to be keen to give some rewards to the De Klerk Government for sweeping political reforms of the past 13 months.

Mr Cohen made it clear yesterday that the Administration would not act without consulting Congress and certainly not before the CAAA requirements had been met.

"Based on the announcements of the Government of South Africa, there is a possibility that it will comply with all the requirements of the Act within the next few months. At that time we will begin consultations with Congress and this sub-committee to determine what the next step should be," he said.

Mr Cohen revealed that the State Department now had a full-time official trying to reverse US sanctions on Namibia.

Namibian officials say the continued existence of many local sanctions on Namibia is the largest impediment to boosting trade with the US.

Court will rule on CCB men's claims

B/Day 15/3/91.

THE Pretoria Supreme Court will decide today whether 30 former Civil Co-operation Bureau (CCB) members are entitled to apply through the courts for breach of contract compensation of more than R1,5m from government.

The former members, acting under pseudonyms, are claiming up to R350 000 each from the SADF and Defence Ministry.

They claim their contracts are about to be nullified by legislation to be tabled in Parliament within months and that they stand to suffer considerable losses.

S W Burger SC, for the respondents said the matter was not urgent, and that the applicants were asking the court to interfere with the sovereignty of Parliament.

He said the matter was in any case not ready to proceed as it was before court at the moment, and it would probably have to be referred for oral evidence.

Mr Justice Botha will decide today whether to grant the application for an urgent hearing by the court.

Government has said it will table retrospective legislation to indemnify Defence Minister Magnus Malan and the SADF against claims by former CCB members dissatisfied with compensation.

Former SADF chief Gen Jannie Geldenhuys announced the disbanding of the CCB last year and said its members would be transferred to other SADF units. It was later announced that CCB members could

DARIUS SANAI

opt for an early retirement package.

One CCB member said in a statement about 80% of members were intimidated to such an extent by the threat of legislation they accepted the packages.

Flip Hattingh SC, for the claimants, argued that the proposed indemnity legislation would deny his clients their rights to enforce their contracts.

Willem Burger SC, for the Defence Minister and the SADF, said if the claims were allowed, the courts would be undermining the legitimacy of parliamentary procedure.

In response to Hattingh, Mr Justice Botha said CCB members' claims for compensation could set a precedent for claims by other government employees who found themselves redundant as a result of changes in SA.

The SADF last week confirmed the reappointment of former CCB MD Col Joe Verster to oversee the final winding up of certain CCB operations.

The CCB, financed by the Defence Ministry and its own commercial cover operations, was last year found by the Harms Commission to have been responible for illegal and intimidatory activities.

It was also alleged at the commission that the CCB could have been involved in several politically motivated murders.

Oxfam likely to get a slap and a pat

LONDON — An independent inquiry into the political activities of Oxfam is expected to criticise Britain's largest charity for calling for sanctions against SA.

However, it is also expected to argue that Oxfam was entitled to campaign against apartheid in SA, as there was no doubt the system persecuted blacks and exacerbated their impoverishment.

According to sources close to the inquiry, quoted in the British Press yesterday, the report will reject charges of political bias made by Conservative MPs and right-wing US pressure groups.

It will say that charities have a duty to campaign for political reform where it is

KIN BENTLEY

clear this would benefit the poor whom they seek to help.

The inquiry was set up by the Charity Commission in April last year after complaints about Oxfam's work over the past eight years in SA, Nicaragua and Cambodia.

Under the 1960 Charities Act, the commission has the power to decide what are legitimate and what are illegitimate political activities for charities benefiting from tax relief.

The report is widely expected to be released next month

UNIVERSITY OF CAPE TOWN

Investors call for lifting of SA ban

PARIS - French investors are getting impatient with the government's ban on new investment in South Africa, a senior industry spokesman said yesterday.

"The French Government's position on new investment is more extreme than that of the European Community," Jean-Pierre Prouteau, president of the Africa Committee of the French employers' group CNPF, said in an interview.

"The EC has lifted its ban on new investment and we are waiting with growing impatience for the French decree authorising new investment in South Africa," he said. Sowetan 15/3/91.

France joined an EC trade embargo in 1986 to pressure the South African Government to end apartheid. The EC agreed in December to lift its investment ban after Pretoria said it would end discrimination in living areas, a key apartheid policy.

"We feel it is important for France to publish the order lifting its ban on investment in the coming weeks. Otherwise one cannot transfer even a million French francs (R450 000) to South Africa, and that is stupid," said Prouteau, a former Minister under centre-right President Valery Giscard d'Estaing.

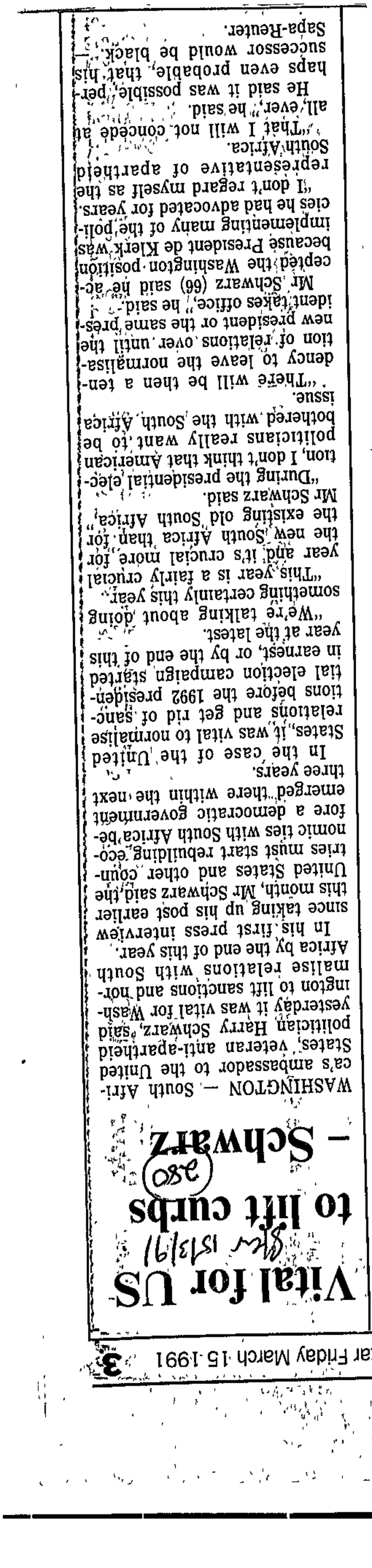
He said French investors saw South Africa as the stimulus for Africa's economic revival.

"What interests us most is the emergence of a new South Africa, the prospect of peace and the role of the country in the development of the Southern Africa region and in the revival of the economies of sub-Saharan Africa," Prouteau said.

He said 15 percent of some 1 500 French firms operating in Africa in 1985 had since pulled out because of the continent's economic and political crisis. - *Sapa*

.....whatever evidence there <u>is</u> for science is sensory evidence. The other.....is that all inculcation of meanings of words must rest ultimately on sensory evidence.

W.V. QUINE, Epistemology Naturalized, 1969



Star Friday March 15 1991 3

Vital for US to lift curbs – Schwarz

WASHINGTON — South Africa's ambassador to the United States, veteran anti-apartheid politician Harry Schwarz, said yesterday it was vital for Washington to lift sanctions and normalise relations with South Africa by the end of this year.

In his first press interview since taking up his post earlier this month, Mr Schwarz said the United States and other countries must start rebuilding economic ties with South Africa before a democratic government emerged there within the next three years.

In the case of the United States, it was vital to normalise relations and get rid of sanctions before the 1992 presidential election campaign started in earnest, or by the end of this year at the latest.

"We're talking about doing something certainly this year.

"This year is a fairly crucial year and it's crucial more for the new South Africa than for the existing old South Africa," Mr Schwarz said.

"During the presidential election, I don't think that American politicians really want to be bothered with the South Africa issue.

"There will be then a tendency to leave the normalisation of relations over until the new president or the same president takes office," he said.

Mr Schwarz (66) said he accepted the Washington position because President de Klerk was implementing many of the policies he had advocated for years.

"I don't regard myself as the representative of apartheid South Africa.

"That I will not concede at all, ever," he said.

He said it was possible, perhaps even probable, that his successor would be black. — Sapa-Reuter.

SANCTIONS

THE END IN SIGHT

FM 15/3/91 280

The ANC is to encourage new foreign investment and the removal of trade sanctions — provided this helps the process of ending apartheid. This new attitude is spelled out in the latest issue of *Mayibuye*, the ANC's official journal.

This is not intended to be a call for the abrupt ending of sanctions. However, the ANC has made clear to the *FM* that this is the beginning of the process that will lead inevitably to their removal.

Similarly, the process has begun of opening the doors that will see international sports contacts resumed within the next few months.

The cultural boycott, however, is still a thorny issue. While the ANC's department of culture under poet Wally Serote is prepared to allow more flexibility, it wants the cultural world to follow that of sport in removing discrimination from its ranks. Apparently the Performing Arts Council of the Transvaal (Pact) is to be targeted by the ANC for this reason.

The new approach is made clear in *Mayibuye*. As with its radical shift on the nationalisation issue, the ANC is letting out the message quietly.

The low-key approach is to get around the kind of backlash the ANC received from rank-and-file members when Thabo Mbeki's pragmatic blueprint for the removal of sanctions was presented at the National Consultative Conference in December. Members were so incensed that there had been no prior consultation that they refused to even discuss the document and called for sanctions to remain. The *Mayibuye* article closely follows the pattern elaborated in Mbeki's document.

It is clear that the ANC leadership believes the controlled removal of sanctions is better than the rug being pulled from under them by Western nations. Though Western nations did indicate they would take their lead on sanctions from the ANC, many are getting impatient.

One leading member — known as a militant — tells the *FM* that the ANC is very concerned about the poverty and poor economic climate and that new investment is needed.

Umkhonto we Sizwe chief of staff Chris Hani says it will be extremely difficult to stop violence if government cannot address socio-economic problems as well.

The *Mayibuye* article places emphasis on monitoring new investment so that it "should help the process of ending apartheid."

It continues: "The same consideration would apply to removing trade sanctions. It would be an important part of the continuing struggle against apartheid if trade sanctions were removed in the context, for instance, of an agreement between the trade unions and the industry involved."

But an ANC spokesman says there are no formal plans for ensuring that new investments contribute to "ending apartheid" or



Mbeki ... *following his blueprint*

precisely how trade unions and industry should negotiate the removal of trade sanctions. These issues are still being considered by the various departments and organisations involved. It is also clear that the ANC is interested in getting proposals about the process from foreign governments and local businessmen and financiers.

The ANC seems more concerned at this stage with opening doors and facilitating new initiatives, than in laying down rules.

Mayibuye says sanctions cannot be removed on the basis of government promises. Neither should "the issue of irreversibility revolve around what the National Party says. It may very well be true that the commitment of the NP to the process of change is irreversible.

"But that does not guarantee that there cannot be any intervention by other forces to stop the process.

"There could also arise a situation where the violence in the country escalates to a level where it would be impossible to move forward to a new constitution." Nonetheless, it says, "once the Group Areas Act is gone and nonracial sports bodies created, we cannot then call for the boycott of the nonracial sports movement."

There is little doubt that once rugby, cricket and football have achieved unified, nonracial sports bodies — which they are close to doing — the doors will open wide to international competition.

Steve Tshwete, the ANC's NEC member who is helping with negotiations for unified sporting bodies, is known to be rugby mad and is particularly keen that a rugby tour takes place soon. The Organisation of African Unity last weekend backed the re-entry of SA to international sport.

Recommendations will probably also be made to the International Olympic Committee, which visits SA later this month, to allow SA to take part in the Barcelona Olympics next year.

On the cultural boycott, the article says that while racist academic or cultural institutions must be boycotted, "the same cannot apply to anti-apartheid cultural activities."

Serote says that Pact, as an example, may well have integrated its performing corps — but he alleges that it has not removed issues of discrimination in wages and conditions.

"It has also not responded to appeals for discussions on these issues by the Performing Arts Equity and they are considering a boycott of Pact soon if these do not take place," says Serote.

He also says arts groups that come into the country will need to do so through "recognised" democratic arts structures. They would also have to help redress artistic imbalances.

So the cultural boycott, according to this thinking, will continue indefinitely.

Charlene Smith

LAND REFORM FM 15/3/91

ENORMOUS CHANGES

Government's land reform plan will enrage political extremists, both Left and Right, but it is undoubtedly the most fundamental change so far in Nationalist policy. It will do as much to shape the new SA as the Tomlinson Commission report in 1955 shaped apartheid by providing the framework for separate development.

In essence, the White Paper and five Bills tabled in parliament this week will:

- ☐ Remove all racial discrimination from land ownership;
- ☐ Automatically convert about 2m leasehold properties in black townships to freehold;
- ☐ Immediately release 254 000 ha of SA Development Trust land originally earmarked for incorporation into the homelands for sale (by implication to black farmers) with a further 220 000 ha to follow soon;
- ☐ Allow communities on a nonracial basis to determine "norms and standards" for their areas; and
- ☐ Greatly speed up the acquisition and ser-

Continue →

(280) FM 15/3/91

SPEAKING IN TONGUES

Remember Chris Heunis? Apart from being John the Baptist to P W Botha in the Wilderness, he — like a former Bishop of Grahamstown — had the rare ability to speak in tongues. Neither, in their respective fields of inspirations, was particularly lucid.

Nor, unhappily, are the various spokesmen of the ANC on such matters as cultural policy, freedom of speech, nationalisation of productive assets and, of course, economic sanctions. Indeed, we have the impression (**see *Current Affairs***) that the vocally nimble ANC leadership is at such odds with those of its illiterate members (who predominate) that it feels it cannot afford to be either candid or consistent.

A few weeks ago in its official journal *Mayibuye* ("Freedom" for the uninitiated) it revealed a major policy shift over nationalisation in the guise of an article setting out the advantages and disadvantages of such a policy. In the March edition it takes a similar look at trade sanctions and the sports boycott. And, guess what.

It's against them provided that their removal helps "the process of ending apartheid."

The cultural boycott is a different matter. The comrade commissar in charge wants to exercise discretionary control. There will be no backsliding or equivocation in that area. What the Commissar Poet says goes.

The *FM*, which has argued consistently that the ANC would regret its advocacy of sanctions, has long awaited the day of atonement. And this week it appears to be at hand.

High Priest of liberation theology, SA Council of Churches' Frank Chikane, and ANC exiles repatriation officials have been asking — with extraordinary effrontery — US businessmen and the American Chamber of Commerce to find jobs for returning exiles.

These are men from the very organisations that hounded scores of US companies out of this country in recent years and who have contributed in no small measure to the instabilities and strife that have scared off foreign investors from the new SA.

The fact that Chikane and his ANC comrades believe that the Americans, after such a drubbing, are willing — let alone capable — of suddenly providing jobs is sad testimony to their ignorance of how employment is created and how the economy works in general.

For all the sense that he must be making to the Americans, Comrade Frank might just as well be speaking in tongues, like Chris or the Bishop. He would have done better to have led a prayer meeting. ■

MONEY MATTERS



Jane Mdaki displays a dress designed by a Fed member.

Fed gives jobless a skill base

By SOPHIE TEMA

A DURBAN organisation which teaches unskilled and unemployed adults to run their own cottage industries has opened a branch in Johannesburg.

The Foundation for Entrepreneurship Development (Fed) is a non-profit organisation which depends on private sector support for its survival.

Directors of the organisation said support during the five years of its existence had come mostly from overseas.

This week two sponsorship cheques were handed to Fed – one for R25 000 from the German government and the other for R8 000 from the Ithuba Trust.

The contributions will be used for the extension of the organisation's services in squatter areas around Johannesburg.

The Get Ahead Foundation has also made loans available to Fed graduates to start their own businesses.

Fed hopes to open other training centres throughout the country, where the unemployed will be taught business and sewing skills.

Fed executive director Dr Dennis Wolmarans said the shortage of sponsorships has restricted the Foundation to running programmes in the clothing-related field.

"But with further funding the programmes could be extended to other fields like carpentry, leatherwork and welding," he added.

Wolmarans said the Foundation was also working towards presenting youth development programmes if the necessary sponsorship could be made available.

Investors on the run

MONEY TALK

THE surge in prices on the Johannesburg Stock Exchange last year, just before the release from prison of ANC deputy president Nelson Mandela, was generally interpreted as being due to foreigners buying shares in South African companies because of confidence in the country's future.

A review of the past year's trading figures on the JSE, however, reveals that foreigners have been selling South African shares.

What apparently happened was that many South African investors bought shares through London.

This mistaken "foreign" buying encouraged local confidence and, in a happy merry-go-round, prices surged and gave foreigners an opportunity to offload South African shares at handsome prices.

Foreigners have been disinvesting through the stock exchange for more than five years and there seems no end in sight.

Unfortunately, South Africans are not allowed to invest on overseas stock markets due to the shortage of foreign currency and the resultant Reserve Bank restrictions.

Because everybody is chasing the same shares, prices continue to rise, creating an impression of a strong market.

Why are foreigners disinvesting?

Economists and stockbrokers say the main reason is lack of confidence in the political future of South Africa. Another is militant trade unionism in the country and the declining productivity and competitiveness of our industries.

International confidence in our ability to manage the country politically and economically must be restored, because it is now clear that foreigners are not backing their political views with hard cash.

Distributors run into trouble over Nike ban

MARC HASENFUSS

SANCTIONS have caught SA athletes on the wrong foot.

Nike running shoes will no longer be available locally after parent company Nike International recently discovered its shoes were being secretly distributed throughout SA.

Distressed runners who heard of the ban last week began stocking up with Nikes — in some cases five pairs — despite the fact that there is a wide choice of running shoe brands on the SA market.

Nike's average retail price is between R260 and R500 and the shoes have a strong secondary market among fashion buyers.

When economic sanctions intensified over two years ago Nike warned local agent Ajay-Sports, the franchisee for the southern African region, not to distribute Nike products in SA.

A spokesman for Ajay-Sports said because Nike sales represented a huge slice of turnover, they simply adopted a low profile by not advertising their sponsorships, and continued distribution.

Ironically when SA seems set to clear the last hurdle of sanctions, the parent company got wind of unauthorised sales and told Ajay-Sports two weeks ago to stop local distribution immediately.

The spokesman said although distribution to other southern African countries was still permissible, SA was by far the most lucrative market.

Nike has more than a 50% share in the running market in SA.

It was better to comply with the parent company's demands in view of the strong possibility of sanctions being lifted by the end of the year, the spokesman said.

French investors getting impatient with sanctions

Star 18/3/91

(280)

PARIS — French investors are getting impatient with the government's ban on new investment in South Africa, a senior industry spokesman said this week.

"The French government's position on new investment is more extreme than that of the European Community," Jean-Pierre Prouteau, president of the Africa Committee of the French employers' group CNPF, said in an interview.

"The EC has lifted its ban on new investment and we are waiting with growing impatience for the French decree authorising new investment in South Africa," he said.

France joined an EC trade embargo in 1986 to pressure the South African government to end apartheid. The EC agreed in December to lift its investment ban after Pretoria said it would end discrimination in living areas.

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Trade with rest of Africa is soaring

Trade sanctions seem to have crumbled on the African continent, according to figures given by Rusty Evans, deputy director-general of the Department of Foreign Affairs, in a newly published book, "Trends Transforming South Africa".

On cross-border trade, he writes: "South Africa's total trade with Africa is growing by leaps and bounds.

"It currently amounts to almost R10 billion a year. Trade with Zaire has trebled in two years Madagascar has opened up and there is no reason why trade with that country should not quickly match that with Mauritius — in excess of R300 million a year.

"South Africa's non-bank investments in Africa are approximately R4 billion."

NATIONAL CITY
March 18 1991

Doors are to open as sanctions end

Dropping of clothing end to open doors

By TOM HOOD
Business Editor

DROPPING of sanctions on South African clothing is expected to lead to major export opportunities, says the National Clothing Federation today.

Latest estimates for clothing exports are R200-million in 1990, R300-million in 1991 and R500-million in 1992.

"If these targets are achieved, the clothing industry could be a catalyst in reducing the high unemployment levels in the Western Cape, Natal, the national states and ultimately South Africa as a whole," says Mr Arnold Eerbeloff, NCF economist, in a report today.

A rise in clothing output has been accompanied by a drop in clothing employment indicating a growth in productivity per worker, he reports.

Industrial Council data shows that the largest decreases have occurred in Natal, which is down from 45 100 in January 1990 to 42 600 in January 1991, and the Western Cape down from 55 300 to 53 600 over the same period.

Decline in employers

Altogether 5 600 jobs have been eliminated over the 12 months, representing 5 percent of the national clothing workforce.

This downturn in employment is reflected in a less than proportionate decline in employers.

The clothing industry had 37 fewer employers at the end of 1990, with smaller workforces per employer (93 vs 96 people) producing considerably more per worker in November 1990 than in November 1989.

As a leading job-creating mechanism, the clothing industry must be encouraged to meet export opportunities at all times, and not only in recession when excess capacity is available, he said.

"The NCF is encouraged by the increased number of inquiries which it is receiving from abroad since the State President's opening speech in parliament. "It is apparent that the local clothing pipeline could become a significant player in African, North American and other markets if it readies itself now for the challenge of international trade.

"The benefits of increased job creation, better living standards, lower clothing prices and greater bargaining power on world markets are there for the taking

The South African economy is in a state of flux, as a result of the rapid rate of change in the socio-political environment. The dismantling of apartheid, the negotiations which have yet to begin in earnest and the pressure from abroad to move toward an internationally acceptable constitution, have all led to uncertainty in the minds of consumers and investors. This is seen in conservative forecasts for domestic spending and production over the year.

However there are grounds for optimism, as sanctions are likely to be lifted on trade and investment, foreign debts rolled over and interest rates lowered during 1991.

Dutch plan to lift curbs on S Africa

Sowetan 19/3/91.

THE HAGUE (Netherlands) - The Dutch parliament yesterday adopted a resolution in support of the government's plans to urge the European Community to lift economic sanctions against South Africa.

Parliament decided to back the government's policy that most sanctions should be repealed as a show of support for apartheid reforms initiated by South African president FW de Klerk.

Foreign Minister Hans van den Broek has said he plans to urge the EC to lift all South African sanctions except those that ban weapons exports. Van den Broek is scheduled to take over the EC presidency on July 1.

"Apartheid is a thing of the past ... The time has come to proceed with the repeal of most, if not all, restraining economic measures," said Harry Aarts, chairman of the Parliamentary Foreign Affairs Committee and a member of the ruling Christian Democratic Party.

The Netherlands, which colonized the Cape of Good Hope in the 17th century, has been one of the most vocal critics of South Africa's racial segregation policies. The Dutch began enforcing sanctions in 1985.

However, Dutch leaders have strongly supported De Klerk, who has promised to push his parliament to dismantle three major apartheid laws concerning land ownership, residential rights and race classification. -Sapa-AP.

Another blow for consumers

HARD-PRESSED consumers face another blow when two major banks increase the annual fees on credit card services by at least 12,5 percent in April.

The revised charges at Standard Bank and First National Bank come into effect on April 1.

Nedbank - which has one of the lowest fees - Trust Bank and Volkskas are considering increasing their charges. - *Sowetan Correspondent.*

Lift SA sanctions, Dutch to urge EC

Star 19/3/91.

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Dutch Foreign Minister Hans van den Broek has said he plans to urge the EC to lift all South African sanctions except those that ban weapons exports.

Mr van den Broek is scheduled to take over the EC presidency on July 1.

There was no parliamentary vote, but an informal survey of party leaders showed that most legislators were in favour.

Harry Aarts, chairman of the parliamentary Foreign Affairs Committee and a member of the ruling Christian Democratic Party, said: "Apartheid is a thing of the past ... The time has come to proceed with the repeal of most, if not all, restraining economic measures."

The Netherlands, which colonised the Cape of Good Hope in the 17th century, has been one of the most vocal critics of South Africa's racial segregation policies. The Dutch began enforcing sanctions in 1985.

However, Dutch leaders have strongly supported Mr de Klerk, who has promised to push his Parliament to dismantle three major apartheid laws concerning land ownership, residential rights and race classification. — Sapa-AP.

Dinkins tells Israelis to impose sanctions

Sowetan 20/3/91. 280

NEW YORK - New York's controversial Mayor David Dinkins called yesterday for Israel to impose full sanctions against South Africa and to work for a solution to the Palestinian problem.

The mayor's call came at the height of severe public criticism of his march with a group of homosexuals and lesbian activists in the city's annual St Patrick's Day parade at the weekend.

AROUND THE WORLD

For his identification with the militant group of gays, the mayor, who traditionally heads the parade, one of New York's biggest, was booed by spectators and pelted with beer cans all along the 40-block parade route.

The timing of the mayor's call for Israeli sanctions against South Africa came as a major surprise, though observers noted that relations between New York's large black and Jewish communities have been at an all-time low in recent years and the mayor may well have used the occasion to bolster his own disintegrating popularity.

His call was directed to the influential American Israel Public Affairs Council, to which Mayor Dinkins, New York's first black mayor, professed his "love and affection" for Israel, which he visited in February in a gesture of support when it was under aerial attack by Iraq. - *Sowetan Foreign Service.*

EC ministers set date to meet on sanctions

B/Day 20/3/91

KIN BENTLEY

280

LONDON — A date has been set for EC foreign ministers to consider whether legislation to repeal the Group Areas and Land Acts goes far enough to enable them to lift trade sanctions against SA.

An EC external relations spokesman confirmed from Brussels yesterday that the foreign ministers, known collectively as the European Political Co-operation, would meet on April 15.

He said it would be up to them to give their reaction to what the commission considered "very positive" developments in SA.

Britain last week urged the EC to "act swiftly" following the tabling of the draft legislation.

Prime Minister John Major discussed the issue earlier this month with German Chancellor Helmut Kohl and last weekend with US President George Bush.

The commission spokesman said it was "up to Political Co-operation" whether the ban on the import of SA iron, steel and Krugerrands would be lifted at next month's meeting.

At a meeting last month, the foreign ministers agreed to start lifting sanctions once legislation to repeal the Group Areas and Land Acts had been tabled.

Even if the foreign ministers decide to wait until the legislation has been enacted, it will mean a delay of only a few months, because the SA government is committed to having this legislation passed by June.

The next full meeting of EC prime ministers is due in June.

Times

Scandinavian turnaround on sanctions

Cape Times 26/3/91

280

Own Correspondent

LONDON. — The five Nordic countries agreed at the weekend that they will end economic sanctions against South Africa once apartheid has been abolished.

Significantly, the "turning point" they are waiting for to move on sanctions does not include the installation of a new, non-racial government — though they clearly want this to flow from the negotiation process.

To stimulate contacts with the Republic in the interim, Nordic foreign ministers meeting in Sweden at the weekend agreed to abolish the "special guidelines" which apply to the granting of visas to South African citizens.

Furthermore, they announced their intention to "support efforts in South Africa to reduce economic differences and to promote democracy, following the abolition of apartheid".

The five Nordic countries — Sweden, Finland, Norway, Iceland and Denmark — have been at the forefront of the isolation of apartheid and apply comprehensive trade and investment sanctions against South Africa.

Their foreign ministers noted in a statement following the weekend meeting that they had been "making joint endeavours since 1978 to contribute to the total abolition of apartheid".

In discussing how they could now "best support and expedite the dialogue in South Africa and the process of negotiation", the ministers said that in the light of recent positive developments, "the time is approaching when the economic sanctions applied by the Nordic countries against South Africa must be re-examined".

But they added: "Actual developments in South Africa are the decisive factor in any possible relaxation of sanctions policies."

Holland may lift sanctions

Sowetan 20/3/91. (280)

THE HAGUE - The Dutch Government is expected to lift sanctions on South Africa five years after they were imposed.

The Dutch Labour Party, one of the country's largest political groupings, has agreed to withdraw the draft Bill aimed at banning new investment in South Africa.

The Dutch Socialists, who form a coalition government with the Christian Democrats, have agreed - but want the ban on the import of iron ore and Krugerrands to remain.

However, that, too, is expected to be reversed in the near future because both the Christian Democrats and the opposition Liberal Party want the boycott lifted.

There is also a majority in parliament which wants to see Dutch-South African cultural and sports contacts expanded and improved. - *Sowetan Foreign News Service.*

SEXY THINGS
FOR SHY PEOPLE
ADULT SEX BOOKS
☐WHITE WOMAN

US companies still cutting ties with SA, survey shows

B Day 21/3/91 280

SIMON BARBER

WASHINGTON — US companies are terminating licensing and distribution agreements with SA at a record pace under pressure from local governments, even though disinvestment has come to a virtual halt, the Investor Responsibility Research Centre finds in it latest annual survey of US business in SA.

Ten firms either severed their non-equity ties with SA or allowed them to expire over the past year. At least five more told IRRC they planned to follow suit in the near future.

In several cases, the companies severing their ties were UK firms which had recently come under the control of US corporations.

The principal reason appeared to be the selective purchasing laws on the books in 49 US states, cities and counties. Many of these ordinances, which are likely to long outlive federal sanctions legislation, penalise indirect relations with SA as well as direct investment.

Ten companies disinvested in 1990, down from a peak of 57 in 1987, leaving 106 US concerns with either direct investment or employees in SA.

Firms that told IRRC they expected to sever their non-equity ties this year inlcuded General Electric, GTE, Maytag, Thermo Electron and Xerox.

Xerox required its 51%-held UK subsidiary Rank Xerox to terminate its distribution agreement with the Altron Group's Fintech/Xeratech by July. It told IRRC that "one of the important factors ... was the recent passage of legislation in several US cities that are customers of Xerox".

General Electric sold its three SA subsidiaries to local management who formed a company called Genwest Industries in 1986, which was licensed to continue producing GE products. This and other agreements will not be renewed when they expire this year.

In addition, Mobil, which sold out to Gencor in 1989, said that as of December last year "discussions have begun which will lead to the discontinuation of the use of Mobil trademarks".

The firms that ended their non-equity links last year were listed by IRRC as: Bently Nevada, Bicoastal (formerly the Singer Co), Chadwick-Helmuth, Dana, Dell Computer, Goulds Pumps, Informix, Motorola, Reynolds and Reynolds and Valmont Industries.

AIDS move wins Namda's praise

PATRICK BULGER

THE National Medical and Dental Association (Namda) yesterday welcomed the ANC's decision to take up the issue of AIDS, saying the ANC could eradicate perceptions that AIDS was a race-based disease.

Namda publicity secretary Diliza Mji said the ANC's intervention was important because it commanded respect among oppressed and disadvantaged communities. B Day 21/3/91

The ANC recently announced it would help deepen AIDS awareness as part of its signature campaign for a constituent assembly and interim government.

Namda said: "Because of the politicisation of population control methods by the apartheid government, many of our people have understandably been suspicious of the campaigns of the Department of National Health and Population Development."

Mji said: "It is exactly because it is an illegitimate government that all attempts by the SA government to get involved in the prevention of AIDS have failed."

Exiles' return delayed pending move on UN

B Day 21/3/91

PATRICK BULGER

A COMBINATION of fears for exiles' safety after their return, a shortage of funds and logistical problems resulted in today's second planeload of exiles from Zambia being called off.

Home Affairs chief director of immigration Mike Bester said he had been in contact with the ANC and that the postponement of the flight — scheduled to bring 110 exiles back — was being seen as an "organisational hiccough".

He said 3 000 extraordinary travel documents had already been issued.

The National Co-Ordinating Committee for the Repatriation of SA Exiles (NCCR) cancelled today's flight, saying it wanted a decision from government on whether the UN High Commission for Refugees (UNHCR) would be involved.

The NCCR was expecting Cabinet to discuss the issue yesterday.

An NCCR spokesman said the organisation was short of funds and was experiencing logistical problems.

The Africa News Organisation reports from Lusaka that ANC national executive committee member Sindiso Mfenyana yesterday urged government to grant full indemnity and provide exiles with extraordinary travel documents so that they could start returning home.

Government should remove all the stacles that had hampered the repatriat and release of all political prisoners.

Mfenyana warned that if the agreem on preconditions to negotiations was met by the end of next month, the A would have to review its future cours

The UNHCR should be allowed to p ticipate in the repatriation of exiles anc able to monitor their stay in SA, he s

He rejected government's insiste that the UNHCR be limited only to transportation of exiles.

Mechanisms set up by government made it impossible for further exile leave for SA but the next group of ret ees would depart next week.

Meanwhile the Canadian Embassy terday announced a R100 000 contribu to the NCCR.

The embassy said the donation wa partial fulfilment of Canadian Prime M ister Brian Mulroney's undertaking to nate R13m to the repatriation program

It said the balance would be alloc once final operational arrangements the repatriation programme were kn

US jet fighters down Iraqi plane

Government resigns

Star 21/3/91

Trade officials from Holland to visit SA

Star Foreign Service

THE HAGUE — The Dutch government is to send a high-powered trade delegation to South Africa before the end of the year, the first such visit to this country in years.

The delegation will comprise officials from the Ministry of Economic Affairs and from the two main employers' federations — the Dutch Business Association and the Dutch Christian Employers Union.

Utrecht-based Dutch company SHV is reported to be looking into the possibility of resuming links with South Africa.

In the early 1980s, SHV subsidiary firm Makro was the target of Dutch anti-apartheid activists, who set fire to a number of its stores across Holland in protest against its South African links. SHV later sold off its South African interests.

The opening of a Dutch trade mission in South Africa would signal a thawing in relations between the two countries, which were frozen by constant Dutch criticism of apartheid.

After Pretoria's announcement that it would repeal the remaining apartheid laws, such as the Group Areas and Land Acts, the Dutch lower House of parliament decided by a majority to rescind government draft legislation banning Dutch investments in South Africa.

Surplus despite sanctions

Soweten 21/3/91 (280)

BUDGET /'91

DESPITE sanctions and boycotts, South Africa achieved an average growth rate of 10 percent a year in the volume of goods it exported, a review of the Budget prepared by the Department of Finance said.

SOWETAN Correspondent

For the sixth consecutive year in 1990, the current account of the balance of payments posted a surplus. This brought the cumulative surplus from 1985 to 1990 to R29 billion, which was 2,5 percent of GDP.

"This gratifying but necessary performance in South Africa's current transactions with the rest of the world was, however, obtained only at severe cost, namely the restriction of the economic growth rate to levels much below the country's growth potential, with higher unemployment as a result," the review said.

The surplus on the current account stemmed from a restrictive monetary and fiscal policy that had to be applied virtually continually to limit the growth in imports, and from an increase in international economic activity from 1983.

This enabled South Africa, despite sanctions and boycotts, to achieve an average growth rate of 10 percent a year in the volume of goods exported.

The surplus on the current account of the balance of payments rose from R3,1 billion in 1989 to R5,8 billion in 1990.

This was the result of an improvement in merchanise exports, and a fall in the value of merchana negative contribution to the increased surplus, the review said.

After having risen by 25 percent in 1989, the value of merchandise exports increased by a further 8,5 percent in 1990, despite the fact that international commodity prices have fallen since mid 1988.

The price index of merchandise exports was an averge 2 percent higher in 1990 than in 1989 through a moderate fall in the effective exchange rate of the Rand.

Also, the volume of merchandise exports rose by about 6,5 percent as against 1989.

The value of merchandise imports fell by about 0,5 percent last year, caused by a fall in the volume of imports in the downswing.

Import prices rose moderately.

Net service and transfer payments fell from R10,9 billion in 1989 to R10,6 billion in 1990. This was because of increased interest earnings abroad by South Africans and increased spending by foreigners in South Africa.

Gold exports fell 6 percent last year, largely because of the decline in dise imports and net payments for services and transfers abroad.

Of the main components of the current account, only the value of net gold production made gold production from about 603 tons in 1989 to 592 tons in 1990. While the average dollar price of gold rose from $382 in 1989 to $384 in 1990, the average rand price fell from R999 to R992.

The review said the net outflow of capital not related to reserves fell from R6,2 billion in 1988 and R4,3 billion in 1989 to R2,9 billion in 1990.

New capital

This showed that nonresidents were willling to roll over much of the debt and also to provide new capital.

"The considerable improvement in the net capital inflow over the three years was, however, chiefly in the form of short term capital."

The upshot of the higher balances on current account and the smaller capital outflow was that the net gold and other foreign reserves rose by R2,9 billion in 1990.

This enabled the authorities to repay R2 billion of the liabilities related to reserves. "After allowing for valuation adjustment, the gross gold and other foreign reserves therefore rose in 1990 by only R0,4 billion, to reach R7,3 billion at the end of December," the review said.

SANCTIONS

PICKING THE WINNERS AND LOSERS

Only the pessimists believe that sanctions are likely to linger for longer than a year. And now that foreign governments are beginning to ease them back, SA businessmen should be looking anew at trade opportunities that will be rekindled as the sanctions door swings wider ajar.

There will, of course, be winners and losers as sanctions go. Some companies, such as steel, textile and sugar producers, have been outrightly prejudiced by having their overseas marketing operations summarily curtailed by sanctions legislation.

Other, more opportunistic middlemen have profited by taking a turn on every conceivable transaction as SA's attempts to escape the constraints of sanctions have become more acute. They will be losers as their premiums — not to mention vast profits — fall victim to freer trade.

Some companies are already gearing themselves for the promising post-sanctions environment. The US and Europe are the principal targets of the smart-suited marketing men flying in from SA in droves, ready to re-establish old trade ties.

SA's steel producers, for example, lost lucrative markets in the US and Europe when the sanctions door slammed shut. But Iscor's Piet du Plessis says there will be no overnight return to their former markets.

He says: "We do not intend to increase our exports to the EC suddenly. The move will have to be phased in. We are already working at full capacity and have no plans to increase our production of raw steel."

In the five years since steel sanctions were imposed, Iscor has found new markets in the Far East and Middle East. But Du Plessis says: "Our marketing networks in the US and Europe have been kept in place so we can take advantage of new circumstances at short notice." The European and American markets remain more lucrative because they require more high-margin, added-value steel products such as tin-free steel.

Michael McDonald, chief economist at the Steel & Engineering Industry Federation, says the steel markets closed to SA in 1986 were worth R1bn in today's money. He says steel producers are negotiating an "orderly re-entry into the market."

He predicts "full re-entry into these markets will take at least three years. There is an overcapacity of steel production in the US and Europe, and even when sanctions are lifted, quotas will remain in place."

Renewed exports to the US and Europe could be the salvation of the textile industry. The Frame group sold nearly R25m worth of yarn a year to the US, before sanctions, representing half its total exports of R50m. But Frame chairman Mervyn King, who has just returned from overseas, says it will not be easy to win back these markets. "We do have a weak rand on our side but the pricing from the Far East is very competitive. Political sanctions may be removed but there are still business sanctions. We have to convince businessmen that this country has something to offer and it is a good place to invest."

The clothing industry, already increasing its exports thanks to the structural adjustment programme, is looking forward to the US market, that once took half its exports, re-opening. The National Clothing Federation has been on a US fact-finding mission and is trying to persuade Americans to offer preferential trade terms to SA, to help its economy develop.

But warns the federation's Hennie van Zyl: "Sanctions will not absolve management from planning. Markets will not open if there is a lack of professionalism and management skills."

That's the other downside of sanctions disappearing. An end to sanctions should also mean the end of SA's siege economy. There will be no more excuse for SA to maintain inefficient industries for "strategic" reasons. It has always been somewhat perversely argued that tariffs are a form of retaliation against countries which have closed their doors to SA.

Van Zyl recognises the threat the removal of sanctions poses for garment manufacturers through increased competition from imports. He says just as US manufacturers fended off competition from the Far East, SA will have to concentrate on the areas where it enjoys a comparative advantage.

The coal industry should be a long-term winner. It lost export markets in France, Denmark and the US when sanctions were imposed. Frankel, Max Pollak, Vinderine analyst Kevin Kartun says SA will be unable to win back these markets in the short term as the coal terminal at Richards Bay is already working at full capacity. However, capacity will be increased to 53 Mt by 1994.

Kartun says the major short-term benefit will be the end of the political discount of US$3 to $5/t, which will add more than R400m to the coal industry's turnover.

The pulp and paper industry became a major player in export markets only during the sanctions period. Sappi's Ian Forbes says that because of the threat of sanctions the company distributed its products in 37 countries, so as not to be dependent on any one country's ban on trade with SA. "We will be able to focus on fewer markets in the future," says Forbes, "and enjoy the benefits of bigger volumes."

If anything the paper industry will be a net loser from the lifting of sanctions. Lightweight coated magazine papers produced in Scandinavia will become available again, and they are acknowledged to be superior to anything produced locally. ■

ADVERTISING

GOODBYE AGAIN

The visit to SA last week of Darryl Phillips, once the *enfant terrible* of SA advertising, caused a spate of rumours about the future of his agency group, Grey Advertising.

One was that Phillips, whose British business, Acsis, has been in considerable difficulty of late, would be returning to SA to take the helm.



Phillips

Phillips, however, dismisses this as pure rumour. Yes, he admits, he will now devote more attention to Grey (run here by Ivor Abelheim) than he has been able to do in recent months. Lately, his energies have been concentrated on refinancing and restructuring Acsis, a London-based marketing services group. But whether he will be spending more time in SA is still undecided. "I'll see," he says. "I don't yet know. At least now I have Acsis in a better position."

Grey, which was previously a very diversified group of marketing companies, has become more focused on advertising in the past year at the instigation of Phillips, who still owns a majority stake in the business. "I believe the agency is an organic organisation," he explains. "I have a reputation of forever changing things. I still believe you have to keep on changing as market conditions and needs change. There is always room for improvement."

Of the more recent changes at Grey, he notes: "We have refocused our resources. You can't afford to spread yourself in an environment which is short of skills." ■

TRADE

GOING ELECTRONIC?

At a time when more doors to international markets are being opened to SA, the Department of Trade & Industry is holding back on the development of an electronic network that could facilitate more efficient foreign trade.

The department has spent nearly two

ANC 'may alter stance on sanctions in June'

(280) B Day 25/3/91

TIM COHEN

THE ANC's June conference is likely to reverse its support for sanctions if meaningful advances are made with negotiations, the Innes Labour Brief says.

It says the ANC's concern is that if sanctions are lifted now, one of the most important pressures on government to hasten reform will have been removed.

The ANC can therefore be expected to continue lobbying the EC, the US Congress and international organisations to keep existing sanctions in place.

However, it believes the US will move to lift sanctions later this year even though the ANC disapproves of this action.

In the face of this, and if progress is made with negotiations, the ANC is likely to use its conference later this year to call for the lifting of sanctions.

In a section on underground organisation, it says the ANC insists the underground must be maintained in case negotiations fail, which reflects its belief that the present reforms are not irreversible.

But despite these concerns, the ANC places little emphasis on the underground.

"In fact the ANC's Political Military Council (PMC) is no longer functioning.

"This means that despite the rhetoric, the ANC underground has basically ceased to exist effectively at either a national or regional level."

But it says the SACP does have an important underground network and clandestine groups controlled by the SACP exist inside the country.

The fact that the SACP operates both above and below ground has become cause for some concern within Cosatu where non-SACP union members are raising the issue of union leaders wearing two hats.

"The issue is likely to lead to mounting tensions between some people within Cosatu and the SACP".

The Brief says mass action will be used to destroy remaining apartheid structures and to support demands for a constituent assembly.

□ Sapa reports from Pretoria that ANC deputy president Nelson Mandela told a Medunsa graduation ceremony at the weekend the ANC would accept nothing less than one person, one vote in a non-racial, non-sexist and democratic SA.

He said a constituent assembly, elected on the basis of proportional representation, was the most appropriate forum to write a new constitution.

The ANC also wanted an interim government to oversee the transition period, because the current government was a negotiating partner and could not simultaneously act as referee.

Africa looks for tailor-made definition of end to apartheid

B1Day 26/3/91

280

HARARE — Black Africa faces a dilemma: what constitutes the formal end of apartheid in SA?

African states are coming under pressure to make a decision because SA's reforms have prompted some Western countries to start talking about easing international sanctions against Pretoria.

For years African leaders have displayed great unity in vigorously campaigning to isolate SA over its apartheid racial system, but divisions are now emerging.

SA accounts for 75% of southern Africa's economic output.

"Africa is being pulled two ways at once at the moment," said one diplomat in Harare.

"Everyone wants to trade with SA. Everyone wants to play sports with SA. But no one wants to be seen to be abandoning principles.

"So everyone is picking a definition of the end of apartheid which suits them personally."

In SA, there are two rival interpretations of what will constitute the end of apartheid.

The SA government hopes sanctions will be lifted once all race-based legislation goes. However, the ANC, which Africa is solidly behind, wants more reforms.

Meeting in Harare a few days after President F W de Klerk made his February promise to scrap race laws this year, the OAU decided to stand firm on sanctions.

OAU chairman, Ugandan President Yoweri Museveni, said De Klerk's reforms "are welcome, they are praiseworthy — but they are not enough".

"The idea is that we would like to see in place a clear mechanism that would result in the transfer of power to a democratic order."

In the economic sphere, however, new links are quietly being forged with SA by businesses across the continent.

In Zambia, a building has been prepared as a new SA trade mission despite President Kenneth Kaunda's vigorous opposition to apartheid. Diplomats expect it to open by the end of 1991.

Participants from 15 African countries attended a meeting organised by three SA trade groups in Swaziland this month to discuss setting up a new trade bloc as soon as sanctions go.

The biggest shift in African opinion has been in sport. It must be Africa that welcomes SA back into world sport after a 20-year Olympic ban, the International Olympic Committee has said.

The Association of National Olympic Committees of Africa (Anoca) showed at a meeting in Botswana earlier this month that it was ready to do just that.

Anoca president Jean-Claude Ganga said he would not press for immediate universal suffrage in SA, but would count the mid-year scrapping of race laws as the end of apartheid.

After the meeting, Anoca said rival "establishment" and anti-apartheid sports federations in SA had agreed to form a new, non-racial umbrella group.

Credibility

A Harare-based diplomat said: "The sports people are easiest on SA because they haven't really got anything to lose, but they do have a lot to gain in terms of more exciting sport if they let SA in."

He said politicians had the most to lost in terms of credibility if anything went wrong economically.

"The business community is blowing hot and cold. They want to have access to the SA economy, but they're frightened that SA is going to swamp their own economies."

Botswana's central bank governor Quill Hermans said in an interview this month his country was apprehensive about the consequences of reforms in SA.

Botswana is part of SA's regional customs union, and pays no import duties on the goods it buys from next door. It therefore imports inflation from SA in the shape of goods pre-priced for SA consumption.

Hermans said Pretoria's likely transition to majority rule — and big new demands for health and education spending on black voters — would push up inflation and create economic and political problems for Botswana.

"If inflation rates in SA climb back to 25% or 30% from 15% now, per capita incomes halve in Botswana, and there's nothing we can do to protect ourselves from that.

He said the economic implications for Botswana of reform in SA were "pretty ominous". — Sapa-Reuter.

easurers of Southern Africa

C

FW's trip signals 'big breakthrough'

BILLY PADDOCK

CAPE TOWN — President F W de Klerk's visit to Europe next month could signal SA's most significant diplomatic breakthrough in the EC and Nordic countries.

Two countries on his intinerary, Ireland and Denmark, have been SA's sharpest critics and have consistently blocked bids to lift EC sanctions.

Yesterday Foreign Affairs announced that Finland and SA had agreed to upgrade their respective representations to full embassies.

And government sources said Sweden and Norway would follow suit by the end of the year.

At the weekend the five Nordic countries, the ANC's consistent financial supporters and proponents of maintaining sanctions, decided they would end economic sanctions once apartheid was abolished.

Sources said this signalled that the West's sanctions alliance was cracking.

Denmark and Ireland are the only two EC countries De Klerk did not visit last year and it is understood they initiated visits this year after learning that De Klerk would be travelling to Britain.

☐ To Page 2

FW's trip

Accompanied by Foreign Minister Pik Botha, the President will arrive in Denmark on April 24 to have talks with Prime Minister Poul Schluter and Foreign Minister Uffe Ellemann-Jensen.

He travels to Ireland on April 25 to meet Prime Minister Charles Haughey.

In London De Klerk will meet British Prime Minister John Major for the first time.

☐ From Page 1

He will address the annual Convention of the Institute of Directors and a joint meeting of the Confederation of British Industry and UK SA Trade Association.

De Klerk will also address the Royal Institute for International Affairs and the Royal African Society, the SA Club and meet chairmen of leading UK banks and financial institutions.

Interest hinges on confidence — Bonn mayor



Lord Mayor of Bonn Hans Daniels. Picture. CATHERINE ROSS

SA's political future, rather than sanctions, would determine whether German businessman would invest locally, the visiting Lord Mayor of Bonn Hans Daniels said yesterday.

Daniels is on his first visit to SA at the invitation of Johannesburg Mayor Elliot Kretzmer and the Johannesburg Publicity Association.

A trained economist and Bonn mayor for the past 16 years, Daniels is meeting political and business figures.

Daniels said German businessmen wanted to know what the country's political future would be.

Continuing high levels of violence could deter those who looked to SA as the gateway to a huge and untapped African market.

PATRICK BULGER

"Generally there is confidence in the future of SA. But nobody is sure what will happen here.

"The flow of foreign investment depends mostly on confidence in the political stability in the future.

"Sanctions are not as important as the confidence."

Violence

Daniels said: "Foreign capital will wait until SA has a new constitution and the first elections give an impression of the sort of government SA will have."

He added violence was being perceived as a transitional phenomenon but if it continued beyond a new constitution it would deter investors.

Compared with Eastern Europe, SA had a sophisticated infrastructure and was in many ways more attractive to the European investor, than Eastern Europe, he said.

INTERIM REPORT
for the
six months ended 31 December 1990

Africa is impatient to trade openly with SA

GERALD L'ANGE, Editor of The Argus Africa News Service reports

THE Nigerian attracted little attention as he sat in the visitors' gallery at the formal opening of parliament in Cape Town last month.

Not many members knew who he was.

But those who did were keenly aware of the significance of the presence of a representative of Africa's other giant.

NEW ERA

As much as any other recent development, the informal visit by the Nigerian representative — and the group of Nigerian journalists who accompanied him — demonstrated Africa's growing fascination with the emerging New South Africa.

So far this year representatives of at least 15 African governments have visited South Africa. They include two different delegations from Nigeria and representatives of Gabon, Zaire, Rwanda, Cape Verde, Ivory Coast, Madagascar, Guinea Bissau, Togo, Senegal, Ghana and the Congo as well as a delegation from the African Development Bank.

All of their countries are members of the Organisation of African Unity and most of them officially maintain the economic, sporting and cultural sanctions it has imposed on South Africa in tandem with the United Nations. Unofficially they probably all do business with South Africa, contributing to the explosion of African trade with the Republic that has almost reached R10-billion a year and is still growing.

Like many other African countries, they are looking forward to the abolition of apartheid so that they can deal freely and openly with South Africa.

The De Klerk reforms have given a certain measure of unofficial respectability to the once furtive exchanges, so much so that the sanctions have become increasingly irrelevant.

But not entirely so. The sporting and cultural boycotts still hurt. And the trade would flow much more smoothly and would grow faster if it could be directed through open and official channels. With communications in Africa as bad as they are, informal channels tend to be inefficient.

Pretoria thus has a strong incentive to seek formal relations with African states, even if it is only at the level of a trade commission or an interests office. It hopes African countries will disregard the OAU and establish open links with the Republic, as Madagascar did last year.

There is a good chance that several states will take the plunge this year, according to South African diplomats, especially if the De Klerk reform programme continues.

Pretoria's ideal is for one of the major African states to deal openly with the Republic, which would almost certainly precipitate similar action by a number of smaller states.

Kenya has taken an important step in that direction by allowing South African Airways to land at Nairobi and South African citizens to visit the country on tourist or business trips. But it is still reluctant to go all the way.

Other countries being eyed by Pretoria are thought to include Morocco, Egypt, Gabon, Senegal, Congo and Cameroon.

The big catch would be Nigeria, which is the giant of black Africa both in population (110 million) and economy (gross domestic product of R72-billion in 1988). Politicians in Nigeria are said to envisage a post-apartheid situation in which South Africa will dominate a southern and eastern economic bloc and Nigeria a western equivalent, with close co-operation between the two groups.

"I do not see any obstacles to Nigeria and South Africa working together in international organisations and even becoming close to each other after the abolition of apartheid," former Nigerian president Olusegun Obasanjo said recently.

"After apartheid" remains the catchword of official policy. But there are signs that the Nigerians may be prepared to start moving towards rapprochement even before apartheid is universally pronounced dead, the way having been partially cleared by the De Klerk reforms.

General Obasanjo's visit to South Africa in July last year is understood to have been made at the behest of President Ibrahim Babangida. The general's scouting expedition has been followed by the visit this year by the other Nigerian politicians and the journalists.

A Nigerian newspaper, the Guardian, recently quoted unidentified African diplomats (who would logically be Nigerian) as saying that at the OAU summit in June in the Nigerian capital of Abuja, Nigeria may call for developing contacts with South Africa.

The report does not spell out what kind of contacts are envisaged. But a proposal for even the most tentative contacts, coming from Nigeria, would have an enormous political impact and, if firmly proposed, would be hard for the OAU member states to resist.

It would be one of the most dramatic salutes to the De Klerk reforms that has yet been given. Assuming the in tention is there, whether it actually made will probabl depend on whether Mr D Klerk is seen to be maintai ing the momentum of the r forms between now and Jun

As long as the African N tional Congress and Pan Afr canist Congress keep calli for sanctions to be mai tained the OAU is likely maintain formal support f this stand. But recent deve opments suggest that the fo mal policy might then be b passed by informal dealin with South Africa to an e tent that would make the fo mal stance largely irreleva

The opening of inform "interests" offices that wo in reality function as tra and consular offices wou suit Pretoria's purposes ve well, even if not as well full diplomatic recognition.

The Department of Forei Affairs would then be ha pressed to find the funds a staff for offices in addition those it now operates in M lawi, Zimbabwe, Moza bique, Zaire, Swaziland, Le tho, Ivory Coast, Mauriti Comoros and, soon, Madag car.

Academic boycott 'still intact'

By Noel Bruyns (280) (248)

THE academic boycott against South Africa is still intact, despite the fact that academics and experts from numerous overseas countries gathered at two major conferences in the Western Cape this week.

A senior ANC official said this week that the boycott had always been against "racist South Africa, not democratic South Africa".

Thirty American lawyers attended a three-day conference on "Constitution-making in South Africa" organised by the National Association of Democratic Lawyers and the Community Law Centre of the University of the Western Cape on the UWC campus in Bellville.

At a five-star hotel in Somerset West outside Cape Town, about 150 international and local economic experts and academics held a four-day conference on economic policy and development in sub-Saharan Africa. It was hosted by the University of the Witwatersrand.

ANC NEC member Mr Aziz Pahad told SOUTH the overseas' visitors were not breaking the academic boycott as the ANC had in 1987 made a policy decision indicating that the campaign was "against racist South Africa, not democratic South Africa". South 28/3 - 3/4/91

"With the growth of the democratic forces in the late 80s, we called on the international community to continue to support nonracial South Africa."

One of the ways it did this was through international conferences overseas after consultation with the liberation movement.

"Now that all our organisations are unbanned, it would be silly to continue to have discussions overseas," Pahad said.

● **Rehana Rossouw** reports that the 30 American lawyers who attended the UWC conference see the visit as adding impetus to the sanctions debate.

Conference delegate Mr Lee Halterman, district counsel to US Representative Mr Ronald Dellums who drafted the comprehensive sanctions bill, said their trip to South Africa would "invigorate" US anti-apartheid organisations.

"For the first time, we have seen apartheid in its physical context. We have seen the disparities of resources in this country that we have only conceptualised before," Halterman said.

"It made me angry, witnessing the real pain and misery in people's lives, the human tragedy of the apartheid system."

He said their report back to anti-apartheid groups would spur them on to "remove the stain on their conscience" of US involvement in South Africa.

ANC constitutional committee member Mr Zola Skweyiya said the invitation to the US jurists stemmed from a long existing relationship with democratic forces in that country.

Sanctions crumbling

C/Pers 31/3/91 (280)

AS political changes gain momentum in South Africa, the Preferential Trade Area (PTA) and the Southern African Development Co-ordination Conference (SADCC) are in a quandary over how best to handle relations with their economically strong neighbour.

Many countries in the region are coming out of the closet and dealing quite openly with Pretoria.

Over the last year a large number of vehemently anti-apartheid governments, moved mainly by their own economic problems and interests, have changed tack.

Mozambique has held two investment seminars in South Africa Angola is working out ways of selling oil to Pretoria.

Zambia has lifted a ban on using South African trade routes, and the South African Foreign Trade Organisation (Safto) recently paid its first official call to Lusaka.

Of all the SADCC states, Zimbabwe has maintained the firmest line against South Africa.

It is however shopping around for investors too and South African companies are making discreet enquiries again.

Kenya suspended an agreement for landing rights with South African Airways following a stop in Nairobi by Nelson Mandela but President Daniel Arap Moi's short-lived retreat is testimony to the power of self-interest over political ideals.

The problem is that these countries have vehemently opposed the lifting of sanctions against South Africa

During the recent SADCC annual consultative conference in Windhoek, executive secretary Simba Makoni excused the behaviour of member governments, saying it was not SADCC policy.

But contradictions are also starting to emerge at regional level. South African businessmen attended a summit of the East and Southern Africa Preferential Trade Area (Sapta) in Mbabane, Swaziland, late last year.

But when Safto, the South African Chamber of Business and Nafcoc invited African businessmen to a conference in Mbabane recently, the PTA secretary declined to attend Swaziland's King Mswati, current PTA chairman, also failed to show up.

SADCC earlier warned the current chairman of the organisation's Regional Business Council (RBC), Malawian businessman Harry Thompson, that he could not attend the conference in his official capacity.

Last year, the Confederation of Zimbabwe Industries (CZI) invited South African businessmen to attend a regional business conference addressed by three Zimbabwean ministers at Victoria Falls.

During the SADCC conference in Windhoek, Makoni denied any SADCC participation in the Victoria Falls conference. But it later surfaced that the SADCC funded many of the delegates.

"From a business point of view," a SADCC official explained, "we are thinking of how we are going to do business with our colleagues in South Africa and we are saying that the time to think is now." He was clearly at odds with the SADCC secretariat.

Another controversy has surrounded press reports that Eskom attended a meeting of the SADCC energy sector last year. SADCC officials deny this. What cannot be denied is that Eskom is pushing ahead with plans for a regional power grid – once a SADCC dream.

Meanwhile, Transnet, South Africa's recently privatised transport parastatal, has been actively scouting out business opportunities in the region.

Regional officials take comfort in assurances by the liberation movements that a democratic South Africa will not dominate them. Analysts however caution regional organisations not to rest on their laurels. – *Southscan*

Swop the stick for the carrot

By DOUGLAS HURD, Britain's Foreign Secretary

IN recent years, for many people, Africa seems to have become synonymous with bad news – the headlines dominated by the horrors of civil wars, famine and Aids.

But good news at last, particularly in southern Africa. Namibia has gained independence. Angola and Mozambique, devastated by civil war and outside intervention, seem within reach of peace.

Now the pillars of apartheid are to be demolished in South Africa.

The latest reforms in South Africa demand a generous response. The European Community lifted its ban on new investment last Autumn. It will lift the ban on importing gold coins and iron and steel as soon as the repeal legislation is tabled.

If the reform process were to stall, the consequences would be grave. The achievements which have flowed from the co-operation between Nelson Mandela and State President FW De Klerk have been formidable.

There has been a legitimate debate over the years about the extent to which reform in South Africa was best encouraged by use of the stick, in the form of sanctions, or by the carrot of constructive engagement

Both have played a part in helping to accelerate political reform But there is now no doubt in my mind that for as long as steady and sincere steps are being taken towards an open and democratic system, the sticks should be put away and the reforms rewarded.

We have increased our aid to the black community, helping them to prepare for the time when they will play a full – and rightful – part in South Africa's body politic.

This programme began in 1979 and has expanded rapidly over the last few years to cover help with education, housing and development projects. This year we expect to spend over £8-million (about R38,4-million) – more than any other donor – plus some £4-million (about R19,2-million) as Britain's contribution to EC Aid.

A pledge of a further £10-million (about R48-million) over the next four years was announced last Spring. The major focus of the programme is education. We are financing projects in literacy, science, mathematics and English and are also providing around 1 000 scholarships for black South African students this year. We are also supporting nearly 300 community development projects throughout the country.

Rather in advance of these major developments on the political level, there has been steady progress towards integration in a number of sports. The government will work to see the sporting boycott of South Africa lifted, sport by sport, as their governing bodies become integrated.

Of course if the reform process were suddenly thrown into reverse, sanctions could be reimposed. But now is the time for encouragement, not punishment.

Nelson Mandela has called for an all-party congress to be held later this Spring to define the guiding principles for a new constitution. The South African government and the Democratic Party have welcomed it.

I hope that other leading black organisations will feel able to participate in some such process. The meeting between Mandela and (Inkatha leader) Chief (Mangosuthu) Buthelezi aimed at ending the communal violence was an important step in coming to terms with the diversity of views within the black community.

In South Africa brave men are working hard to convince their supporters to rise above the deep-rooted fears, and the understandable anger, which the injustices of apartheid have generated.

Their task is monumental. We must put our shoulder to the wheel and help them in building a new South Africa – non-racial, democratic, prosperous and liberal. –

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SANCTIONS — 1990

AUG. — ~~SEPT~~ DEC.

Boost to trade

Cape Times 1/9/90 280

PORT LOUIS. — Mauritius has approved the setting up of an office to promote trade with South Africa in a move officials said would be the first step towards establishing diplomatic ties with Pretoria.

A government statement issued after Thursday's cabinet meeting said the government was now looking into details of setting up the mission on the Indian Ocean island.

Mauritius already has sizeable trade links with South Africa. Its decision to set up a trade office follows a similar undertaking by neighbouring Madagascar — which did not previously have trade ties — during a visit there by President F W de Klerk earlier this month.

South African Airways and Air Mauritius operate four flights a week each between the two countries and some 38 000 South African tourists visited the island last year. — Sapa-Reuter

Thailand 'reviewing sanctions'

BDay 3/9/90 (280)

ZILLA EFRAT

THE Thai government is reported to be reviewing its trade relations with SA in order to expand its foreign trade.

A recent article in the Bangkok Post said the Thai Commerce and Finance ministries would ask their cabinet to lift sanctions against SA.

It quoted commerce minister Subin Pinkayan as saying it was time for Thailand to have trade relations with SA. By isolating itself from economic ties with SA, Thailand would lose an opportunity to expand its trade with SA, which was rich in minerals and raw materials, he said.

"We have to make it clear that political and trade issues should be separate. Politically Thailand is still bound to a UN resolution to sanction SA for its apartheid policy."

Many countries which had announced economic sanctions against SA had turned a blind eye to private sector trade with the country.

Subin said he would try to convince the foreign ministry that trade relations with SA would not go against Thailand's foreign policy, especially its obligation to comply with the UN resolution.

Breyer Development Services MD John Bell said at the weekend that Thailand, which had been reluctant to fall in line with the UN resolution, offered SA exporters many opportunities. In the past, SA exported to Thailand's construction, agricultural, power generation and transport sectors. Since Thailand adopted the UN resolution, some export had taken place covertly.

Thailand, which had undergone rapid economic development, was aiming to develop its industrial base to provide employment for workers displaced by increased mechanisation in the agricultural sector.

The base for industrialisation was the development of indigenous energy supplies, which included vast lignite mine developments, major offshore natural gas fields, solar power and hydro-electricity.

Bell said substantial export opportunities existed for mining equipment, especially that associated with groundwater exploration and development. Materials, wharf and coal handling equipment would be in great demand as Thailand expanded its coal production to more than 12-million tons a year during the next six years.

Thailand's purchases from the US and Japan were beginning to prove costly, Bell said. As a result, Australian manufacturers of mining and industrial equipment had selected Thailand as a major target market.

Bell said that because Australia's manufacturing costs were high, the Thai market offered SA manufacturers many opportunities.

Thailand had previously regarded SA as a reliable supplier of industrial machinery and plant suited to the needs of a developing country.

SOWETAN BUSINESS

Isolation will hit SA - Motsuenyane

Sowetan 3/9/90

THE isolation of South Africa by the world community would cripple the country economically, the Nafcoc president, Dr Sam Motsuenyane said this week.

He called on the State President, Mr FW de Klerk and the deputy president of the African National Congress, Nelson Mandela, to expedite negotiations for a settlement.

Motsuenyane said it was important that South Africa be accepted by the world, especially the African states, for the sake of economic development and trade in the subcontinent.

By JOSHUA RABOROKO

Motsuenyane also called for a ceasefire between the warring members of the ANC and Inkatha which culminated in the loss of lives of hundreds of people in the Transvaal in the past few weeks.

He was speaking after he returned to South Africa from a three-day visit to Zimbabwe where he attended the fifth meeting of Council of the Preferential Trade Area Federation of Chambers of Commerce and Industry and its seventh meeting of the General Assembly in Harare.

Seven senior management committee members of Nafcoc; vice president, Mr K J Hlongwane, S P Kutumela, Mrs ME Maponya, Mr J Mogodi, Mr V Phaahla and Mr G M Mokgoko, accompanied Motsuenyane to the conference.

The PTA for Eastern and Southern African States covers Ethiopia, Somalia, Uganda, Rwanda, Kenya, Tanzania, Malawi, Zambia, Zimbabwe, Mozambique, Comoros, Mauritius, Djibouti, Lesotho and Swaziland.

It is expected that Botswana, Zaire, Namibia and Angola will also become members.

South Africa has been excluded from the PTA because of it's abhorrent apartheid system, however, members of the African states had indicated that they might consider the country's membership if it abolished its vaxatious laws.

Motsuenyane, who led the delegation, said Nafcoc attended the conference as observers and was welcomed by the Zimbabwe deputy Minister of Commerce and Industry, Mr Moton Malinga, who said he hoped South Africans would take stock of the changing political situation in their country.

The PTA had called on countries in the region to unite and hasten the process of economic integration in the face of a continued economic decline in member countries and the integration of markets elsewhere.

He believed it was inevitable that South Africa should change its apartheid policy in order that it could be included in the sub-region's economic development.

Invited

If the country remained excluded in that development, it could be crippled economically.

Nafcoc had been invited because of its "cordial relations" with most of the African states and "we hope that these relations will be maintained in the future," he said.

He also believed that South Africa would be accepted by the members of the Organisation of African Unity (OAU) and the Southern African Development Cordinating Conference.

The PTA of Eastern and Southern African States will hold its third Trade Fair at Forest Side, Mauritius, from October 19 to 25.

NEWS NEWS NEWS CLASSIFIED

The Sowetan Classified pages are your daily helpmate.

Look at today's offerings and you will find something of interest. For example, in today's Classified you will find:

— Three weeks Perming Course R150,00
— Last 18 Houses at special price of R43 000
— A Vacancy for a Personnel Officer earning R48 000 p.a.
— Bedford Truck for sale — R13 500

and many more

S 6607

WELCOME MAT OUT FOR SA

Into Africa! SAA set to beat battle of the bulge

For 27 years, most of Africa has been virtually out of bounds to South African passport-holders. ROGER WILLIAMS reports this situation is rapidly changing, with the prospect of an even more dramatic opening up soon.

AFRICA is opening up to the South African traveller and there is a real prospect that, against the background of the Pretoria reforms, SAA will "in the not too distant future" be flying directly up Africa after having to go "round the bulge" to Europe for 27 years.

SAA started flying around the bulge of West Africa in August 1963 in an emergency re-routing of its overseas services forced by air-space bans imposed by a number of African states.

Now almost all Africa south of the Equator is accessible to South Africans.

Latest moves in the "normalising" of cross-border air services from South Africa are the start by SAA of a once-a-week service to Magadascar, the start by Air Zaire of a reciprocal service, with SAA, between Jan Smuts and Lubumbashi and the granting of landing rights at Luanda in Angola

Definite landing rights

Last month Zambia lifted its three-year ban on businessmen using South African routes for imports and exports because of Pretoria's reforms.

These are the African countries to which SAA, or airlines operating on behalf of SAA, are flying, or where South Africa has landing rights: Zimbabwe, Zambia, Zaire, Malawi, Mozambique, Namibia, Swaziland, Botswana and Madagascar, Angola, Ivory Coast and Egypt.

Zambia and Madagascar have in the past been two of the strongest advocates of Pretoria's isolation.

While Egypt has not yet opened its doors to South African tourists, South Africans on special business have been able to get into the country with South African passports. Landing rights in Cairo have stood for many years.

Increase in tourism

Rwanda has granted the airline landing rights and SAA is considering making this central African state a new destination

Leon Els, PR director of SAA, told Top of The Times there were positive indications that SAA would be able to fly directly up Africa "in the not-too-distant future".

The airline, he said, also hoped it wouldn't be long before SAA's routes to the US and to Australia would be reopened.

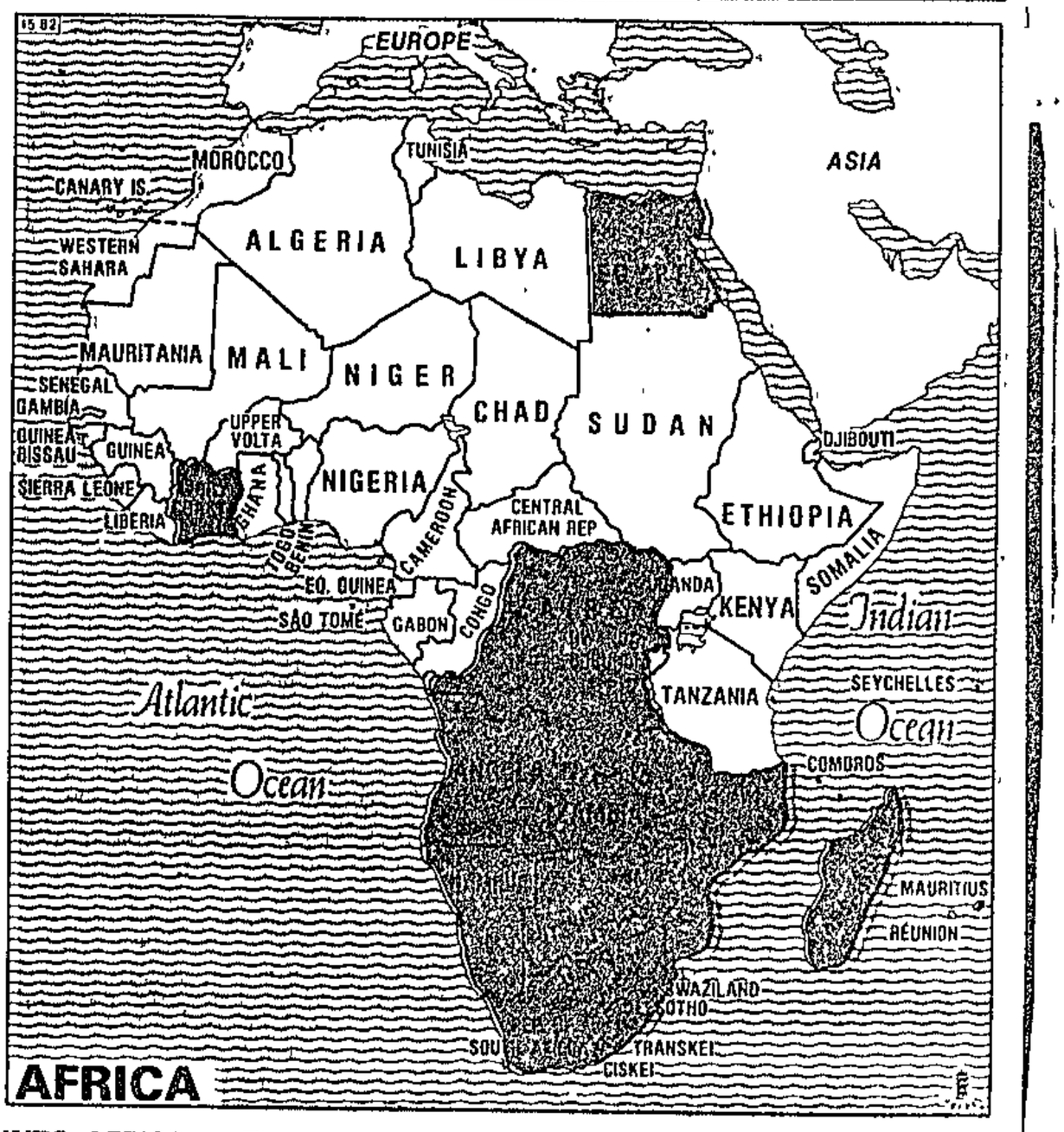
While more of Africa is opening up to the South African traveller, there has been a 54,6% increase in the number of visitors to South Africa from other parts of Africa.

Open-door policy

In May a total of 41 000 visitors came to South Africa for various reasons, mainly from Botswana, Kenya, Malawi, Mozambique, Lesotho, Zambia, Zimbabwe and Swaziland

Spencer Thomas, chief executive of Satour, said of visitors from other parts of Africa: "We have always had an open-door policy and tourists from all parts of Africa are welcome here. We are gratified to note that their number is increasing."

☐ **Spectacular train journeys in Madagascar await tourists from South Africa.**
See Page 18.



INTO AFRICA . . . The coloured part of this map indicates the extent to which the continent is opening up to South Africans. In some cases the countries are open to tourists with South African passports; in others to businessmen only or, as with Egypt, to South Africans with special business in the country.

FIM 7/9/90

LINING UP SUPPORT

280

ANC deputy president Nelson Mandela has written to US Congressman William Gray, a leading proponent of sanctions, asking him to support next month's observation mission by black business leaders to the US

"During my visit to the US," Mandela wrote last month, "I spoke of the need for greater co-operation between black South Africans and African-Americans. One of the critical areas where this type of international co-operation is vitally important to a more democratic SA is in economics and business development."

W R Consultants head Willie Ramoshaba plans to take up to 120, mostly black, business leaders on an 18-day tour of six major US cities. So far 65 people from SA and a dozen from neighbouring countries have signed up for the trip. He is putting together an 80-page, ad-sponsored book of profiles of SA black businesses to distribute abroad and at home to government agencies, corporations and foundations.

Ramoshaba says the group is not out to bust sanctions but to get acquainted with potentially lucrative US opportunities. That's why it's called an observation — not a trade — mission

The mission begins October 7 with a farewell dinner in Johannesburg. Mandela and US ambassador Bill Swing will be among the speakers. Companies are invited to attend the dinner.

In Chicago, mission members will have a chance to talk to executives of fast-food giant McDonald's. Mike Mohohlo, who's co-ordinating the trip in the US, says McDonald's is preparing the groundwork to open franchises in SA and 15 mission members are potential franchisees.

"In Washington we will deal with policy issues and how business and government interact," Mohohlo says. "The people on this trip will be expected to contribute to the debate in SA on legislation that affects business. They will come home with two bags, one full of business cards and contacts and the other full of ideas on how government and business can work together."

sterday afternoon.
Picture: STEWART COLMAN

He had operated the luxur
about 10 years.

Oil embargo 'cost SA R65 billion'

CAR. Trib 12/9/90

Own Correspondent 280

LONDON. — An attempt is to be made this week to get Middle East countries to enforce the UN oil embargo against South Africa.

This comes against the background of the mounting Persian Gulf crisis and a claim that circumvention of the embargo has already cost South Africa some $25 billion (R65 billion) over the past 11 years.

Despite the embargo, which is supported by an overwhelming majority of countries in the UN General Assembly, South Africa has always received a steady flow of crude in a "secret oil trade" — mainly from the Middle East.

These claims are made in the sixth main report by the embargo-monitoring Shipping Research Bureau.

According to bureau director Mr Jaap Woldendorp, the crisis in the gulf is unlikely to affect the flow of oil to SA.

But he told a press conference it would push up the price considerably, with SA paying "perhaps twice as much as they would have paid six months ago".

In the face of the bureau's evidence of shipments to SA emanating from six Middle East countries — all signatories of the voluntary embargo — the Anti-Apartheid Movement hopes the holes will now be plugged.

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Cohen hopeful on sanctions

Herman Cohen said yesterday he hoped the lifting of sanctions against South Africa would be easier after President de Klerk's visit to the US this month.

The United States Assistant Secretary of State for African Affairs was addressing a joint media conference with Foreign Affairs Minister Pik Botha in Pretoria.

Mr Cohen said he had been pleased to note there had been progress in the dismantling of apartheid.

Mr Botha said President de Klerk was not going to the US for the lifting of sanctions, but to convey to US leaders his vision of the future of South Africa and southern Africa.

● FW visit — Page 7

MES FEATURE

BRIGHTER SIDE OF SANCTIONS

CONTRARY to some views, sanctions have brought a few benefits to the SA economy.

As it became more difficult to export raw materials, many companies were forced to embark on added value.

The decision by specialist steel group Van Reenen & Nicholls (VRN) to follow this route about two years ago means that it is not experiencing the difficulties of a depressed international market. ST Tues 16/9/90

Chief executive John van Reenen says: "Gearing ourselves up to become a leading international player was certainly costly because interest rates were high. In the long term, however, this foresight will yield attractive returns."

VRN International has secured guaranteed monthly orders of R1,5-million for the next 12 months. The two large contracts were secured a few months ago.

The first is to supply steel for a bridge in Houston and the second for a large equipment manufacturer in Belgium.

Apart from this, there appears to be considerable demand for processed steel here and abroad. The incentive is the cost saving in buying processed steel. Considerable savings can be achieved in stockholding costs, labour and funding sophisticated machinery.

But there are problems in the world market because of the historical unreliability of some SA companies.



JOHN VAN REENEN ... foresight brings returns

Mr Van Reenen says: "We find it can take a lot of time and effort to convince new clients that we have the infrastructure to compete in service and quality.

"There is much room for enhancing the overall image of SA industry abroad. In the past few months, business dealings abroad have become much more open. It appears there is a genuine wish to welcome SA companies as trading partners once more."

Inroads

Mr Van Reenen warns that this could be short lived if service is not maintained.

"South Africans still have to work extra hard for orders, but if the price is right and the infrastructure exists to provide good service, we can make great inroads in the international market."

Exporters have many hurdles to overcome and companies should not rely too much on Government export incentives, says Mr Van Reenen.

American attitude to sanctions softening

18/9/90

By Derek Tommey

The Sheraton Hotel group has earned a place for itself in South Africa's economic history.

In what appears to be confident anticipation that US sanctions will shortly be lifted, it has opened an office in Johannesburg to handle sales and reservations.

This is a milestone event as it makes the Sheraton group, as far as it is known, the first American organisation to come to South Africa since the US Congress passed the 1986 Comprehensive Anti-Apartheid Act (CAAA) and imposed stringent sanctions on business dealings with South Africa.

Until now the traffic has always been in the other direction — out of South Africa.

Mike Prager, Sheraton's director of marketing for Africa and the Indian Ocean, says the new service demonstrates the importance Sheraton places on South Africa and Africa's growing economic significance.

Sheraton operates 500 hotels in 64 countries and has nine hotels in sub-Saharan Africa and on Indian Ocean islands.

But Sheraton will have to hold back on building hotels in South Africa while Washington's sanctions remain in force, says a company official.

How much longer will Sheraton have to wait before this happens?.

It may not be long, says Wayne Mitchell, executive director of the American Chamber of Commerce in South Africa.

He believes South Africa will have complied with all of the preconditions required for the lifting of the CAAA by early next year.

The US government will then be in a position to ask Congress to repeal the Act.

Mr Mitchell says there has been a marked increase in the number of American businessmen visiting South Africa recently.

Examining prospects

Most were from companies which had not operated in South Africa. Those companies which had pulled out had shown no desire to return.

The visitors were mainly interested in examining prospects for starting manufacturing projects to serve South Africa and the sub-continent.

However, unrest and violence have tended to reduce their enthusiasm for investing, says Mr Mitchell.

But some said they might return when conditions were more peaceful.

Mr Mitchell warns that lifting sanctions would not automatically lead to a huge inflow of foreign investment capital.

South Africa is facing strong competition from Eastern Europe, which industrialists believe has a promising and peaceful future, he says.

Suggestions have been made that the visit by State President FW de Klerk to the US next week might lead to South Africa gaining renewed access to the IMF and the World Bank.

But Finance Ministry officials in Pretoria do not think this likely.

South Africa has two barriers to overcome before this can happen, they say.

One is the Bretton Woods Amendment Act, which prevents the American director on the IMF board from approving IMF loans to any country supporting apartheid or communism.

But even if South Africa were to surmount this hurdle, it would still face the barrier put up by the CAAA, which prohibits American citizens from voting on or approving any loans to South Africa — effectively blocking access by South Africa to the two institutions.

However, to some extent the question of IMF and World Bank loans to South Africa is academic.

South Africa is running a fairly large balance of payments surplus and therefore has no need for IMF funds, Finance Ministry officials says.

Since South Africa is classified as a developed country, it is not entitled to soft loans from the World Bank.

In any event, it seems the World Bank believes that in normal circumstances South Africa is quite capable of obtaining all the loans it needs from commercial sources

But renewed access by South Africa to the IMF would have one important benefit, officials say.

Foreign confidence

It would increase foreign confidence in South Africa's ability to maintain the external value of the rand and could encourage investment.

The Chamber of Mines has recently been telling the British House of Commons Foreign Affairs Committee that economic sanctions have cost South Africa R40 billion.

Based on a population of 30 million, this works out at a loss of R1 300 in goods or cash for every man, woman and child living in this country.

The chamber says in its latest newsletter tht although the influence of sanctions should not be over-emphasised, they have had economic and political consequences

Some of SA's oil reserves will be sold if embargo is lifted, says Barend

PARIS — Some of SA's oil reserves would be sold internationally if the oil embargo were lifted, Finance Minister Barend du Plessis said in an interview with the French daily Le Figaro yesterday.

He said SA had built large crude oil reserves worth several billion rands before sanctions were implemented, Reuter reports.

National Energy Council (NEC) manager (energy administration) Pieter Jacobs said in response to the report that it was hoped the oil embargo would be lifted as early as next year.

B 10am 21/9/90

NEIL YORKE SMITH reports Jacobs said SA was working with international parties towards ending the embargo.

A spokesman for a leading oil company said by selling oil reserves SA would effectively be raising foreign capital at no expense to foreigners.

"The concept represents a very innovative approach to breaking the logjam on sanctions. Because the price at which the reserves were acquired is lower than current oil prices, the sale of reserves would give a substantial boost to our capital account."

SA had been stockpiling oil reserves since 1960, Jacobs said.

"If some of these reserves were used to offset imports, the balance of payments will benefit substantially — especially considering recent oil price increases."

But Jacobs stressed SA would not deplete strategic oil reserves unless faced with a serious shortage.

Du Plessis said in his interview with Le Figaro that "when the oil boycott against us is lifted, we will begin to reduce these reserves down to a more normal level for a country like ours. That could immediately bring in foreign currency, so necessary for our economy."

He said the argument for sanctions was no longer valid because of recent moves to dismantle apartheid.

"What we have done as of now is irreversible and the sooner sanctions are lifted the quicker economic growth will increase," he said.

Sanctions and SA's need to service foreign debts to European banks and the IMF, had restrained growth and resulted in higher unemployment, Du Plessis said.

SA's external debt stood at about R18bn, Du Plessis said. This represented 76% of export income compared with the 178% experienced in 1985, he added.

SA's annual economic growth would be limited to 2,6% as long as the country was denied access to international funding, he said. The population was growing at about the same rate.

"Disinvestment has not had any impact as regards technology — it's always possible to acquire that." But the departure of foreign firms had led to a shortage of skilled personnel, both in high technology and management, he said.

● See Page 3

Argus 21/9/90 280

SA sanctions move

Cuba wants arms ban enforced, cites UN action over Iraq

The Argus Foreign Service

NEW YORK. — Cuba has proposed that the United Nations Security Council tighten the arms embargo against South Africa, the only mandatory measure on the world body's books until sanctions were ordered against Iraq following the invasion of Kuwait.

Diplomats said the move was a response to complaints by some African and other Third World states that the council was lax in enforcing observance of the 13-year-old resolution against South Africa, in contrast to its extraordinary diligence in the Iraqi case.

A resolution extending the Iraqi embargo to include air traffic is expected to be adopted within a few days — the eighth council resolution since the invasion and occupation of Kuwait on August 2.

Delegates said today that Cuba had circulated the text of a proposed questionnaire that would require all UN members to report to the council on legislative, enforcement and other measures undertaken by them to ensure respect for the ban on arms shipments to South Africa.

They said this would be considered in the first instance by a sanctions committee of which Malaysia was chairman.

Look for loopholes

The Cuban proposal would have committee chairman Mr Razali Ismail issue a statement reaffirming the need to increase the effectiveness of the arms embargo and to revitalise the committee's operations "with a view to properly discharging its mandate".

Under the proposal, the committee would look for loopholes in implementation of the embargo and receive suggestions by governments and international institutions on ways and means to make the ban efficient and effective.

With members still preoccupied with the Gulf crisis, delegates said they did not expect there would be serious consultations about the Cuban move for at least a week or two.

The arms embargo against South Africa was imposed while Mr Jimmy Carter was the US president and the resolution approved by the council was largely the work of his UN representative, Mr Andrew Young.

Several Third World members have remarked privately that while the US has been pressing all governments to take stringent measures against Iraq, it never showed a comparable zeal in South Africa's case.

'No moral basis for sa

SA committed to end apartheid – Du Plessis

LONDON — The moral basis for sanctions against South Africa had disappeared with the Government's irreversible commitment to end apartheid, Finance Minister Barend du Plessis said in London yesterday.

Those still calling for the maintenance of sanctions such as the ANC/SA Communist Party alliance, were doing so purely for their own party political advantage, he told a meeting of the Confederation of British Industry (CBI).

The ANC/SACP alliance was implying that international sanctions should only be lifted when they said so.

"It is unfair (of them) to deprive the masses in South Africa of (the benefits of) a higher economic growth."

Mr du Plessis has been addressing a series of meetings dealing with investment prospects in the country, with businessmen, financiers and politicians in Europe on his way to the International Monetary Fund (IMF) meeting next week in the United States.

Mr du Plessis said when he referred to sanctions, he was talking more specifically about blocking South Africa's access to IMF facilities.

He said an analysis of the origin of sanctions showed a simple equation — that sanctions equalled apartheid.

"When apartheid disappears, certainly it can be correctly argued that the moral basis of sanctions also disappears.

"The SA Government has committed itself over and over to the abolition of apartheid, so we can correctly cross out the (sanctions) side of the equation.

"The moral basis for sanctions has now disappeared."

The only remaining argument now was that protagonists of sanctions were waiting to see that what was happening was really irreversible.

Immoral

"The Government is committed irreversibly to a certain course of events ... Irreversible from the point of view that we have decided, in the process of evaluating our former policies, which we found could not be executed ... That our moral basis for continuing them has also dropped.

"To argue that we may go back on our policies and revert to those currently being expounded by the Conservative Party is to accuse President de Klerk and the NP of choosing to go back to a stance which we ourselves have found to be immoral."

Opening the National Party membership to all races was also a standpoint based on moral considerations and equally irreversible.

"It should be quite clear that if the ANC or any other political grouping in South Africa continue to use the sanctions card, they have no moral basis to do it.

"The only reason that they are using it ... is for party political, or group interests.

"We believe that is unfair to deprive the masses in South Africa of a higher economic rate of growth ... which will be able to begin to address their pressing needs."

Mr du Plessis warned that the country could continue for 'a long time under the sanctions currently in effect, but only through structural adjustments at an average growth rate of 2,6 percent annually. — Sapa.

End to R40bn sanc

By TOM HOOD
Business Editor

BUSINESSMEN see President De Klerk's visit to the United States this weekend as the key to lifting the crushing weight of economic sanctions which have cost South Africa an estimated R40 billion.

A number of foreign companies that withdrew from South Africa have already indicated that they are making moves to return.

"By December I believe there will be a total change in sanctions pressure after Mr De Klerk's visit," said Mr Raymond Ackerman, chairman of the Pick 'n Pay group, who returned from an overseas business trip recently.

"Since February 2, we have all undergone enormous changes but I remain very confident of the future direction of our country," Mr Ackerman said this week.

"I have given many speeches both internally and externally over the past six months and I am most encouraged by the reception from overseas businessmen, both industrialists and retailers, regarding the changes that have been made in South Africa."

Two suppliers who withdrew from South Africa had met Mr Ackerman to consider investing back in this country and he had hosted three retailers who decided to buy South African produce and goods and put them on European and British shelves again.

"One was here in a big way and baled out. The other had investments here but not under its own name."

One of the companies returning was Heinz, said Mr Ackerman, who declined to name the others.

French, Belgian and British retailers were buying South African goods and putting them back on their shelves after taking them off years ago.

Two big foods companies, American and French, had asked Mr Ackermanm to fix up meetings with financiers.

"South Africa is coming back into the international fold and is more accepted than it has been in the past 40 years," said Mr Ackerman.

"The unrest in South Africa is hopefully a temporary feature and I feel that the confidence that business must show, both to its own people and externally, is of crucial importance in the years if not the months ahead.

Vibrant economy

'South Africa can become a giant in this continent let alone in the world, if we can find a political solution and build a vibrant economy."

Mr Ackerman said "one's mind boggles" at the opportunity that could come if the Olympic Games were held in South Africa in the year 2000 — which was a distinct possibility.

"Not only would this boost the morale of the country, not only would it unify our people with a common ideal, but the economic development and infrastructure that it would bring would have unheralded possibilities which we must embrace with all the enthusiasm and confidence we can muster."

Mr Tony Farr, managing director of Safmarine, said yesterday Safmarine's container ships had carried record cargoes of Western Cape fruit to Europe this year.

Major British supermarket chains such as Sainsburys were openly displaying South African goods on their shelves

See page 7

New passenger liner to UK

Business Editor

PASSENGERS can sail from Cape Town to Southampton again — in luxury cabins on Safmarine's container ships.

The shipping line ended its passenger mailship service in 1977 with the sale of the Astor in 1988.

This week it returned to the passenger business, running a scheduled service of 32 voyages a year each way.

It has converted officers' cabins into five luxury five-star suites on the 55 000-ton "Big Whites", as the four French-built ships are known.

One-way fares are $1 400 (about R3 600) a person for a two-berth cabin and $1 700 (about R4 370) for a two-berth suite.

However, fares, like other shipping costs, could be affected by rising oil prices, says managing director Mr Tony Farr.

The shipping line is budgeting for a profit with a 75 percent occupancy over the year.

BUSINESS PERSONALITIES OF THE WEEK
Sight
FOR SALE

'No moral basis

SA committed to end apartheid – Du Plessis

LONDON — The moral basis for sanctions against South Africa had disappeared with the Government's irreversible commitment to end apartheid, Finance Minister Barend du Plessis said in London yesterday.

Those still calling for the maintenance of sanctions, such as the ANC/SA Communist Party alliance, were doing so purely for their own party political advantage, he told a meeting of the Confederation of British Industry (CBI).

The ANC/SACP alliance was implying that international sanctions should only be lifted when they said so.

"It is unfair (of them) to deprive the masses in South Africa of (the benefits of) a higher economic growth."

Mr du Plessis has been addressing a series of meetings dealing with investment prospects in the country, with businessmen, financiers and politicians in Europe on his way to the International Monetary Fund (IMF) meeting next week in the United States.

Mr du Plessis said when he referred to sanctions, he was talking more specifically about blocking South Africa's access to IMF facilities.

He said an analysis of the origin of sanctions showed a simple equation — that sanctions equalled apartheid.

"When apartheid disappears, certainly it can be correctly argued that the moral basis of sanctions also disappears.

"The SA Government has committed itself over and over to the abolition of apartheid, so we can correctly cross out the (sanctions) side of the equation.

"The moral basis for sanctions has now disappeared."

The only remaining argument now was that protagonists of sanctions were waiting to see that what was happening was really irreversible.

Immoral

"The Government is committed irreversibly to a certain course of events ... Irreversible from the point of view that we have decided, in the process of evaluating our former policies, which we found could not be executed ... That our moral basis for continuing them has also dropped.

"To argue that we may go back on our policies and revert to those currently being expounded by the Conservative Party is to accuse President de Klerk and the NP of choosing to go back to a stance which we ourselves have found to be immoral."

Opening the National Party membership to all races was also a standpoint based on moral considerations and equally irreversible.

"It should be quite clear that if the ANC or any other political grouping in South Africa continue to use the sanctions card, they have no moral basis to do it.

"The only reason that they are using it ... is for party political, or group interests.

"We believe that is unfair to deprive the masses in South Africa of a higher economic rate of growth ... which will be able to begin to address their pressing needs."

Mr du Plessis warned that the country could continue for a long time under the sanctions currently in effect, but only through structural adjustments at an average growth rate of 2,6 percent annually. — Sapa.

Sanctions argument is crazy — Waldegrave

B10 cutup 24/9/90

TIM COHEN

280

THE argument that sanctions still had a role to play in SA's transition period was "crazy", British Minister of State in the Foreign Office William Waldegrave said at the weekend after a three-day trip to SA.

Waldegrave said just before returning to the UK that the transition was going to be very difficult politically, and to add economic pressures which would put more people out of work seemed "very foolish".

He added that sanctions were becoming a thing of the past and noted that trade relations had been established with Hungary and that an Italian trade mission had been established.

But the sanctions that mattered were the self-imposed sanctions in the form of the instability inside SA, Waldegrave said.

"But we will continue to argue with our colleagues in the European Community they must recognise that SA has gone through a total revolution, and I think a growing number are beginning to recognise that."

On the recent wave of township violence, Waldegrave said SA leaders had come to the brink and seen how rapidly things could get out of control.

"I believe that there will now be a renewed serious effort on the part of leaders because they have looked over an abyss where there could have been no such thing as a political settlement at all.

Waldegrave, on his first visit to SA, said although the country was going through a dangerous and unpleasant time, he left with a very positive feeling that the principal leaders were wholly committed to the negotiation process.

"There is real underlying cause for hope."

Waldegrave had meetings with his SA counterpart Deputy Foreign Affairs Minister Leon Wessels, Foreign Minister Pik Botha, Constitutional Affairs Minister Gerrit Viljoen, President F W de Klerk, ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi.

African nations will oppose any end to sanctions

Star 24/9/90

280

WASHINGTON — A senior African official at the International Monetary Fund (IMF) says African countries will not support lifting of economic sanctions, even if a lead is taken by the US.

Lengolo Monyake, alternate director on the IMF's executive board, says African states will work to keep up pressure on South Africa until apartheid has been completely eradicated.

Mr Monyake, who hails from Lesotho, represents a grouping of 18 mostly English-speaking African countries on the executive board, the ultimate decision-making body of the agency.

There has been some speculation, in anticipation of President FW de Klerk's visit to Washington, that US President George Bush might reward SA for recent reform moves with a partial lifting of sanctions, including lifting its veto on access to IMF facilities.

While the US carries about 20 percent of the voting rights on the IMF board, a concerted effort by developing countries could still swing the decision.

"The countries in our constituency would certainly object to the lifting of sanctions at this stage because many believe that the reform process can still be reversed," says Mr Monyake.

"We are certainly encouraging the current process, but we must be sure that the political groupings we have supported for such a long time achieve their aims," he says.

IMF and World Bank

SVEN LUNSCHE



Mr Monyake is enthusiastic about a future Southern African economy involving a post-apartheid South Africa.

"I can see a really bright future for Southern Africa, with South Africa playing an important developing role on the subcontinent."

He sees market-oriented strategies as the best way of ensuring sound economic growth in the region.

"One should believe that having unsuccesfully experimented with command economies, a free-market system would be the option chosen by most governments," he says.

Detailing plans for economic co-operation in the region, Mr Monyake says they will only succeed if there is an equitable distribution of resources.

"If South Africa tries to assert its economic might, it will inevitably result in a failure of the scheme."

He suggests that the Southern African Development Co-ordinating Committee (SADCC) be used to facilitate economic co-operation.

"The focus of the organisation will obviously have to shift away from reducing its reliance on South Africa to one of mutual assistance, but the organisational structure of SADCC enhances the chances of its success," Mr Monyake says.

While stressing the need for equal partnership within SADCC, he admits South Africa will have one of the most important roles to play because of its abundance of technical and industrial skills.

"Already the economic ties of SA and its neighbouring countries are strong, although governments have been cautious about bringing these relations into the open."

He emphasises a post-apartheid South Africa's role in Africa by saying SA could be re-admitted to the executive board of the IMF as part of the African grouping.

Previously, SA was placed in a group comprising, among others, Australia and New Zealand.

Mr Monyake is, however, critical of the role played by the Development Bank of Southern Africa, which has recently sought to expand its role as a financier of projects beyond South Africa's border.

He admits that one or two countries are making use of the bank's facilities, but points out that many states in the region are critical of its role in financing developments in the homelands.

"A number of countries are critical of the bank's intentions and, if it wants to play a role, there will have to be a restructuring of its functions,' says Mr Monyake.

Unemployment 'a key factor' in violence

B Times 25/9/90

SANCTIONS-induced unemployment among young black school leavers was "maybe the major factor" behind communal and tribal violence in townships, Harry Oppenheimer said yesterday in New Orleans, Louisiana.

Oppenheimer received a gold medal from the Mining and Metallurgical Society of America at the opening luncheon of the American Mining Congress. The award is made annually to an outstanding individual in the minerals industry.

"Are sanctions working? I would say to you that they certainly are and that they

RIAAN SMIT

are bringing great pressure on the SA government and all South Africans."

SA's exclusion from international sources of loan finance had turned a developing country, which would have normally attracted substantial investments, into a capital exporting country. This made it necessary to enforce a restrictive fiscal and monetary policy.

This in turn placed "highly undesirable" limitations on the sums of money that could be made available for education, for housing and for the whole infrastructure of the country and imposed indirectly "a very great reduction" on the total level of employment that was available.

"In the nature of SA society, this unemployment hits black rather than white South Africans." (280)

While the killing in the townships continued, it was obvious that the difficulties in the way of negotiating a peaceful solution were greatly increased.

"For this state of affairs there are many reasons: ethnic, historical and political.

☐ To Page 2

Unemployment

B Times 25/9/90

☐ From Page 1

But I do not think that any serious observer would deny that unemployment among young black school leavers is a major, maybe the major factor, behind these deplorable events."

Oppenheimer said in spite of all the misery and violence in SA and southern Africa there was light at the end of the tunnel. Apartheid and Marxism were both in a state of terminal decay and there seemed to be a chance of building democracy, freedom and prosperity in the region.

What was needed was not a continuation of pouring money into African countries. "What the new southern Africa needs is private investment which stands up to examination on the solid basis of calculation of profit and loss," he said.

Sanctions — just a perverse sign of faith in SA's future

SIMON BARBER in Washington

THE other day I was invited with several other journalists to have lunch with a senior Romanian official. The person who arranged this evidently believed that my association with SA made me something of an expert on pariahs and how they should handle themselves in Washington.

It immediately became clear that, even in the doubtful event that the removal of the Ceaucescu family was the genuinely democratic revolution its successors claimed, the new regime was going to find the going tough in these parts.

On learning that one of my fellow invitees had grown up in Nazi Germany, the Romanian exclaimed with hearty approval: "Ah, you are an Aryan." He followed this up by stating with immense pride: "I am pure Caucasian," adding, even more proudly, that he had recently been told by a counterpart from Botswana that he could easily be taken for a member of the SA Cabinet.

From this point on any and all advice on how he might win friends and influence in this town became pretty academic. Nonetheless, we soldiered on.

He was convinced (no doubt with encouragement from some high-priced Washington lobbying firm) that if only the US Congress and administration could be persuaded to restore Romania's most favoured nation trading status and ease various sanctions imposed when the country was Ceaucescu Inc, US investment would start flooding in.

To test his thesis, I asked him to what extent the restrictions were being evaded or otherwise finessed as this might provide an interesting barometer of US capital flows once Washington stopped standing in the way. If, as I suspected and he tended to confirm, there was little evasion, it would suggest that investors did not find Romania a particularly attractive bet to begin with and that the easing of restrictions was unlikely to make much difference.

I returned to my goulash and suddenly began to feel a new optimism about SA.

In all the ink that has been spilt on the viciousness of the Comprehensive Anti-Apartheid Act (CAAA) and other such efforts to "bring Pretoria to its knees", one blindingly obvious point has been overlooked: the attempt to isolate SA from the global economy has required heroic exertions, and the only time it ever began to look like succeeding was in the mid-1980s when President P W Botha appeared to join the crusade himself.

Whatever obstacles the sanctioneers tried to throw in the way, the world still wanted to do business with SA.

American companies have not spent millions of dollars trying to improve the living conditions of their black employees purely out of the goodness of their hearts. Such expenditures, plus the considerable sums spent on lobbying back home, are investments — capital risked in expectation of future returns.

One reason the anti-apartheid campaign has become a substantial industry is the sheer obstinacy of capital when it sees a good thing.

The CAAA and its new investment ban, the Rangel Amendment denying US firms credit for taxes paid in SA, the Gramm Amendment restricting SA's access to the IMF, the great array of state and local laws that seek to penalise companies for trading with SA — all exist not simply because politicians were under pressure from a vocal minority to do something about apartheid, but also because US businessmen had too much faith in SA's future and therefore had to be dissuaded from their natural proclivities.



☐ DE KLERK . . . the correct approach.

You do not, after all, write legislation to prevent people doing things they would never have dreamt of doing in the first place.

The mere fact that SA has attracted so much law is thus a sign, albeit it a perverse one, of how the marketplace views its prospects. Equally indicative is the degree to which business, having failed to block the restrictions, has been willing to pay the additional costs they impose on dealings with SA.

This strongly suggests that however much one is pessimistically inclined to think otherwise, SA will not be lightly written off by the rest of the world.

To the contrary, the enthusiasm with which its delegation was privately greeted at the IMF and World Bank this week suggests its allure is stronger than ever.

Both the fund and the bank are straining at the politically imposed leash to get back into the country, not only for its own sake but to help save the rest of the continent.

What this says is that in the real world — as opposed to the realm of political posture — the serious players by and large put little store by the ideological ramblings of the ANC and its allies. They do not fear nationalisation and mass expropriation because they are confident that these things simply will not happen in any but the most symbolic fashion.

Such confidence is born of the conviction that reality is normative, which is to say that the ANC, like Sam Nujoma, will ultimately be obliged to face facts. Indeed, stealthily, it is probably already doing so.

Stealth is the key word. The ANC can be expected to come round in very much the same way as the Nationalist government pre-F W de Klerk, officially ratifying the death of its previously cherished tenets once the bodies are cold rather than pre-emptively killing them. Given the pressures it faces from its constituents, it has little choice.

The process will inevitably be protracted and unpleasant, but just as it was unwise of Western governments to beat up on Pretoria so vehemently in the '80s — thus triggering the Nationalists' most recalcitrant tendencies — so, perhaps, would it be rash to demand too much of the ANC too vociferously.

It, too, could benefit from a little constructive engagement. As it begins to sink in that even African governments — Nujoma's among them — are appalled by what its economic and political agenda could mean for their own chances of development, it will come round.

If the maintenance of sanctions helps its leadership make the necessary concessions on other issues, fine, let the outside world say sanctions are still its policy, and then, in the manner of Pretoria's attitude to the Group Areas Act, simply not implement them with any vigour and thus lower the cost of resisting and evading them.

This, I suspect, is how the process will play out anyway. De Klerk has come here expecting no big bang in terms of sanctions repeal. Rather he is seeking to bolster the market's underlying belief in SA's future — a belief that made sanctions the rather feeble weapon they were from the outset. That is the correct approach.

Reforms now irreversible – Bush

FW bids for early end to sanctions

Star 25/9/90 (280)

By Peter Fabricius, David Braun and Tos Wentzel

President de Klerk and Foreign Minister Pik Botha have sent out clear signals in America that the last vestiges of apartheid and the state of emergency will be gone within six months — thus ending American and European sanctions.

The most significant sign of a breakthrough came yesterday with President George Bush acknowledging that the process of reform in South Africa was now irreversible

On Ted Koppel's "Nightline" programme on American television early today, Mr de Klerk said the Government was in a hurry to take steps which would result in the lifting of US sanctions

US Assistant Secretary of State for African Affairs Herman Cohen said Mr de Klerk did not raise the question of sanctions Instead, Mr Bush asked him when he thought this could be done.

Encourage

Mr Botha answered the question Speaking at a press conference after meeting Mr Cohen, Mr Botha indicated SA could meet the conditions during the first half of next year He indicated that only the Population Registration Act — which remained part of the present constitutional system, would still remain in place

Mr Bush agreed that [illegible] process in South [illegible] sible and said the held Act would be imp[illegible] written. It would not be re-interpreted The goalposts, he said, would not be shifted

Mr Cohen said President Bush also indicated to Mr de Klerk that he would examine how the US and its European allies could move together to encourage the reform process in South Africa

This was clearly interpreted by Mr Botha as a strong signal to the EC that it should lift its sanctions

The key conditions for lifting EC sanctions is evidence that reform in SA is irreversible

Addressing a media conference in Washington, Mr Botha confirmed that the greatest prize from yesteerday's White House meeting had been Mr Bush's acceptance that the reform process was irreversible

Mr Bush also gave an indication he understood the US government could not lift sanctions because of the legal prerequisites which had to be met in terms of the Comprehensive Anti-Apartheid Act of 1986.

But the steps required by the law were going to be taken in any event, so the stage would be reached when sanctions could be lifted

Pressed for a time scale by Mr Koppel, the President said "we are in a hurry" Some of the steps, such as the repeal of discriminatory legislation, would be dealt with early in 1991. Other steps could be dealt with before then

The state of emergency in Natal was being constantly monitored and it would be lifted as soon as it was safe to do so

Mr de Klerk also gave Mr Bush the assurance that the last whites-only election had taken place

● The ANC said today that President Bush's description of change in South Africa as irreversible was premature

ANC spokesman Gill Marcus said in Johannesburg that everyone in South Africa knew that the changes which had so far taken place were not irreversible Apartheid was still alive and there was a long way to go

● 'We won't move goalposts'

— Page 3.



Solemn moment . . President de Klerk lays a wreath at the Tomb of the Unknown Soldier at Arlington National Cemetery in Virginia yesterday. He then paid an unexpected visit to the graves of President John F Kennedy and Senator Bobby Kennedy. ● Picture by Reuter.

Protest fizzles ou

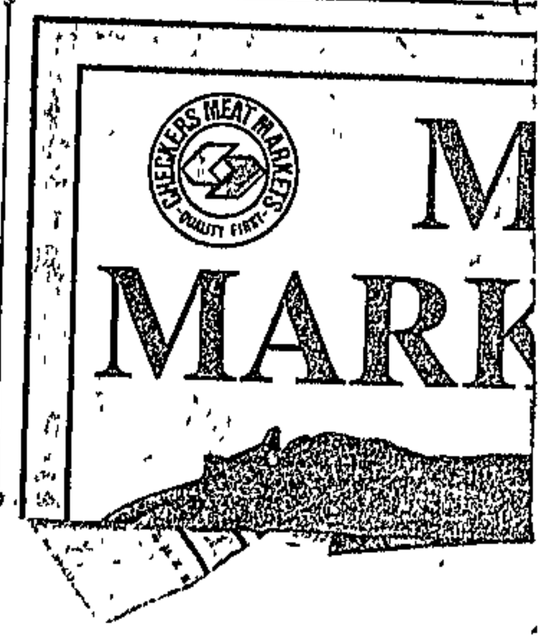
By Tos Wentzel and David Braun

WASHINGTON — A crowd of b[illegible] tween 200 and 300 demonstrato[rs] staged a protest outside the Whi[te] House while President de Kler[k] was meeting President Georg[e] Bush yesterday

The crowd carried posters den[oun]cing the meeting and chante[d] "Get the murderer out of the Whit[e] House" and "Freedom now"

The organisers of the protest ha[d] hoped for a larger crowd and th[e] participation of leaders such as th[e] Rev Jesse Jackson

Mr Jackson was not in evidence however, and when Mr de Klerk left the White House at 2 pm, th[e] protest had fizzled out completely.



East is opening up for SA — Lombard

WASHINGTON — The East is opening up to SA, says Reserve Bank Deputy Governor Jan Lombard.

He and James Cross, who is in charge of gold and foreign exchange at the Bank, have just completed a seven-day visit to Hong Kong, Taiwan and Japan.

Lombard says attitudes towards SA are normalising. "People are relaxed in talking to us, and are very interested in the events in SA."

People are waiting to see what economic possibilities arise after reforms, although the Taiwanese are continuing their investment, which they regard as an important part of their portfolio.

The purpose of the visit was to study the marketing of gold in the Far East and to determine the nature of the demand for gold. B\Dem 26/9/90

Cross says gold demand has increased in Singapore, but physical and investment demand in Hong Kong and Tokyo is low.

He says that traditionally a price of less than 1 800 yen a gram means buyers in Tokyo; but when the price reaches 2 000 yen, they turn sellers.

"Now it has been hanging around 1 800 and going lower, and there has not been much investment demand."

Cross says the Tokyo commodity market Tocom, begun in 1982, is likely to play an increasing role as a bullion market in the future.

The lifting of restrictions enabling foreigners to buy on the market has increased its importance.

Lombard says the fact that Taiwan is lifting restrictions on the import and export of gold is important.

While sanctions still apply, and Far East countries visited by Lombard and Cross are abiding by these, there are indications of some easing.

In Hong Kong, for instance, the Ministry of Finance has allowed some relaxation of voluntary sanctions.

Sanctions must remain, Tutu tells US

KANSAS CITY. — Archbishop Desmond Tutu hailed the meeting between President F W de Klerk and President George Bush, but said economic sanctions should remain until apartheid was abolished.

The archbishop, in this central US city to receive an honorary university degree, said the meeting was "movement in the right direction".

But there was much to be done before SA's problems could be solved. "I would hope that he (President De Klerk) would be told to get on with the business of negotiations."

He applauded the SA president's initiatives to chip away at the system of racial segregation. But it had been economic sanctions that eventually forced Mr De Klerk to move towards abandoning apartheid, and it would be sanctions that would end white rule.

"But mercifully, you do have legislation in place that has detailed the kind of criteria that have to be met before any lifing of sanctions can take place."— Sapa-Reuter and UPI

● Picture — Page 4

Sanctions cost 50 000 jobs in our collieries

Sowetan 26/9/90

280

SANCTIONS were placing great pressure on the South African Government and all South Africans, mining magnate Mr Harry Oppenheimer told the Mining and Metallurgical Society of America in New Orleans yesterday.

The former chairman of the Anglo American Corporation was presented with a gold medal by the society for his achievements in the mining industry.

In his acceptance speech, released in Johannesburg, he said he was often asked in the United States whether sanctions were working. He believed they certainly were.

"The direct ban on the export of many South Africa products and, much more importantly, the cutting of normal banking relationships between South Africa and the rest of the world, is a major cause of the unemployment problems we are facing."

He said it had been reliably calculated that sanctions has reduced the potential employment in the coal mining industry alone by 50 000 jobs and similar restrictions on exports across the board must obviously have multiplied that figure.

Capital

South Africa's exclusion from international sources of loan finance had turned a developing country, which would normally have attracted substantial importations of capital funds, into a capital exporting country.

The resultant restrictive fiscal and monetary policies placed highly undesirable restrictions on the sums of money that could be made available for education, housing and infrastructure.

The reduction in the level of employment hit black South Africans harder than whites by virtue of the nature of the society.

"The black townships are now the scenes of grave communal and

Reasons

"While this continues, it is obvious that the difficulties in the way of negotiating a peaceful solution to our political and social problems are greatly increased."

He said there were many reasons for this state of affairs, ethnic, historical and political, but unemployment among black school leavers was perhaps a major factor behind these "deplorable events".

"What else could one expect when thousands of youths without jobs, without training, without real hope, roaming the streets deeply conscious of the injustices they have suffered in the past and entertaining as a result of the changes that are taking place, vast unformulated and often quite impractical visions of the future."

The sanctions policy also bore a considerable responsibility for this situation. Sanctions were working, but whether they would result in further and faster movement forward, or in a retreat back into the laager, was something still to be seen.

Tricky

Oppenheimer said in these circumstances the question as to whether sanctions were wise or right was difficult to answer.

"For here we have to think in terms, not of figures, but of opinions, not of solid facts, but of political interests, not of hard calculations but of issues of personal morality."

He said he was therefore reluctant to involve himself in "these highly emotional matters".

Supa



OPPENHEIMER

Ackerman makes 'Help us' call to world leaders

Sowetan 26/9/90

280

LEADING South African businessman Raymond Ackerman, in a veiled appeal, yesterday urged the international community to lift economic sanctions against South Africa to speed economic recovery.

Ackerman made the call in a speech at the Gottlieb Duttweiler Institute conference "Co-operation: The Future of Trade In Tomorrow's Europe" in Zurich. The speech was made available to Sapa in Johannesburg.

"By actively encouraging economic growth, they (international community) can advance the process of peaceful transition to a viable democracy," he told the conference.

"For all our efforts, and successes, in South Africa we know that - ultimately - it is the northern or liberal democratic countries who hold the key to our future," he added.

He warned European governments that neglect or apathy towards South Africa would fuel "conflict and economic destruction, not only in South Africa, but elsewhere in our troubled continent".

Latest projections by South African economists indicated economic growth for this year would be just under two percent.

Ackerman also said miracles had been expected of ANC leader Nelson Mandela. He urged patience as the ANC and government thrashed out issues for a negotiated settlement.

"Too many people expected overnight miracles from Mr Nelson Mandela. He is under unbelievable pressure.

"Every word, every syllable, the man utters is meticulously analysed for hidden innuendo, concealed intent and possible hints of policy changes or new directions. To my mind, this exacerbates uncertainty and confusion."

He said Mandela and President FW de Klerk should be allowed to settle down.

"If anything, we should be actively moderating expectations, not fuelling new ones through speculation and unrelenting scrutiny," he said. - *Sapa*

April could see an end to US sanctions

KEVIN DAVIE

WASHINGTON — President George Bush is likely to sign an order lifting US sanctions by April next year, says the DP's Harry Schwarz, who has been visting congressmen and opinion-formers in the US.

He said if ANC deputy president Nelson Mandela wanted to be seen as influencing sanctions policy in the US, he would have to ask for their lifting before then, because by April sanctions would have gone regardless.

"Mandela may get caught on the wrong foot," said Schwarz.

"We're not yet number one on the popularity poll," he said, "but attitudes towards SA are completely different from last year.



● SCHWARZ

"It's much easier to be a South African in Washington now than it was 12 months ago," he said.

Schwarz, a member of the SA delegation to the IMF and World Bank annual meetings, said when people were asked if they would still vote for the Comprehensive Anti-Apartheid Act today, the usual answer was "no", "probably not" or "that is a good question".

Schwarz believed the conditions the CAAA required, such as the ending of the state of emergency and the freeing of all political prisoners, would have been met by February or March next year.

He had been pushing those he met to play their role in ensuring that SA did not get a system as bad as apartheid.

"There is an obligation to ensure that a democratic government is installed, and we have a market-based system."

On the basis of his meetings this week, Schwarz believed post-sanctions investment would be determined by the level of violence in SA.

He argued that the possibilities for a conflict-free Africa were greater than the role aid could play in the region.

"There should be a campaign to remove conflict from Africa. This concept needs to be sold in Africa.

"Take the conflict out of Angola and Mozambique, and these countries will change economically overnight."

Black US leader may back Bush on sanctions

WASHINGTON — House majority whip William Gray, Congress's senior black leader, has signalled that he will accept the lifting of sanctions within the time frame envisaged by President George Bush — the first few months of next year.

This would appear to greatly strengthen the chances that Congress will not "move the goalposts" if and when Bush recommends modifying the policy.

After meeting President F W de Klerk this week, Bush and his advisers committed themselves to seeking a step-by-step rolling back of the Comprehensive Anti-

SIMON BARBER

Apartheid Act (CAAA) once the state of emergency had been lifted in Natal and all political prisoners covered by the Pretoria Minute had been freed.

Following his own meeting with De Klerk on Tuesday, Gray appeared to take a much harder line, declaring that none of the conditions set by the CAAA had been fully met.

But he described an irreversible process as being one "when they are writing a new constitution and have removed the Group

areas Act". The Act is scheduled for repeal during the next parliamentary session.

House Africa sub-committee chairman Congressman Howard Wolpe and other hardline sanctions proponents are insisting that US policy remain in place until a new SA government has been installed.

Gray unexpectedly agreed to a private meeting with De Klerk after TransAfrica executive director Randall Robinson, whose wife is Gray's foreign policy adviser, convinced the Congressional Black Caucus to cancel the planned meeting.

● See Page 2

180 Star 27/9/90

Sanctions must stay, says Tutu

KANSAS CITY — Archbishop Desmond Tutu yesterday hailed the meeting on Monday between President de Klerk and President George Bush, but said economic sanctions should remain in place until apartheid had been abolished.

Archbishop Tutu, who was in Kansas City to receive an honorary degree from the University of Missouri-Kansas City, praised the meeting as "movement in the right direction".

He warned, however, that there was much work left to be done before South Africa's problems could be solved.

Although the meeting between Mr de Klerk and the US president represented a thaw in the cool relationship between Washington and Pretoria, it was economic sanctions that had forced the South African leader to move towards abandoning apartheid, and it would be sanctions that would end white rule, the archbishop said. — Sapa-Reuter.

cy". And he admitted that ANC supp[illegible]
entirely blameless in the killing.

Call to maintain sanctions

WILSON ZWANE

FOURTEEN US state legislators have urged the international community to maintain economic sanctions against SA until "further, concrete progress is made". Bldom 28/9/90

The legislators — members of the National Conference of State Legislatures (NCSL) — made the call yesterday at the end of a two-week visit to SA.

The group said it was overwhelmed by bad living conditions and the high costs of apartheid in human and financial terms.

It had been drawn to urge the continuation of economic sanctions "by deplorable conditions" witnessed in Nyanga, KTC in the Cape, Soweto and other areas. 280

Sanctions had to be maintained until further, concrete progress had been made, it said.

However, it would support efforts that "recognisably remove the legal vestiges of apartheid and which secure investment, primarily in education, housing and health care".

Policemen shot in Soweto

FOUR policemen were shot in Soweto in two separate attacks on Wednesday night, a Soweto police spokesman said yesterday.

He said a policeman was seriously wounded when he and a colleague had their service pistols stolen. Three policemen were admitted to hospital after their vehicle was fired at. Bldom 28/9/90

Also on Wednesday night, police found caches of weapons in Soweto, one in a Vosloorus hostel.

One of two men searched in central western Jabavu was found to have a Scorpion machine pistol on him.

In a follow-up operation at a home in Soweto, a case containing seven hand-grenades, an AK47 rifle and a machine pistol were found. One of the men was wounded in the arm after he had tried to activate a grenade. Four people were arrested.

In Mchanga, Natal, a man was killed when a group opened fire and two houses were set alight, the police unrest report said. — Sapa.

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Cape Times, Friday, September 28 1990 ★

'Best chance for SA to be accepted'

Political Staff

THE prospects of South Africa returning to full acceptance by the international community were now far better than ever before, the British ambassador in South Africa, Sir Robin Renwick, said last night.

He also warned that if negotiations in South Africa were interrupted, they would have to be resumed later, in worse circumstances.

"It would be quite wrong for anyone, black or white, to imagine that they are going to be able to do better later," Sir Robin said at the annual general meeting of Operation Hunger in Johannesburg.

"The penalty of failure will fall most heavily, as it usually does, on the poorest of the poor

"If negotiations do not succeed now there will not be much to negotiate about later."

Neither side could defeat the other, except in circumstances that would lead to the "victors having nothing to distribute but the ashes", said Sir Robin.

South Africa had no prospect of being able to resolve these economic and demographic problems on its own, in isolation from the international community.

"But the prospects of returning to full acceptance by the international community are now far better than ever before. That includes regaining access to the international financial institutions."

Most British companies had chosen to stay in South Africa. About 20% had left, but more than 250 remained.

Over the past 10 years 30% of British companies had left the rest of Africa and the reversal of investment flows was the key to turning Africa's economic fortunes around. This would happen if the negotiation process succeeded in South Africa, but if it did not the reversal of investment flows was simply not going to happen.

"The future of much of Africa, therefore, is being played out here," said Sir Robin.

Britain hoped the next session of Parliament would see the repeal of the land acts as this would remove a major grievance of black South Africans.

If land reform could be initiated before formal constitutional negotiations got under way it would be easier to deal with the issue in negotiations.

CME Tia N
28/9/90

Sanctions could go 'by end of year'

Own Correspondent

LONDON. — European Community (EC) sanctions could be lifted by as early as the end of the year.

And this could be followed by a similar move from America early next year if a "narrow" interpretation of the US Congress's Comprehensive Anti-Apartheid Act — which will not require the scrapping of the Group Areas and Population Registration Acts — is adopted.

This is according to an analysis of President F W de Klerk's US visit in the Financial Times yesterday.

The Financial Times's Washington correspondent, Lionel Barber, said administration officials expected Mr De Klerk to fulfil two more conditions for the lifting of sanctions, after having already met two of them by starting negotiations and lifting the ban on democratic parties. Next will be the freeing of all political prisoners and the lifting of the state of emergency in Natal.



World Bank president Barber Conable delivered a speech at the IMF annual meeting in Washington this week Picture: AFP

Du Plessis lashes out at sanctions in IMF speech

WASHINGTON: All countries in the southern African region, including South Africa, still fell far short of fulfilling the basic needs and the aspirations of their people, said Finance Minister Barend du Plessis in a strong anti-sanctions speech before the annual general meeting of the International Monetary Fund (IMF) in Washington this week.

The meeting was also attended by representatives from Namibia, Bulgaria, and Czechoslovakia.

Du Plessis said dealing with the problems of the developing world was a daunting task — which called for inspired leadership, original thinking and the co-operation and support of the world community.

"Disinvestment in whatever form or for whatever reasons affects the poor firstly and overwhelmingly.

"South Africa, and consequently to a marked extent our whole region, knows at first hand the severe penalties this process incurs — this despite our country's good record and its low debt ratios.

"The plight of the African continent and the need for concerted action have been highlighted by the 1990 World Development Report which singles out sub-Saharan Africa as the one region that has not shared in economic progress and the reduction of poverty.

"Poverty, rather like trade, knows no boundaries — especially in the regional context, and very much so in Africa."

Painting a cheerful picture of the latest political developments in the southern African region, Du Plessis said: "Countries and regions are now moving away from strife and armed conflict towards more representative political systems and constitutional structures."

"Hopefully, many other developing countries will now also no longer need to devote substantial portions of their national budgets to maintaining large security establishments. This is certainly happening in South Africa."

He said as the "peace dividend" increased and as prudent economic policies took effect, South Africa and other countries in the region will be able to spend progressively more on the alleviation of poverty.

He said such advantages would only be attainable through the consistent application of sound fiscal and monetary policies, involving a "fundamental economic restructuring". — Sapa

CULTURAL BOYCOTT FM 28/9/90

BACK TO REALITY

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The cultural boycott is tearing apart as exiled artists return home. Jazz musician Dollar Brand is planning a series of concerts late this year that will deliberately ignore the local "cultural desk" which has refused exiled artists permission to perform here.

There still appears to be no consistent line between the ANC's external cultural desk (that says exiles may perform here) and the local UDF-related cultural desk, which is refusing permission. Some angry exiled artists allege that local performers want to keep the music and arts community closed for their personal gain. One well-known "praise poet," Mzwakhe Mbuli, threatened to picket the recent concerts of Dollar Brand (Abdul-



lah Ibrahim) here — but cancelled his protest when he accepted an invitation to perform abroad.

It is this hypocrisy that is infuriating exiles and fuelling the belief that it is time to do away with the cultural boycott.

Brand is displaying his contempt for the local "desk" by going ahead with plans for a national concert in December with his wife, jazz singer Fatima Benjamin (also an exile), and their American bands (10 musicians in all). Brand is also finalising plans to perform at the Nico Malan theatre with a strings section from Capab, and possibly with the National Symphony Orchestra in Johannesburg. He is planning to settle here and "make a contribution" to local music.

Miriam Makeba did little to conceal her

CURRENT AFFAIRS FM 28/9/90

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irritation with the local cultural desk and the SA Musicians' Alliance (Sama) during her recent visit. She was not allowed to perform publicly at all during her visit.

Brand (who stayed only in five-star hotels and gave exacting demands to startled local activists about his dressing-room requirements) refused to put up with similar treatment, offering a surprise concert at the University of the Western Cape. He refused to have dealings with local cultural desk bureaucrat and Sama member Jabu Ngwenya, whom he dismissed as "a politician, he doesn't even play a musical instrument."

Charlene Smith

Unions pile on pressure as four out of 10 workers put out of a job

SANCTIONS: ANC U-TURN

S/Times : 30/9/90

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By DRIES VAN HEERDEN and LESTER VENTER

THE ANC is poised to call for the lifting of sanctions amid mounting pressure from trade unions over horrifying levels of unemployment.

- The way could be eased for the ANC to dump one of its most controversial and damaging policies by dramatic concessions from the Government — including the early suspension of the Population Registration Act.
- Top ANC sources said this week that the organisation's official position remained pro-sanctions.
- But senior ANC men have already opened discussions with foreign businessmen about investing in South Africa after sanctions are lifted — which could be soon.
- Other sources indicated the ANC is desperate to find an excuse to dump sanctions because of soaring unemployment and growing union pressures.

Latest statistics disclosed in Business Times today indicate 250 000 jobs in the formal sector have been lost in the last 15 years.

THE JOBLESS PIT
See Business Times p...

Only 1,2-million jobs were created during this period for 4,7-million new

Reading and writing the news with Ellen in the hot seat!

By STEPHANIE HULL

GOLDEN girl Ellen Erasmus is set to revolutionise newsreading in South Africa.

The bubbly blonde who takes over the hot seat from Gillian van Houten as news anchor on TV1 said yesterday she would be writing a lot of news scripts herself.

"The SABC news team will be moving away from



Ken Owen is the new Sunday Times editor

S/Times : 30/9/90

KEN OWEN, editor of Business Day and former editor of the Sunday Express, has been appointed editor of the Sunday Times.

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Mr Owen, 55, succeeds Tertius Myburgh, who is taking up a diplomatic post abroad. Mr Myburgh relinquished his job on Friday. He is taking early retirement.

Mr Owen, who served as assistant editor of the Sunday Times from 1977-1981, and later for a brief period as managing editor of the Rand Daily Mail, is widely known as a political columnist. He spent 10 years in the United States representing Argus newspapers.

From 1986 until this week he was editor of Times Media's financial daily Business Day. His column on Mondays quickly became the most talked-about political commentary in any newspaper. Mr Owen said yesterday: "The Sunday Times is a great challenge.

"The role of a newspaper, especially during a time of transforming change such as we are now entering, is to discern and define issues so that its readers can make informed judgments.

"However, the Sunday Times is an institution. It is a



NEW CHALLENGE
Ken Owen



ANC U-turn on sanctions

S/Times 30/9/90

□ From Page 1

bitter, discussion in ANC quarters — including the National Executive Committee.

The repeal of sanctions could well be precipitated by two dramatic breakthroughs in negotiations:

● Scrapping of the Population Registration Act — cornerstone of the constitution — BEFORE negotiations are completed;

● Tentative agreement between the ANC and the Government over another major hurdle — choosing the participants in the negotiations.

High-level sources indicated this week that the Government may yet suspend the application of the Population Registration Act even before details of a new constitution are worked out.

Proof

The Act classifies every South African according to race and is the basis of the country's racial policies. President De Klerk has, up to now, insisted the Act cannot be scrapped until a new constitution is drafted.

Now, however, sources indicate that the Government believes the Population Registration laws will be superfluous once the Group Areas Act has gone. It will be kept only for voters' rolls in by-elections under the present constitution.

The suspending of the Population Registration Act — together with the dumping or amending of the Group Areas Act and Land Act next parliamentary session — will be widely hailed as proof of the "irreversibility" of change.

The Land Act regulates the existence of the independent and self-governing homelands. Already negotiations with them are far advanced on their becoming regional entities — and some Government planners think an early and substantive alteration to the "Grand Apartheid" Act may be possible.

These moves are seen by observers in political circles as part of President De Klerk's determination to keep the initiative and cement his intentions to create a new society.

Substantial progress is meanwhile being made in creating the forum in which negotiations will take place.

The ANC wanted an elected constituent Assembly to thrash out a new constitution. But the Government insisted on a conference of parties with "proven" support.

This face-off threatened to scupper the fragile negotiation process and loomed as the next biggest obstacle once the release of prisoners had been completed.

Now it is understood both parties are softening their stance — and *both* forms may take place.

Both Government and ANC sources indicated a multi-party conference may first be held to thrash out the principles on which a new constitution will be based, and its basic outlines.

An elected Assembly might then be called into life to undertake the nitty-gritty of the writing of the constitution.

In that way both sides may get their way.

Mr Mbeki revealed this week the ANC was ready for multi-party talks to commence "as soon as possible."

"Every political party or group interested in attending should be welcome. And we mean, everybody ... the ANC, the Government, the PAC, the Democratic Party, Azapo, Inkatha, the Conservatives and the Boere homelanders," he said.

Mr Mbeki's remarks are a significant departure from previous ANC positions that elections for a constituent Assembly should be held before the negotiating process starts to determine which groups and leaders should be represented.

This was in direct contrast to the Government's stated views that as broad a spectrum as possible should be present at the negotiating table.

He said the ANC still believed an elected constituent Assembly should eventually draw up the constitution for the new South Africa. However this did not preclude the multi-party convention from meeting "to decide on the framework of constitutional principles" which would form the basis of the negotiations.

Mr Mbeki strongly rejected suggestions that the ANC saw the coming negotiations as a mere two-party process between itself and the Government from which other groups would be excluded.

"We would want the process to start as soon as possible. That is why it is so important to get this problem of violence out of the way so that we can get down to the real negotiations," he said.

Pressure

The rapid pace of negotiations and soaring unemployment, meanwhile, is making it more difficult for the ANC to justify its sanctions stance.

Two important meetings are scheduled for this week.

This first is a "summit" between the ANC and the Government — requested after an emergency meeting of the ANC's National Executive to discuss the Government's Iron Fist response to violence. The ANC delegation will be led by its deputy president, Nelson Mandela.

Mr Mandela will also lead an ANC team to an historic first encounter with Kwazulu leader, Chief Mangosuthu Buthelezi. Chief Buthelezi, who is also the leader of Inkatha, will form part of a delegation of "homeland leaders" who will discuss methods to end the violence.

MARCIA KLEIN

The Philips Greenline is the only battery ... with no mercury, which ... for

Cultural boycott firmly in place

B/Day 9/8/90

PETER DELMAR, THEO RAWANA and WILSON ZWANE

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ANC secretary for arts and culture Barbara Masekela would be "gung-ho" about implementing any decision by the ANC leadership to end the cultural boycott, but for the time being the planned Moscow Circus visit remains a no-no.

Masekela made it clear in an interview that any decision on ending SA's cultural and sporting isolation would be made by the movement's leadership and not by the ANC's cultural desk itself.

"If the ANC tells me that we should alter our stance on the cultural boycott as a result of talks being held and a belief that actual change would come about, I will be gung ho about implementing (their decision) and making sure that people understand and react to it."

Whatever government was in power would have to make a start on introducing irrevocable change, as well as addressing fundamental social and economic inequalities before the boycott could be called off, Masekela said.

A visit to SA by the Moscow Circus would be an infringement of the boycott and would, she predicted, be accompanied by boycott action similar to that for this year's English rebel cricket tour.

Masekela said there had been no formal reappraisal of the cultural boycott within the ANC in recent months.

However, if it was believed that the boycott was hindering the process leading to a negotiated settlement, it would be called off.

A significant breakthrough, she said, would result in the ANC reviewing many of its policies, including the cultural boycott.

Mass democratic movement spokesman Jabu Ngwenya said, also in an interview, the cultural boycott as orchestrated by his organisation's cultural desk was a protectionist strategy designed not only to deprive SA of world culture, but to enhance local productions.

Government, he said, had to be pressured into abandoning the "apartheid culture" which had stunted local talent.

The cultural desk — brainchild of the UDF — comprises representatives from various cultural centres.

Among these are the Soweto Cultural Forum, the Congress of SA Writers, SA Music Alliance, Alexandra Arts Centre, Katlehong/Vosloorus Cultural Centre and the Johannesburg Cultural Forum.

Membership is drawn from the mass of black organisations such as Cosatu, UDF and Inkatha. Each member organisation is represented by two members on an interim committee which is headed by full-time co-ordinator Mzwakhe Mbuli.

Ngwenya said that before the cultural boycott came into effect about three years ago, not many people appreciated local productions.

"That has changed. There is a new people's culture emerging now which has boosted the local music industry. People are now yelling for the local productions. Even foreign countries are clamouring for the likes of Ladysmith Black Mambazo and Jonny Clegg's Savuka," Ngwenya said.

Local artists had not had international exposure for many years and, through the cultural boycott, they were given a chance of exploiting their full potential internationally and locally.

But since local talent was in dire need of grooming, the boycott was selective to allow foreign artists to come to SA if they undertook to conduct clinics and workshops.

"They must also condemn apartheid, and undertake to have three or four bands as supporting acts at their shows," Ngwenya added.

Asked if there was any constraint on local artists who wanted to perform abroad, Ngwenya said: "Our artists are free to go wherever they wish, provided they inform us first."

Zambia lifts ban on SA routes

By BARRY STREEK

ZAMBIA yesterday lifted its three-year ban on businessmen using South African routes for imports and exports because of Pretoria's reforms.

Last night a Department of Foreign Affairs spokesman said no comment would be made until the South African government had been officially informed of the Zambian decision.

But with an inaugural flight to Madagascar on Tuesday next week, probably with President F W de Klerk and Foreign Minister Mr Pik Botha on board, it is clear that a significant change in some African attitudes towards SA is taking place.

The Department of Foreign Affairs has declined to confirm or deny that Mr De Klerk and Mr Botha will be on the inaugural flight to Antananarivo, the capital of Madagascar.

It is significant that the government has not denied press reports that Mr De Klerk will be go to Madagascar next week, implying they are correct

SA Airways will also institute regular flights to the Indian Ocean island next month.

The fact that Zambia and Madagascar, in the past two of the strongest advocates of isolating Pretoria, have taken steps to promote trade and other links is indicative of the changes taking place.

FW's official visit to island confirmed

Political Staff

PRESIDENT F W de Klerk will officially visit Madagascar soon at the invitation of the country's President Didier Ratsiraka, the State President's Office confirmed yesterday.

No date for the visit has been given officially but an inaugural South African Airways flight to Madagascar's capital of Antananarivo has been scheduled for Tuesday.

Mr De Klerk is to be accompanied by his wife, Marike, and the Minister of Foreign Affairs, Mr Pik Botha.

Madagascar has been one of the strongest opponents of links and trade with South Africa for a number of years.

However, President Ratsiraka has lauded Mr De Klerk's initiatives and his government has shifted from state-controlled socialist to more free market policies.

Diplomatic sources have described Mr De Klerk's visit as "the tip of the iceberg" in the improvement of relations between Pretoria and the rest of Africa.

Cape Times
11/8/90

Hungary scraps trade curbs

Political Correspondent

HUNGARY yesterday scrapped trade restrictions on South Africa after the two countries signed their first ever trade agreement in Budapest.

The trade protocol was signed by the SA Minister of Trade, Industry and Tourism, Mr Kent Durr, and Hungary's Minister of International Economic Relations, Dr Bela Kadar.

Earlier, Mr Durr and members of SA firms spent several days in the Soviet Union at the Chernobel nuclear power plant near the Ukranian capital Kiev and agreed to help clean up the aftermath of the 1986 explosion.

Mr Durr also visited survivors of the Chernobyl disaster in hospital.

Tass reported that the SA group had made several proposals aimed at improving the situation in affected areas and added that SA banks would provide credits. The banks were not named.

In Hungary the two countries also agreed on measures to promote bilateral trade and economic relations.

This included the establishment of mutual trade representatives later this year.

ANC could drop sanctions

Special Correspondent
and Sapa

NOTHING is preventing the ANC from dropping its policy on sanctions now that it has suspended the armed struggle after nearly 30 years.

This opinion was expressed in government circles after the ANC/government meeting in Pretoria on Monday.

At a Press conference after the meeting, ANC secretary general Alfred Nzo said the ANC did not promise to support any call for an end to sanctions. And national executive committee member Joe Slovo said while the armed struggle had been suspended, pressure applied on the government to push the process of reform to the point of irreversibility would be maintained.

Senior government circles also expressed the possibility that the real negotiation process, which would involve all parties, could begin up to four months earlier than expected.

The two aspects are being seen as important results of the talks which took place on Monday in the old Presidency and led to the acceptance of the Pretoria Minute.

Mandela hints at end to sanctions

ARGUS 13/8/90 280

The Argus Correspondent

JOHANNESBURG. — ANC deputy-president Mr Nelson Mandela has hinted his organisation may soon agree to the lifting of sanctions.

In a SABC television panel interview with South African newpapaper editors last night he said he was as worried about South Africa's economy as everyone else.

"I hope that as we progress with negotiations we will soon be able to review the continued application of sanctions, as we have done with the armed struggle."

Sunday Times editor Mr Tertius Myburgh asked Mr Mandela what he felt the prospects were for the return of peace and stability in the black townships.

PROSPECTS GOOD

Mr Mandela: "As long as the masses have no right to determine their destiny we will have instability. But the prospects for peace are good because the ANC and the government have made good progress."

Asked about nationalisation, he said State nationalisation in industry was part of South Africa's economic history. The ANC was examining nationalisaton as one of the options of rectifying the unfair distribution of resources in the country.

"I have asked businessmen for alternatives. If they can produce an alternative the ANC will not worry about nationalisation."

Asked whether he were a religious man, Mr Mandela said the question of religion was a private affair.

"But I have always appreciated the key role religion has played in the liberation struggle. Not only Christians but also Muslims, Hindus and other religions have played a part."

On the crisis in black education he said pupils had responded to the ANC's call to go back to school but had found that there were not enough schools to accommodate them.

Mr Mandela said the violence in South Africa was a source of concern to "all of us". The ANC's greatest problem was not Inkatha but State violence.

Malagasian give and take

ARGUS 15/8/90 (280)

GERALD L'ANGE of the Argus Africa News Service reports from Antananarivo on the significance of President De Klerk's visit to Madagascar.

MADAGASCAR has put its own seal of approval on President De Klerk's reforms by becoming the ninth African country to establish formal relations with South Africa and allowing South African Airways to operate scheduled flights to the island from September 1.

AFRICA

Agreements on both these steps were concluded in Antananarivo yesterday during eight hours of talks between Mr de Klerk and President Didier Ratsiraka. In return the Malagasian leader hopes to get South African technical and economic aid as well as tourism and commercial trade.

The opening of a trade office in Antananarivo will give South Africa such representation there and in Maputo, Harare, Abidjan, Comoros, Maseru and Mbabane and Windhoek as well as full ambassadorial rerpesentation in Malawi.

President de Klerk made it plain at a news conference after the talks that he regards the new relationship with Madagascar as an important advance in South Africa's efforts to create a regional economic grouping in southern Africa — something he clearly regards as being not only in the interests of the Republic but of the region as a whole.

"We must have no illusions that we need each other in this region," he said in response to a question at a news conference after the talks. "We must pull together if we are to survive the challenges which we face."

The agreements complete a radical change of course by Mr Ratsiraka, formerly a hard-line socialist and one of South Africa's bitterest enemies.

The president, whose previous animosity towards South Africa is widely believed to have started when he was barred because of his colour from going ashore in Cape Town from the French naval vessel on which he was serving, was asked at the news conference why he had changed. He replied that it was necessary to face reality and to be pragmatic.

The reality to which he was obliquely referring was the economic failure that has made Madagascar officially the eleventh poorest country in the world.

However, the largely agricultural economy has not exploited either its mineral resources or its tourist potential. With the aim of exploring these possibilities, a group of South African business representatives accompanied President De Klerk to Madagascar and held talks with Malagasian government officials while the presidents were meeting. They included the executive heads of Sasol, Safto, the Southern African Development Bank and South African Airways. Under an agreement signed by Foreign Minister Pik Botha and his Malagasian counterpart, SAA will start scheduled services to Madagascar on a weekly basis from September 1, flying by way of Reunion and Mauritius, according to diplomatic sources.

Madagascar at present does not have enough hotels to cater for a tourist influx but several are planned by foreign interests, including Sun International.

The visit was described as a working one but was nevertheless accompanied by a measure of pomp and ceremony.

New Africa link for SA

Cape Times 15/8/90

Political Staff

ANTANANARIVO. — South Africa yesterday achieved a new breakthrough into Africa when agreements were reached with Madagascar to establish trade missions in each other's countries and to allow SA Airways landing rights.

SAA immediately announced that it would introduce a new weekly flight between Johannesburg and Antananarivo from September 1.

The breakthrough was achieved at a meeting here between President F W de Klerk and Madagascar's President Didier Ratsiraka.

Although Madagascar is one of the poorest nations in the world, the agreements are significant as, until earlier this year, South Africa had had no official contact with the country since 1972.

Mr Ratsiraka, who has ruled since 1975, was formerly one of South Africa's staunchest opponents and wielded considerable influence in forums like the OAU.

Mr De Klerk said that in tourism and economic relations he foresaw a totally new relationship developing between the two countries.

The South African delegation, which included Foreign Minister Mr Pik Botha, was met at Antananarivo airport early yesterday morning by the Prime Minister, Colonel Victor Ramahatra, and was then flown by helicopter to Mr Ratsiraka's North Korean-built Iavoloha Palace.

Just after 3pm local time Mr Botha and Madagascar's Foreign Minister, Mr Jean Bamanjara, emerged from a meeting to sign the air agreement which makes provision for establishing and developing air services between and beyond the two countries.

A joint statement issued at a press conference held after the signing ceremony said it was hoped the air agreement would facillitate relations between the two countries, particularly in tourism.

Madagascar at the moment receives only 34 000 tourists a year.

ANC has key to sanctions lifting

The ANC holds the key for the lifting of sanctions, according to *The Innes Labour Brief*.

The document is prepared by Professor Duncan Innes, industrial sociology professor at the University of the Witwatersrand.

Innes interviewed prominent people in the United States, including Themba Vilakazi, Boston representative of the ANC. Presidential candidate George Dukakis, was also interviewed.

The general feeling from the people interviewed is that the US is not likely to consider lifting sanctions until there is full democracy in the country.

Democracy

It is also assumed that should the ANC express satisfaction with the progress to democracy, there is a likelihood that sanction will be eased.

The US presently has the most comprehensive anti-apartheid legislation of all Western countries. Most companies to disinvest from this country are US firms.

Inne's brief also looks at pertinent arguments surrounding the sanctions debate and some of the question asked are: Have sanctions influenced the debate in South Africa and what must SA do to have sanctions lifted?.

To get a copy of *The Innes Labour Brief* phone 482-3580. The postal address is PO Box 91070 Auckland Park, 2006.

SA 'unable to join ban on Iraq'

Own Correspondent

JOHANNESBURG. — The Financial Mail reports today that South Africa is unable to apply sanctions against Iraq.

Quoting a "highly placed government source", the FM said Iraq was still substantially indebted to Armscor, making it impossible for Pretoria to join the sanctions moves.

Government departments were firmly silent on a report which said the Iraq owed Armscor "a great deal of money" for G-5 howitzers. The report also quotes military sources as saying that Iraq has bought at least 100 G-5s.

Questioned on TV last night, Foreign Minister Mr Pik Botha said South Africa would do everything to support the spirit of the UN embargo and SA had no outstanding contracts for arms supplies to Iraq.

Pretoria University's Institute of Strategic Studies director Mr Mike Hough said it would be hypocritical of SA — a victim of sanctions itself — to join the anti-Iraq sanctions call, despite some apparent justification.

But British military analyst Simon Baynham, who is attached to the Africa Institute, said SA was unlikely to break the sanctions call.

● Our London correspondent reports that the G-5s could be used by the Iraqis to deliver shells loaded with chemical agents in the event of a war in the Gulf.

Mr Paul Beaver of Jane's Defence Weekly said it was possible to make shells with a chemical payload to fit the 155mm howitzer. But French and American weapons in Iraqi hands could also be modified for such a purpose.

Mr Beaver said Iraq also had an unknown number of South African-made Cactus mobile surface-to-air missile systems.

WASHINGTON. — The Defence Department said yesterday that the Air Force would deploy highly sophisticated Stealth fighters to the Middle East as part of a major build-up of US forces in the Gulf crisis.

The brief announcement did not say how many of the radar-avoiding aircraft would be sent or where they would be based.

SA AND THE GULF FM 17/8/90 280

War on the bottom line

The UN call for fullscale sanctions against Iraq has indirectly affected SA's own sanction-busting strategy. A highly placed government source tells the *FM* that outstanding debts — money owed by Iraq to SA for the purchase of the powerful G-5 howitzers made by State-owned munitions company Armscor — have made it impossible for Pretoria to join the sanctions chorus against the outcast Middle East regime of Saddam Hussein.

Foreign Minister Pik Botha this week reacted angrily to reports in the local press alleging that SA does not support the UN's sanctions call. He told the *FM*: "We have no trade with Iraq. How can we support a call for sanctions if we don't trade? Apart from that, it has also been the often-stated policy of this government that we do not believe in sanctions . . . ever since the days of Rhodesia we have said so."

However, a source close to Botha tells the *FM* that the US is satisfied with the statement which Botha issued after the Iraqi invasion of Kuwait. Botha said his government had noted "with grave concern the events which have taken place" and "condemns the invasion by Iraqi forces of Kuwait . . . Based on SA's own successful experience in resolving disputes through negotiation, the SA government calls on Iraq to cease all military actions and to withdraw its troops from Kuwait immediately."

It is no secret that SA has sold advanced artillery equipment to Iraq. As the *FM*'s source pointed out, "it's not possible to hide a G-5 howitzer. A call or support for sanctions, however, is a different matter. Iraq still owes Armscor a great deal of money."

The source did confirm an international news agency report that SA would not consider continuing arms sales to Hussein. According to military experts, SA would not risk its recent diplomatic gains.

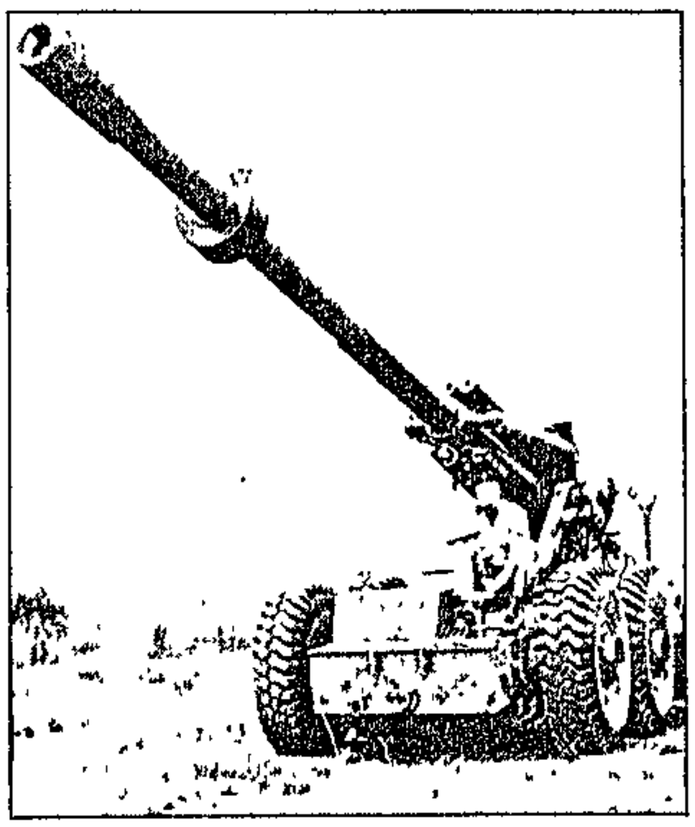
Military sources say Western forces in the Gulf face Iraqi troops equipped with at least 100 advanced Armscor-developed G-5 howitzers, which were supplied during the Iran-Iraq war. Helmoed Heitman, SA correspondent for the military journal *Jane's Defence Weekly*, was reported as saying that it is highly likely that the G-5s are in Kuwait. "It's the best gun they've got and it's fairly mobile too," he said.

The towed G-5 155 mm cannon and its self-propelled successor, the G-6, with a range of more than 40 km, have been rated the world's most advanced heavy artillery systems by foreign arms experts.

According to *Jane's*, the United Arab Emirates recently ordered up to 70 G-6s. Governments in the Gulf region were considering buying SA rocket artillery systems and assault helicopters, said the journal.

Simon Baynham, a British military analyst at the Pretoria-funded Africa Institute, agrees that SA will not break the sanctions call. "My feeling is SA will do everything it can not to supply Iraq, even though it may be committed to providing ammunition under any conditions," he said.

A SA military source, however, indicated that the Iraqis could obtain the 155 mm ammunition from other sources. "The Austrians, West Germans and the Americans manufacture it," he said. "The only difference is that our ammunition travels 10 km further."



Armscor's G-5 . . . no place to hide

Al Venter, Africa and Middle East correspondent for the *International Defense Review*, says ammunition, training, spare parts and maintenance were part of the sales package provided by Armscor — which may have also sold Baghdad rocket-assisted mortars. Venter says he believes the contract, possibly involving an arms-for-oil swap, expired at the end of the Gulf War in 1988.

Armscor spokesman Bertrand Retief merely reiterated Armscor policy when he told the *FM* that the organisation does not confirm or deny any arms sales.

It is up to other countries to divulge such information, says Retief. Some years ago, Sri Lanka admitted that it had bought the Armscor Buffel armoured vehicle. Experts believe Armscor has sent weapons to more than 40 countries.

It is not known exactly how and in what currency SA is to be paid by Iraq. Some observers believe it would be a straight arms-for-oil swap.

In that case, the sanctions against Iraq — which includes movement by their oil tankers — means that the bill is likely to remain unpaid for the time being. *Eddie Botha*

SOVEREIGNTY

Back to the future

The ANC should get its first test at the polls next year when the Transkei, and possibly two other so-called independent homelands, hold referendums to determine whether they should be reincorporated into SA. The ANC issued a call for such a referendum early this week, after a meeting with most homeland leaders and the United Democratic Front.

Transkei started the ball rolling earlier this year when it issued a draft decree on a referendum.

The decree calls for comment from interested parties, including the SA government (which has not yet responded); calls for suggestions on who is eligible to vote and from what age; what sort of identity document should be used (there is still massive resistance to Transkeian ID documents); and how to upgrade the existing voters rolls.

Gen Bantu Holomisa, Transkei's ruler, tells the *FM* that the existing voters rolls have the names of only a fraction of Transkeians of voting age, because of widespread resistance to the independence of Transkei in 1976. FM 17/8/90

"A referendum is the only fair and democratic way. The present governments in SA and the national states and non-independent states were elected when a number of organisations were banned. Even if they say they are elected as homeland leaders, deep in our hearts we know those elections were unfair."



Holomisa

Holomisa says one of the most critical decisions is what sort of ID document should be used at polling stations — which will also be placed in SA for migrant workers. He says the various political parties in Transkei, as well as the ANC, PAC and a variety of other parties, will have time to lobby for support.

The running of campaigns could give a sneak preview of voter tastes and the electoral abilities of the various groups. It will also give homeland residents an early taste of democratic procedures and options.

Venda and Ciskei are considering the pro-

NEWS

Spurned and rejected, but Ratsiraka's offering links

By KEN VERNON, Argus Africa News Service

EARLY in 1962, Didier Ratsiraka, a young Madagascan naval officer freshly graduated from the French Naval Academy, took a voyage that was destined to have dramatic consequences for himself, Madagascar, France and South Africa.

Until that voyage, Ratsiraka — a product of the Betsimiraka aristocracy that, with their Merina cousins, ruled Madagascar before being conquered by the French colonialists — probably considered himself more French than Madagascan.

However, aboard the Le Jeanne D'Arc warship, the-then 26-year-old was to come face-to-face with the racism of South Africa and the duplicity of the French.



Didier Ratsiraka

When the Le Jeanne D'Arc docked in Cape Town, South African authorities objected to the young, dark-skinned officer being allowed ashore.

This was bad enough, but instead of the French officers supporting their colleague as he might have expected, Ratsiraka was confined to ship and his white colleagues headed off to test the delights Cape Town holds for visiting young naval officers.

Ratsiraka never forgot — and, he never forgave.

Thirteen years later, he became president of Madagascar and immediatly instituted a diamentric change of course in Madagascan foreign policy, cutting all ties with South Africa and becoming one of the Republic's most vocal and bitter critics.

He also moved to dramatically loosen ties with France, expelling their naval forces from the strategically important anchorage at Diego Suarez — now called Antisranana — and turned instead to the eastern bloc for aid and advice.

As deeply supertitious as the rest of the islanders, he came to believe that South Africa was constantly plotting to have him removed. At one point, he publicly alleged that his enemies (read South Africa) had paid sorcerers to have him hit by lightning — and for a time refused to go outdoors during storms.

All things change it would seem, and this week he created his own storm by inviting the South African president to lunch.

In so doing, he joined the growing list of African countries doing backflips over involvement with South Africa now that Big Brother Russia is no longer willing to pick up the tab for their anti-apartheid stance.

ANC 'must be forced to see realism'

20/8/90 C. Times

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Own Correspondent

LONDON — If the ANC continues to pander to calls from its embittered, radical wing to continue a policy of boycotts, sanctions and armed struggle, it will end up behaving "like an eternal opposition party rather than a future government".

But, failure to pander to this wing will mean threatening the unity of the movement and losing support to the Pan Africanist Congress.

The solution in the face of this dilemma is for ANC deputy president Mr Nelson Mandela to "haul the movement bodily towards realism, putting his authority on the line every time".

This is the view of influential columnist R W Johnson, writing in the latest edition of the influential journal the New Statesman, following a recent visit to South Africa.

After outlining how Mr Mandela out-manoeuvred SA Communist Party members of the five-person negotiation team when he announced the recent ANC ceasefire, Mr Johnson says the "shenanigans over the ending of the armed struggle are but a foretaste of what is to come.

"For if the ANC has now decided that the De Klerk government is the sort of government you can work with and negotiate with, then it will soon become very difficult to argue that boycotts and sanctions are still appropriate.

"Similarly, if the ANC wants peace in Natal there is no way it can avoid being shoehorned into open negotiations with (Chief Mangosuthu) Buthelezi before long.

"And both of these decisions will be almost impossibly difficult for its radical wing to swallow. One can see a lengthening list of such decisions ahead."

Mr Johnson said that for years the ANC had cheered on international disinvestment from South Africa.

"It is now extremely urgent for the ANC to see that it must reverse that flow if it is to have a hope of satisfying its followers' pent-up demands, indeed if it is to prevent the future from being very gloomy indeed."

He said the nub of the problem was that the "urgent priority" of both the ANC and the country was "the most rapid possible progress towards peace and prosperity.

"But to keep its radical wing happy the ANC is pushed towards a confrontational line against De Klerk, Buthelezi, on sanctions and so on — stances which hurt peace and prosperity."

While the bitterness which produced the rank-and-file call for confrontation was easy to understand, Mr Johnson said that "pandering to it now means that the ANC behaves like an eternal opposition party rather than a future government

"On the other hand, not to pander to it means threatening the unity of the movement and losing support to the Pan African Congress."

The only way to "reconcile these choices" was for Mr Mandela to "haul the movement bodily towards realism, putting his

No time to write book

Own Correspondent

LONDON. — Mr Nelson Mandela is going to have to find time in his crowded schedule to finish an autobiography.

Earlier this year, New York publishers Little Brown paid an unconfirmed R25m for the rights to Mr Mandela's autobiography, which is due for publication in 1992.

A London spokesperson for the publishers said on Friday that Mr Mandela had written much of the manuscript while in jail, but since his release in February had not had time to do any further writing.

During this period Mr Mandela has undertaken several world tours and maintained a hectic schedule at home.

ANC will keep pressure on existing sanctions

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Sowetan 29/8/90

Thabo Mbeki, one of the ANC's leaders in negotiations with the Government, spoke to Sonti Maseko on various aspects of the organisation and its negotiations strategy. This is the second section of an interview held shortly before the ANC issued a number of statements last week on the violence in the townships.

Sowetan: **Is the ANC to continue actively calling for sanctions?**

Mbeki. We will continue to call for the maintenance of existing sanctions and yes, quite actively. Even in the UN documents it says: "until we arrive at this point where there is clear evidence of profound and irreversible changes, international pressure should not be relaxed".

Sowetan: **Organisations in the Black Consciousness fold have expressed strong opposition to talks with the Government at this stage. Zephania Mothopeng of the PAC has also said his organisation will not recognise any agreement coming out of the Pretoria Minute. Is the ANC still to continue with the negotiating process and how does it hope get the support of this section of the liberation struggle, which is equally important?**

Struggle

" I cannot speak for these organisations. The ANC will continue with negotiations. For instance, we have already reached agreement with the Government on the definition of political offences.

"Everyone who is in prison for having participated in the struggle against apartheid will be released I do not know why anybody would want to object. There are a lot of people outside the country the police are looking for. The talks we have had with Government will result in everyone being free to come back into the country without fear of arrest and prosecution. Again I do not understand why anybody would object to that.

Sowetan: **According to the Government, political prisoners belonging to other organisations will not benefit from the indemnity granted to exiles and their political prisoners will languish in jail for as long as their organisations refuse to negotiate. Will the ANC continue to hold talks even when there are still prisoners of conscience belonging to other organisations?**

"As a result of an agreed definition of political offence, military cadres who were arrested, charged and sentenced for military offences, even in cases where somebody died, will be released. There has to be a cut-off point You have got to say activities of this nature carried up to date so and so will be indemnified.

"Now a person who carries out a military operation after the cut-off date obviously cannot be indemnified. From our point of view armed action has been suspended and there will thus be no cause to arrest and charge our people and create a new political prisoner.

"However, what happens to organisations that have not suspended armed action? As far as they are concerned, they will continue with armed action. You see, the logical connection between these two things. In the event of these organisations continuing the struggle, they cannot then expect their cadres to be indemnified?

Covered

"This also applies to current political trials, which are covered by the definition of political offence. The accused in these trials will be released After the cut-off date people will not be able to claim indemnity.

"However, the definition of political offence does not only apply to ANC people. It is a general definition and therefore covers everybody. The implementation, however, must take into account that there are different organisations involved.

"If any organisation says it will continue the armed struggle, that organisation is saying the talks, and therefore the aspect of indemnity, do not apply to it. That is why the agreement speaks about ANC related prisoners

Sowetan: **Will the definition of political offence also cover borderline cases, for example, attacks on the homes of councillors, which are identified as Government targets? I refer to actions not carried out under the banner of any specified organisation.**

" Yes, there are two principal points really about this issue of the definition of political offences. The action should have occurred in the pursuit of a political objective or such action should have occured in the context of a political struggle or a struggle which had a political objective.

"The issue of the form that the action takes is a secondary matter; the essential thing is that this was action taken in pursuit of a political objective or occurring in the context of a struggle in the pursuit of a political objective. These are essential things about the definition of political offence.

Borderline

"There are bound to be borderline cases If, to give an absurd example, somebody robs a bank and when caught they say 'I knew that the ANC had no money so I went to rob the bank so that I could contribute the funds to the ANC. You caught me before I could hand them over'. That becomes a borderline case.

"There is however a mechanism that will deal with such cases.

*** Part Three of the interview continues tomorrow.**

October 3 1990 (280) Star 3/10/90

Sanctions: no more, no less – US

By David Braun,
The Star Bureau

WASHINGTON — Progress in South Africa toward negotiations and the establishment of a nonracial and democratic society has been dramatic and irreversible, the US Congress has been informed officially by the Bush Administration.

In its annual report on South Africa, mandated by the 1986 Comprehensive Anti-Apartheid Act (CAAA), the Administration said further sanctions against South Africa were inappropriate and would be counterproductive in view of the positive steps being taken within the country to bring about change through peaceful means. Accordingly, no additional sanctions were being recommended by the President.

Suspend

On the other hand, the Administration said it did not believe it appropriate to modify or suspend existing sanctions until the requirements established by Congress in the CAAA had been met. However, it added, neither should the goalposts for the lifting of sanctions be moved in the opposite direction.

"US policy must be built around sustained commitment to use our influence with all elements of South African society on behalf of change, while making clear our unswerving dedication to the achievement of a nonracial and democratic South Africa. US willingness to support all those working to resolve their country's problems through peaceful means is the proper approach to help achieve a new South Africa," the report said.

The report endorses President Bush's remarks after meeting President de Klerk at the White House last week, further preparing the ground for lifting sanctions as soon as South Africa complies with the remaining requirements of the CAAA.

Reviewing the status of apartheid since October last year, the report said the progress in South Africa had been remarkable.

The Administration warned however, that dangerous trends had the potential to undo the work done so far to create a climate conducive to negotiations and peaceful change.

These trends included growing political extremism from the Right and Left, intolerance to opposition within the black community and general violence and crime.

Reduced economic growth rates and a lack of new investments had affected all segments of South Africa's population. For many white South Africans, deteriorating economic conditions focused attention on the relationship between long-term white economic well-being and positive political change.

Among whites, sanction-related hardships had mostly hurt the poor and middle classes through increased taxes, rising inflation, and high interest rates. Many white voters reacted angrily to these pressures.

"One result of sanctions has therefore been a stronger, more vocal conservative opposition to the Government's agenda for achieving a democratic, nonracial South Africa."

Barend and Thabo spring a surprise

3/10/90

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From CHRIS WHITFIELD of The Argus Foreign Service in Geneva

THE South African government and the African National Congress have moved strongly here to reassure potential foreign business that it has little to fear in planning investments.

ECONOMICS

Finance Minister Barend du Plessis emerged from the historic World Economic Forum meeting on Southern Africa to give a confident prediction that the peace process was on track and negotiations would start early next year. He said chances of it going wrong were "very slim".

And ANC foreign affairs spokesman Thabo Mbeki gave a fresh indication — the strongest yet — that investments will not be hit by nationalisation.

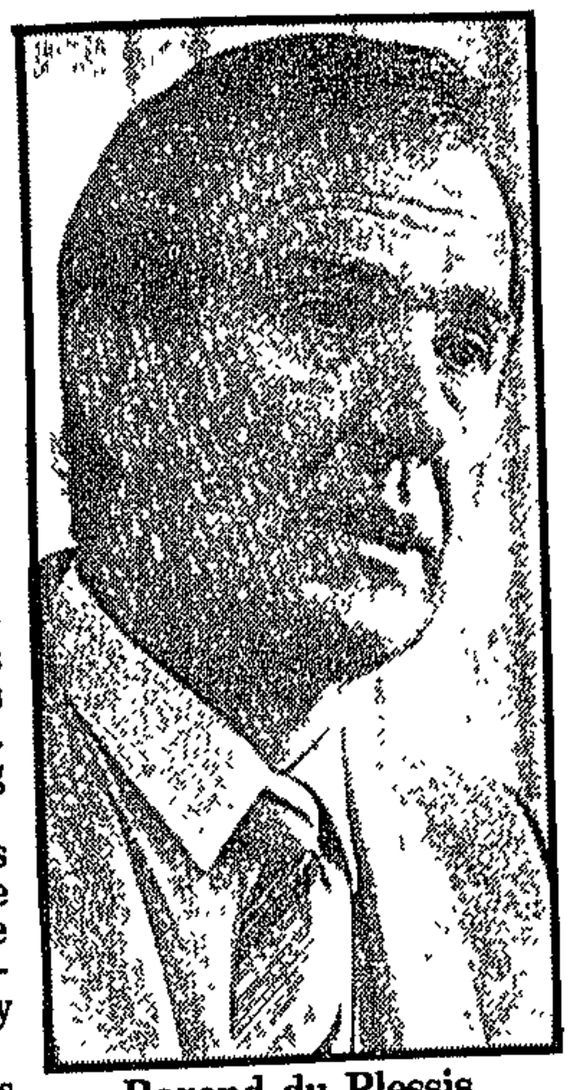
Mr du Plessis told a press conference that he expected the "negotiating process to be under way in the first quarter of next year". He also stressed that "if the peace process is to be supported by economic growth, it is essential to lift sanctions".

He said trade sanctions had a "minimal effect", but financial sanctions "inhibit growth". And while South Africa could survive "virtually indefinitely" it was in the interests of its people that there was growth in the economy.

Mr Mbeki, returning to the theme he had first aired on Monday, gave a clear indication that the ANC was softening its rhetoric on nationalisation to placate the fears of potential investors.

He said: "We can't say 'please come and invest but we are going to nationalise you tomorrow.'" Answering a question on whether foreign investment in South Africa's mines would be threatened by his party's economic policy, Mr Mbeki said that an open South African economy meant links to world economies.

The ANC was "very aware" that foreign investors have "got to have confidence in the



Barend du Plessis



Thabo Mbeki

investment". He added: "I don't think nationalisation is particularly high on our agenda.

The policy of the ANC for decades has never been to nationalise everything."

Earlier, however, he had indicated that there were "very basic needs" of parts of the community which needed to be addressed, and "interventions must be made to make sure the economy does address those questions".

Rapport

It was clear that Mr du Plessis and Mr Mbeki have established a warm rapport. As the ANC official arrived at the press conference to replace Mr du Plessis, the Finance Minister said: "Sock it to them."

Delegates told how the two had joked about their "roadshow".

However, the delegates said the atmosphere of reconciliation had been dented by an address on Tuesday by Inkatha's leader, Chief Mangosuthu Buthelezi.

Chief Buthelezi said in the speech — a copy was given to the press — that if any political party attempted to establish a one-party state "there would be an awesome backlash which would make anything that has happened in Mozambique and Angola pale into insignificance".

now of a resumption of the armed struggle are not threats of anything significant from a military point of view.

They are only threats of heated political exchanges and a reduction in the degree of co-operation that can be expected between the ANC/SACP and the rest of South Africa."

Chief Buthelezi explained that "there never was any meaningful armed struggle" and "black South Africans voted with their feet against the armed struggle".

According to sources in the conference, which was closed to the press, Chief Buthelezi's comments were not well received, particularly by those present who were not South African.

They felt they went against the reconciliatory atmosphere that the conference appeared to be generating.

An Inkatha official also handed out a 69-page legal document titled: "Statement and reports in respect of the violence in the Transvaal."

The main thrust of the 21 affidavits contained in the report was that the ANC had initiated much of the trouble.

In his press conference Chief Buthelezi said the document was not intended as an attack on the ANC: "That is just the facts of the violence," he said.

He was, however, warmly supportive of President de Klerk's peace initiatives, describing him in the speech as "an astute, hard-bitten politician resting on givens and employing existing powerful tendencies. I believe he will be successful," said Chief Buthelezi.

Hiccups

Mr du Plessis was also confident that a peaceful settlement would be achieved. Asked if the process could go wrong, he said the chances were "very slim".

"We will have hiccups, tension and growth pains but I believe we will be successful."

The Finance Minister also touched on a subject that was frequently aired in the conference: an economic union of all Southern African states including the Republic.

"There was a general recognition that South Africa's open and visible involvement in the development of Southern Africa is necessary."

Sanctions

However, he stressed that this should not injure existing structures which promote trade in the region.

There was, however, no indication that there would be a softening on sanctions.

The Conservative Party's Mr Koos van der Merwe said the conference had shown that what South Africa had done so far was "definitely not enough to lift sanctions"

Stability

This showed that the world did not trust the National Party, he said.

Mr Mbeki said future political stability was of far greater significance to the businessmen present than the short-term issue of sanctions.

Perhaps the most significant benefit of the conference was, however, that it brought together Mr du Plessis and his ministerial counterparts from the Frontline States for the first time.

He responded with a political version of "we can't go on meeting like this", saying that that in future Ministers — "and not only Ministers of Finance" — should get together in the region.

US to lift sanctions if SA meets conditions

By MICHAEL MORRIS
Political Correspondent

WASHINGTON has made it clear to South Africa that the lifting of sanctions — including the resumption of scheduled inter-continental flights — depends entirely on the government meeting prescribed conditions.

Some of the conditions have already been entirely or partially met, said Mr Jeffrey Davidow, US Principal Deputy Assistant Secretary for African Affairs.

But, he added, no amount of goodwill generated by President De Klerk's visit last week — or even an ANC call for a withdrawal of sanctions — would achieve a sanctions breakthrough.

ELECTRONIC BRIEFING

Mr Davidow was speaking from Washington in a 60-minute Worldnet electronic briefing, answering questions from a panel of journalists and academics in Cape Town, Pretoria and Durban.

He said that as soon as the conditions laid down in the Comprehensive Anti-Apartheid Act were met, President Bush could "begin the consultative process with Congress" for the removal of sanctions.

'BREAKTHROUGH' VISIT

The conditions included releasing all political prisoners, lifting the state of emergency throughout the country, unbanning all organisations, repealing key pillars of apartheid — such as the Group Areas Act and Land Acts — and beginning "good faith" negotiations with blacks.

"Some have been met entirely and others partially," he said.

Describing Mr De Klerk's visit as a "breakthrough", Mr Davidow said the US was determined to play a "supportive role", promoting negotiations.

'SA mines not apartheid crucible'

By SHARON SOROUR
Labour Reporter

SOUTH AFRICAN mines were not the "crucible" in which apartheid was strengthened, according to the Chamber of Mines.

Rejecting allegations made overseas by trade union leader Mr Cyril Ramaphosa, chamber president Mr Clive Knobbs said the mining industry had been at the forefront of the campaign to have discriminatory workplace laws abolished.

Speaking in Brussels this week, Mr Ramaphosa, general-secretary of the National Union of Mineworkers, urged overseas governments to maintain sanctions against South African minerals.

In a statement yesterday, Mr Knobbs said: "Calling for the maintenance of sanctions against South African minerals at the same time as demanding higher wages and the creation of additional jobs is contradictory."

It also threatened the economic survival of the union's members.

All mining jobs were now open to people of all races and there was no job differential in pay, Mr Knobbs said.

Thousands of blacks had moved into mining industry jobs, previously reserved for whites, in the short time since the statutes were removed.

Mr Knobbs accused Mr Ramaphosa — who said the average monthly wage for black mineworkers was $134 or R348 — of being "out of touch with reality" and presenting "a distorted argument".

Mr Knobbs said by quoting wages in dollars and by doing so "erroneously", Mr Ramaphosa's argument was distorted as the rand/dollar exchange rate was irrelevant unless used in an import or export context.

"It is inappropriate to use a dollar conversion to illustrate South African wage levels because overseas audiences will equate the conversion with the purchasing power of the quoted dollar amount in the United States and then assume that it has similar value in South Africa.

ANC project aims to raise R12,5-b

Sowetan 4/10/90

PLANS are afoot overseas to raise more than R12,5 billion to set up a development operation for the ANC in a post-apartheid South Africa.

By JOSHUA RABOROKO

The operation, which will handle the raising of funds locally and from overseas, is expected to create enormous investment potential as it will not be tied to existing South African banks or the Government.

ANC economist Mr Tito Mboweni said the idea was mooted after the organisation's deputy president, Nelson Mandela, held talks with business people overseas to fund the "reconstruction" of a post apartheid South Africa.

He said funds would be raised both from governments and the private sector. They had agreed to put the money together to create some form of investment bank in South Africa.

A working committee, comprising business people and ANC representatives, has been set up to study the possibility of creating such an institution.

The move comes at the time when anti-apartheid organisations, including the ANC, have called for economic sanctions against South Africa, although it is understood that some countries are moving away from their original stances in th wake of reforms introduced by President FW de Klerk.

Loans

However, a spokesman for the US embassy, Mr Barry Wattley, said in Pretoria yesterday that new private sector investment was permitted for firms owned by South African blacks.

He said the main thrust of US anti-apartheid legislation prevented investment in South Africa by American companies, although there were exceptions.

The ban did not include loans for education, housing and on humanitarian grounds.

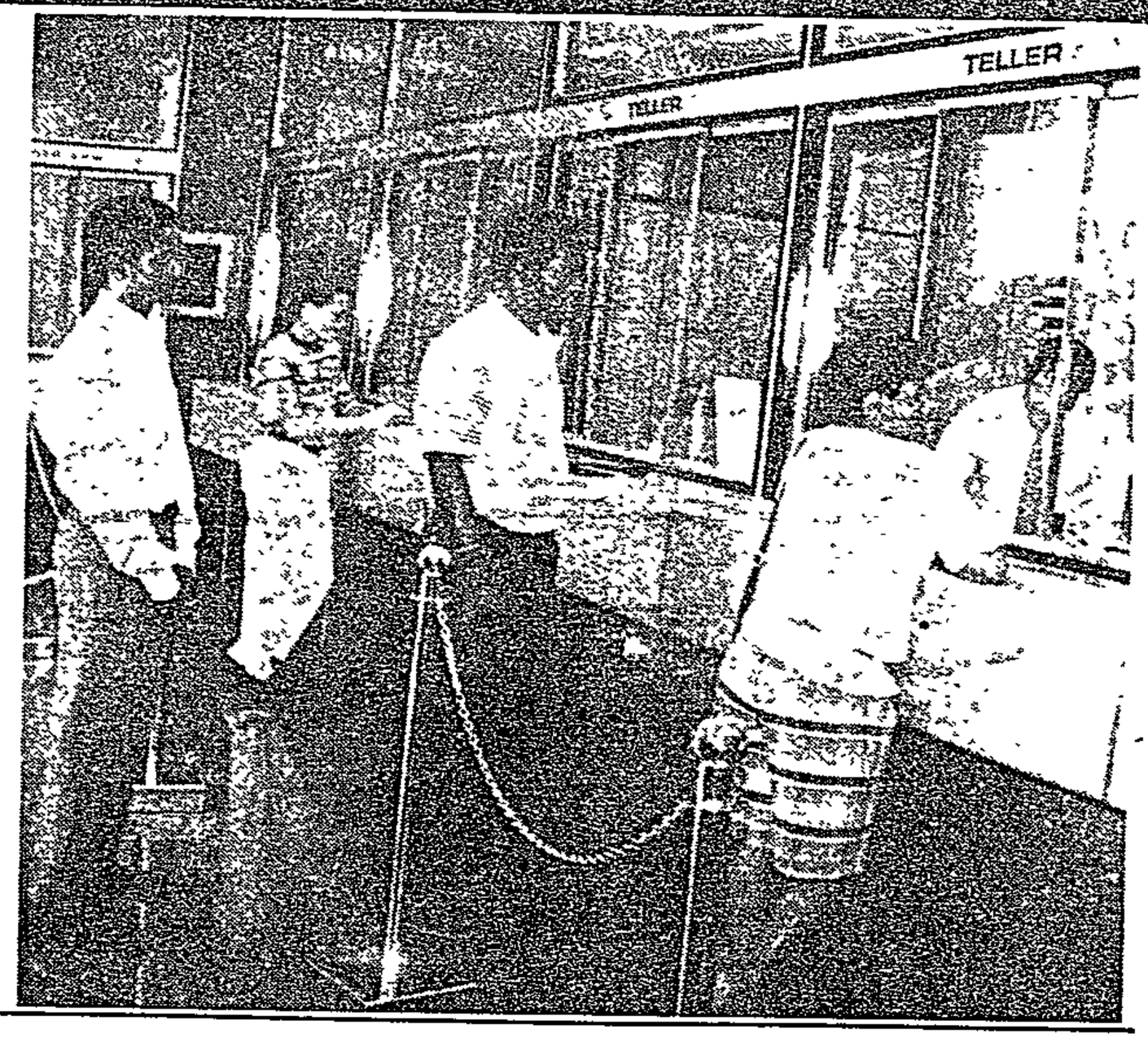
He did not have information about the establishment of a bank for the ANC, nor any US banks which were willing to participate.

The Registrar of Banks at the Reserve Bank, Mr Hennie van Greuning, said in Pretoria that he was not aware of any move by the ANC to open a bank. Anybody who wanted to establish a bank would have to get approval from his department, through the Bank's Act.

He said that capital, expertise and other aspects would be criteria for anybody to establish a bank in South Africa.

He welcomed anybody or group, especially blacks, to open a bank in the interest of the public, although he was of the opinion that the country was overbanked.

He said, however, that any political party would have problems starting a bank.



THE African Bank, which claims to have survived 14 years of storms, has opened this new luxurious branch near its head office 50 Marshall Street Johannesburg. This brings to 11 the number of branches already in operation. The bank is in the process of opening others in Nelspruit, Lusikisiki, Queenstown and Bisho.

Lifting of sanctions will have limited impact

Star 6/10/90 (280)

DUMA GQUBULE

DESPITE increasing signs that the ANC will, in coming months, call for the lifting of sanctions, economists and businessmen say the impact on South Africa's depressed economy could be limited.

"The most important benefit would be psychological — that is an increase in general business confidence," says Michael Louw of the University of South Africa's economics department.

"However, with increasing political and economic uncertainties stemming from township violence and labour unrest, lifting sanctions may not be enough to boost business confidence," he says.

Distinction

Econometrix economist, Dr Azar Jammine says: "In considering the impact of sanctions being lifted, however, it is important to draw a distinction between different types of sanctions — trade sanctions, bans on direct investment and capital sanctions."

Turning to trade sanctions, Mr Louw says "The important thing about trade sanctions is that they are not universally applied. The immediate loss of markets (estimated at 2 percent of all exports) was regained after a couple of years."

Econometrix economist Tony Twine says the removal of the oil embargo could result in the release of R7 billion of strategic oil reserves.

"These are reserves held over and above the normal reserves that any country would hold. These reserves could be exported or substitute for imports over a period of time," he said.

Two important commodities also singled out were coal and steel but textiles and Krugerrands were also affected.

After the bans on SA coal were imposed exports initially fell but new markets were soon found in the Far East and tonnages returned to "normal".

However, South African coal had to be sold at a discount and Japan put a ceiling on the price. If sanctions were lifted the benefits would not be immediate because contracts are fixed a year in advance, but after a year the discount would be eliminated. This could generate an additional R175 million to annual export revenues of R3,5 billion.

To increase exports producers would have to go out and find new markets in a more competitive international market. They could also be faced with capacity constraints. Richards Bay at the end of the current phase of expansion will be able to handle 53 million tonnes of coal a year.

To expand the facilities substantially and upgrade railroads to be able to handle 80 million tonnes a year would cost R1 billion and take four to five years to complete.

Likewise steel producers lost the lucrative US market and European markets. Since than there has been an oversupply situation in international steel markets in 1988/89 and dollar prices came down thus squeezing the margins of South African producers.

Steel embargo

Steel producers like Iscor are now concentrating on achieving technology, productivity and quality improvements to get the pricing right. Emphasis is also being placed on adding value through beneficiation.

If sanctions are lifted it is unlikely that there will be major plans to increase production for export markets because of depressed international prices and softening global demand.

Textile manufacturers willhave to re-negotiate new contracts and face tough competition from Far Eastern manufacturers with lower unit labour costs.

Krugerrands abroad have been trading at a discount to the gold price. This discount could be eliminated if sanctions were lifted but demand could be weak because of the many new gold coins that have been introduced.

Dr Jammine says the removal of trade sanctions is unlikely to provide a major boost to the economy.

"The most significant benefit is likely to be the elimination of the hassle factor and the cost of commissions paid to sanctions busting intermediaries," he says.

Where the lifting of sanctions could well provide a major boost, however, is on foreign capital.

"The denial of foreign capital and the facility to roll over existing debts has arguably been the form of sanctions which has hit the economy hardest in recent years. By compelling the country to continue running a massive current account surplus to generate the foreign exchange needed to meet foreign debt obligations, sanctions have forced the country to restrict growth in order to hold imports down.

Uncertainty

"Once the country gains access to foreign capital and not be compelled to pay off much of its foreign debt, running a current account surplus will no longer be necessary and as a consequence a higher growth rate can be accommodated," he says.

Government loans from international agencies could come immediately. A loan from the International Monetary Fund could help in periods of balance of payments difficulties and boost foreign exchange reserves.

However a removal of a ban on direct investment in SA is unlikely to result in a flood of new foreign investment.

Dr Jammine says: "Foreign multinationals are reticent about pouring funds into the country until greater certainty regarding the future political and economic system emerges."

Mr Louw says that over the years South Africa has become a less attractive investment option. "Money will come in but only after it has provid to be a viable investment worthy of capital. At the moment the counties in the northern hemisphere have ther priorities. Germany has East Germany and Japan has South East Asia as their main priorities," he says.

"Foreigners will only invest here if they believe they can get a reasonable return and if they can take their money out," he says.

● The possibility of a trade agreement between South Africa and the European Community (EC) cannot be excluded if sanctions are lifted and South Africa's trade relations with the EC return to normal, says the head of the South African mission to the EC, Professor Bhadra Ranchod.

"We know the European market and together the 12 states constitute our most important trading partner. South Africa ranks as the 13th most important source of EC imports and its leading trading partner in the Southern Hemisphere."

"To take advantage of the opportunities presented by a prosperous united Europe, South African businessmen will have to adopt business strategies which will give them a competitive edge in what is now a powerful EC."

Britain asks Europe to lift its sanctions

Britain has joined the United States in accepting that reform in South Africa is irreversible and has called on the European Community (EC) to lift economic sanctions on South Africa.

Minister of State in the Foreign Office William Waldegrave said in an interview: "It seems almost quaint that pressure from outside is maintaining the momentum of sanctions."

The urgency in discussions with the South African Government, Inkatha and the ANC was "far greater than the rather academic, distant interest from outside the country, such as in the United States and United Kingdom", he said.

Asked whether the EC should establish its own policy on the lifting of sanctions or whether it should wait for a signal from the ANC, Mr Waldegrave replied: "I believe the ANC are getting very near to realising that if they don't move on this matter, then the importance of that particular card will diminish and become almost valueless." — Sapa.

UK to raise sanctions at EC summit

JOHN CAVILL

LONDON — British Prime Minister Margaret Thatcher is expected to tell President F W de Klerk this weekend that a renewed attempt will be made to bury the "corpse" of sanctions at the EC summit in Rome on October 25 and 26.

A Foreign Office source said yesterday Britain was trying to persuade Italy, which holds the EC presidency until the end of the year, to ensure that the Rome agenda included the issue of the sanctions.

Britain does not believe the EC needs ANC approval to lift sanctions. It is supported — in varying degrees — by Germany, France, Italy, Spain and Portugal.

British tactics towards lifting sanctions have switched from pulling from the front to nudging from behind.

"The whole thing is falling apart and unravelling and everyone in the EC can see that," the source said.

"It is now a question of motivating people into taking a decision. This is where the ending of sanctions is being affected by the fortunes of international politics, from the Gulf to European monetary union.

"Sanctions are an issue of the past and have faded to the margins of other, more pressing imperatives and so tend to get overshadowed. But things are beginning to roll."

MIKE ROBERTSON reports that in addition to De Klerk's visit to Portugal and Britain — which he starts today — he will begin another visit to the Netherlands and Luxembourg on October 23.

A Foreign Affairs Department statement yesterday said De Klerk would meet Netherlands Minister President R F M Lubbers, Foreign Minister Hans van den Broek and the chairmen of the Dutch first and second chambers of parliament.

eM Times 11/10/90

Sanctions to be 'buried' at EC's Rome summit?

Own Correspondent

LONDON. — British Prime Minister Mrs Margaret Thatcher is expected to tell President F W de Klerk this weekend that a renewed attempt will be made to bury the "corpse" of sanctions against South Africa at the European Community summit in Rome on October 25-26.

The meeting of EC heads of government this month, however, will have other priorities, from the Gulf crisis to the reunification of Germany, which has enlarged the market, and the advent of Britain as a full member of the European Monetary System.

But a Foreign Office source yesterday said Britain was trying to persuade Italy, which holds the presidency of the EC until the end of the year, to ensure that the Rome agenda includes the sanctions imposed since September 1986.

Britain does not believe the EC needs to wait for African National Congress approval to start lifting sanctions. It is supported — in varying degrees — by Germany, France, Italy, Spain and Portugal. The attitudes of Holland and Luxembourg are likely to be affected by President De Klerk's visit there later in the month, which would leave the main hardliners, Ireland and Denmark, in the minority.

Black business to take a look at its stand on sanctions

THEO RAWANA

BLACK business organisation Nafcoc will take a fresh look at its stand on sanctions when it holds its 6th biennial summit in Venda on October 19.

The 1986 resolution, which was re-endorsed at the 1988 meeting in Bloemfontein, stipulated that Nafcoc would not take part in future efforts to encourage new investments in SA in all cases where blacks were not meaningfully involved.

It also said the organisation would not campaign to oppose disinvestment or sanctions.

Nafcoc public affairs director Gab Mokgoko said Nafcoc would begin at this three-day summit to formulate policy that would place it in position to play a vital role in the new SA.

"A fresh look will be taken at existing policy in the light of current developments, while new policy will be worked out.

"Unlike previous summits, which have taken place against a background of systematic repression, this meeting takes place against a background of far-reaching changes in the total life of the black man and the country as a whole," said Mokgoko.

Various reports

He added: "Top on the agenda is a resolution taken at the last annual conference in Durban which pledged that Nafcoc would serve as a unifying factor in promoting peace and better understanding among the different warring groups through consultation and negotiation.

"The Nafcoc resolution on sanctions, adopted at the 1986 summit and re-adopted at the 1988 Bloemfontein summit, also comes up for review."

Different regions will give reports on:

- ☐ Proposals for policy framework regarding land ownership;
- ☐ Proposals for policy framework regarding entry of blacks into the world of corporate business;
- ☐ Proposals for an action programme geared towards the promotion of ownership and control of productive assets of certain corporate businesses; and
- ☐ Nafcoc's continued participation as observer on the Preferential Trade Area (PTA).

Cape Times, Saturday, October 13 1990 3

OAU call for world 'yes' to SA sanctions

ADDIS ABABA. — The Organisation of African Unity (OAU) yesterday urged all countries to maintain sanctions against South Africa until apartheid is completely dismantled.

President F W de klerk is currently on a four-day european tour, hoping to encourage renewed trade and investment after decades of economic restrictions.

An OAU spokesman said that although Mr De Klerk had taken some positive steps to end racial discrimination, that was not enough to justify the lifting of snactions.

"Our position is that mandatory economic sanctions against the SA regime must continue until all pillars of apartheid in that country are dismantled."

— Sapa-Reuter

Sowetan 15/10/90 280

Nafcoc to review sanctions stand

Sowetan Business

The National African Federated Chamber of Commerce is to review its policies on economic sanctions and prospects of black and white partnerships in the light of political developments in South Africa and internationally.

The chamber will hold its sixth summit at the Venda Sun Hotel between October 19-21 where it will make far-reaching decisions on these and other issues.

The chamber will also look into the draft document released by the ANC on its economic policy.

Nafcoc public affairs manager Mr Gabriel Mokgoko said the conference represented a forum for a serious and sober exchange of views among the various leaders of the chamber.

It will receive reports on:

* proposals for policy framework regarding land ownership and housing;

* proposals for policy framework regarding entry of blacks into the world of corporate business;

* proposals for an action programme geared towards the promotion of ownership and control of productive assets of certain corporate businesses; and,

* Nafcoc's continued participation as observer on the Preferential Trade Area, and Federation of Chamber of Commerce and Industries of PTA in which 15 countries of the sub-region are members.

By JOSHUA RABOROKO

He said unlike previous summits, all taking place against a background of systematic economic and political repression, this conference would take place against a background of events in which far-reaching changes in the life of the black man and the country as a whole were expected to take place.

At its previous summits, Nafcoc resolved that it would not take part in any future efforts to encourage new investments in the country where blacks were not meaningfully involved.

However, the chamber said it would not campaign to oppose disinvestment or sanctions. It accepted that the withdrawal or non-introduction of foreign investment would impact very strongly on the country's economic life in which the members of Nafcoc were actively involved.

It had also resolved that there was a case for selective economic pressure unless:

* all political prisoners were released;

* all black political organisations were unbanned;

* Government entered into dialogue with credible black leaders and committed itself to dismantling apartheid.

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Sanctions 'withering on the vine'

Cape Times 15/10/90 (280)

Own Correspondent

LONDON. — Sanctions against South Africa were "withering on the vine", the British government said yesterday after Mrs Margaret Thatcher met President F W de Klerk for talks at Chequers.

The courtesy visit was used by Mr De Klerk to inform his most powerful European ally that reform is on track — and to reassure her that the recent violence is now under control.

The 90-minute talks at lunchtime were characterised by Mrs Thatcher's office as "very positive and constructive about the way ahead and the prospects for negotiation".

Mrs Thatcher told Mr De Klerk that she strongly supported what he was trying to do to dismantle apartheid, and expressed the hope that negotiations could soon get under way.

The two agreed that sanctions against South Africa were a secondary issue and were "withering on the vine", according to a British statement after the meeting.

Mr De Klerk and his wife Marike arrived at Southampton on board the Queen Elizabeth II luxury ocean liner yesterday, following talks in Portugal with President Mario Soares.

An SA embassy spokesman said Mr De Klerk had used the meeting "to talk about relations between the government and the ANC and other groups".

"Mr De Klerk highlighted the potholes ... the problems, being faced and Mrs Thatcher indicated she respected and appreciated these."

With the European Council of Ministers meeting on October 22, there is now a strong probability that, under Mrs Thatcher's powerful influence, the 12-nation body will use the opportunity to lift the voluntary embargo on investment in SA.

Mrs Thatcher is known to have pushed for the lifting of the ban on imports of iron, steel and Krugerrands when the EC held its last summit in June But, with the EC agreeing to a phased lifting of sanctions only in response to fundamental changes, it is understood there is still no EC agreement that the time is ripe for such a reward

A small demonstration by the Anti-Apartheid Movement was held at one of the gates outside Mrs Thatcher's residence

Labour Party MP and AAM chairman Mr Robert Hughes handed in a letter for Mrs Thatcher at the Chequers gate

Mr Hughes said in a statement that he was "alarmed and dismayed by Mrs Thatcher's complacency about developments in South Africa and her failure to live up to her responsibilities as someone claiming influence on the situation in South Africa"

Mr and Mrs De Klerk were due to fly back to South Africa last night, arriving at Jan Smuts Airport early today.

GIVING DIRECTION ... Mrs Margaret Thatcher shows President F W de Klerk the way to the rose garden at her official country residence Chequers before talks began yesterday. She said later that the meeting had been "very positive". Picture REUTER

Mandela urges Kenya on sanctions

GAA Times 15/10/90



Mr Nelson Mandela

NAIROBI. — African National Congress leader Mr Nelson Mandela has criticised Kenya's decision to begin flights to South Africa, urging it to hold firm on sanctions.

The ANC deputy president was on a one-day stopover on the way to Asia — where India will bestow on him its highest civilian honour, the Bharat Ratna (The Jewel of India).

Mr Mandela, only the second non-Indian to be given the Bharat Ratna after Afghanistan's Khan Abdul Ghaffar Khan, who helped spearhead the subcontinent's independence movement against British rule, will receive the award tomorrow from President Ramaswamy Venkataraman in a ceremony in New Delhi.

ANC officials said Mr Mandela discussed the airways issue with President Daniel Arap Moi at his rural home outside Nairobi.

South African Airways said last week that it and Kenya Airways were due to begin regular flights between Nairobi and Johannesburg in December.

"We would have preferred Kenya to maintain sanctions against South Africa and also to work hard for the isolation of the country," Mr Mandela said, adding that Kenya's economic position differed sharply from that of frontline states who were dependent on South Africa.

"We regard the position of Kenya as being totally different from that of these countries. They (Kenyans) should help in putting pressure on the South African government," Mr Mandela told newsmen.

Mr Mandela's remarks contradicted a Kenyan government minister's reported comment that the ANC approved the opening of air links.

The Minister of Transport and Communications, Mr Joseph Kamotho, was quoted in the Daily Nation on Saturday saying: "Mandela has already expressed a desire to see Kenya Airways fly to South Africa soon."

Kenya has always maintained it supported the ANC in its attempts to end apartheid.

But a senior Kenyan immigration official said that recently Kenyan businessmen were increasingly being granted South African visas, although he denied a local newspaper report that all visa restrictions had been lifted.

Mr Mandela will end his visit to India on October 19 after a meeting in Calcutta with Nobel Peace Prize-winner Mother Teresa and then leave for Brunei.

His tour will also take in Malaysia, Indonesia, Australia and Japan, and on his return he is expected to stop over in London.

His three-week trip to the Far East will be not only to pay courtesy calls — he will also request material assistance for the ANC.

Speaking at Jan Smuts Airport before his departure on Saturday, Mr Mandela said the ANC was still determined that the peace process it had undertaken with the government would succeed, despite the war of words between the ANC and government last week.

"I am convinced Mr (F W) De Klerk wants peace in this country," he added when asked at a press conference whether he had begun to doubt Mr De Klerk's integrity. — Sapa-Reuter

FW has 'warm' meeting with Thatcher

KIN BENTLEY

LONDON — Britain is sure to increase its efforts to convince the EC that sanctions against SA should be lifted, after the warm meeting at Chequers, outside London, yesterday between President F W de Klerk and Prime Minister Margaret Thatcher.

Dubbed an unofficial "courtesy" visit, the lengthy lunch-time meeting was used by De Klerk to inform his most powerful European ally that reform is on track — and to reassure her that violence is now under control.

And, with the European Council of Ministers meeting on October 22, there is a strong probability that, under Thatcher's powerful influence, the 12-nation body will take the opportunity to lift the voluntary embargo on investment in SA.

Britain lifted its investment ban in February and the Netherlands later followed suit. Britain contends that in the new climate created by De Klerk, most EC countries now ignore the ban anyway — and there is, therefore, no justification for the EC maintaining it.

De Klerk and his wife Marike arrived at Southampton on board the Queen Elizabeth 11 luxury ocean liner yesterday morning, after talks in Portugal with President Mario Soares.

His meeting with Thatcher started shortly before noon, with lunch about 40 minutes later. Thatcher was accompanied by Charles Powell, her personal foreign affairs adviser and the man largely responsible for her tough anti-sanctions line, and his wife.

A small demonstration by the Anti-Apartheid Movement was held at one of the gates at Chequers — a reminder to De Klerk that his actions remain under close scrutiny by this powerful lobby.

De Klerk and his wife were due to fly back to SA overnight, arriving at Jan Smuts Airport early today.

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sanctions, Mandela asks India

NEW DELHI. — Mr Nelson Mandela yesterday called for continued sanctions against Pretoria, saying apartheid was the root cause of recent violence among blacks.

He also said the violence was orchestrated by pro-apartheid forces.

"It is calculated to weaken the ANC and abort the process of achieving a peaceful resolution of the conflict created and maintained by apartheid," he added.

"Apartheid is in the last throes of its demise and the present violence is indicative of that," he told a cheering throng of about 12 000 people at the Indira Gandhi Stadium.

New phase

"We have landed at a new phase of history," Mr Mandela said, adding that recent political developments were "victories of the people achieved by courageous resistance and sacrifice".

The final step was the dismantling of apartheid. "That is why we have called for the maintenance of sanctions."

Mr Mandela arrived in New Delhi to a welcome befitting a head of state.

Cavalry troopers led his cavalcade past flag-waving schoolchildren to the presidential palace where he reviewed a military guard of honour.

Mr Mandela said it had long been his ambition to visit India, and praised Mahatma Gandhi as the inspiration for the movement against apartheid in South Africa.

Gandhi led India to independence in 1947 with his revolutionary non-violent campaign

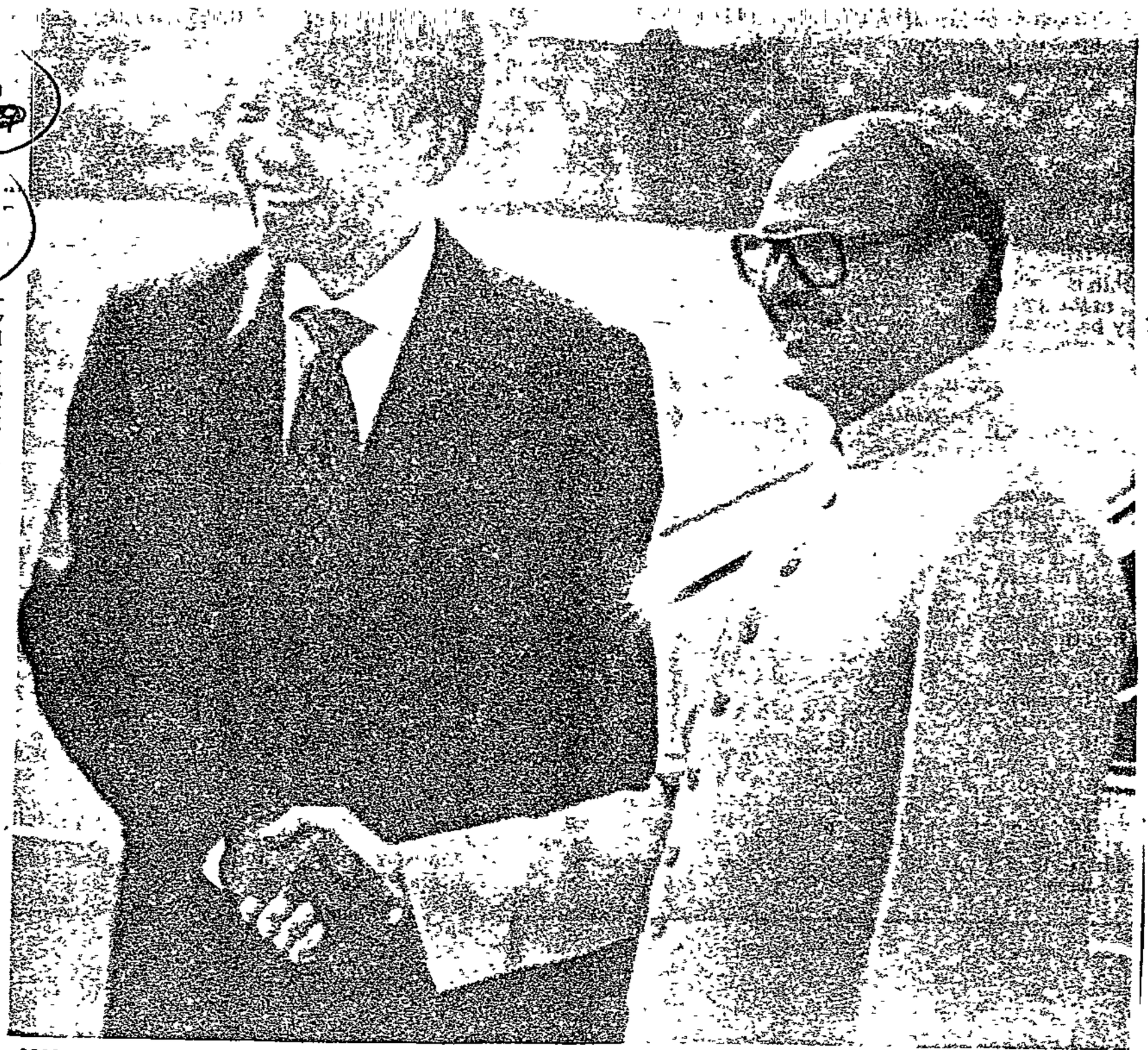
"It was Mahatma Gandhi who first applied and organised the discipline of political resistance and established the tradition of non-violent struggle in South Africa," he told reporters at the arrival ceremony.

"We have since been influenced by that perception," Mr Mandela said at the start of the tour that will take him to Brunei, Australia, Indonesia, Japan and Malaysia

Mr Mandela is to receive India's highest civilian award, the Bharat Ratna, during an official ceremony today.

Tomorrow he is to fly to Agra to visit the Taj Mahal before travelling on to the Hindu holy city of Varanasi to receive a doctorate from the Banaras Hindu University

Sapa-Reuter



WARM WELCOME . . . Mr Nelson Mandela is greeted by Indian Prime Minister Mr V P Singh yesterday as he arrives on a five-day visit to a head-of-state welcome. Picture. REUTER

Schwarz: foreigners optimistic about SA

B/Day 16/10/90

(280)

GERALD REILLY

PRETORIA — International bankers, businessmen and politicians believed the SA economy could do well next year providing the negotiation process remained on track and township violence was brought under control, DP finance spokesman Harry Schwarz said yesterday.

In an interview on his return from the US, Europe and the UK, where he met leading bankers, businessmen and politicians, he said he expected US President George Bush would by mid-March certify all important conditions of the Consolidated Anti-Apartheid Act (CAAA) had been met, and that sanctions could be lifted.

Socialism

If progress continued to be made in negotiations, aid from the World Bank for specific projects was likely to be made available, particularly if they involved black upliftment.

The only danger, he said, was if the violence continued.

"Even if sanctions are lifted there will be no investment in SA from private sources until violence is eliminated."

It also had to be clearly demonstrated that the threat of nationalisation as part of a policy of extreme socialism had been eliminated.

This was clear from discussions he had with influential politicians, businessmen, bankers and financiers.

Another important issue that had to be demonstrated was the clear unfolding of government's commitment to black upliftment in education, skills training and opportunities to advance in the economy.

"All these factors being satisfactorily put together would mean the dawn of a new economic era for this country.

"There are funds in the US and Europe which would be strongly attracted to SA if investor security could be assured".

Schwarz said the certification of the CAAA conditions would depend on the release of political prisoners, the ending of the state of emergency in Natal and on the repeal of remaining apartheid measures.

However, SA was low on the US Administration's agenda.

"There are bigger issues like the involvement in the Middle East crisis, big deficits in the balance of payments and the budget that have pushed the SA issue into the background."

There were also the biennial congressional elections in November in which SA would hardly figure, Schwarz said.

Attitudes towards SA had undergone radical changes in the US and Europe.

A major reason was the high credibility of President F W de Klerk.

"People in high places in politics, business and finance believed him."

This had been lacking in the past when talk of change in SA was met with cynicism. The switch in attitudes was particularly noticeable in the US, Schwarz said.

Tourism white paper on the way

KEEP UP

anti-SA sanctions, Mandela asks India

CAPE TIMES 16/10/90 280

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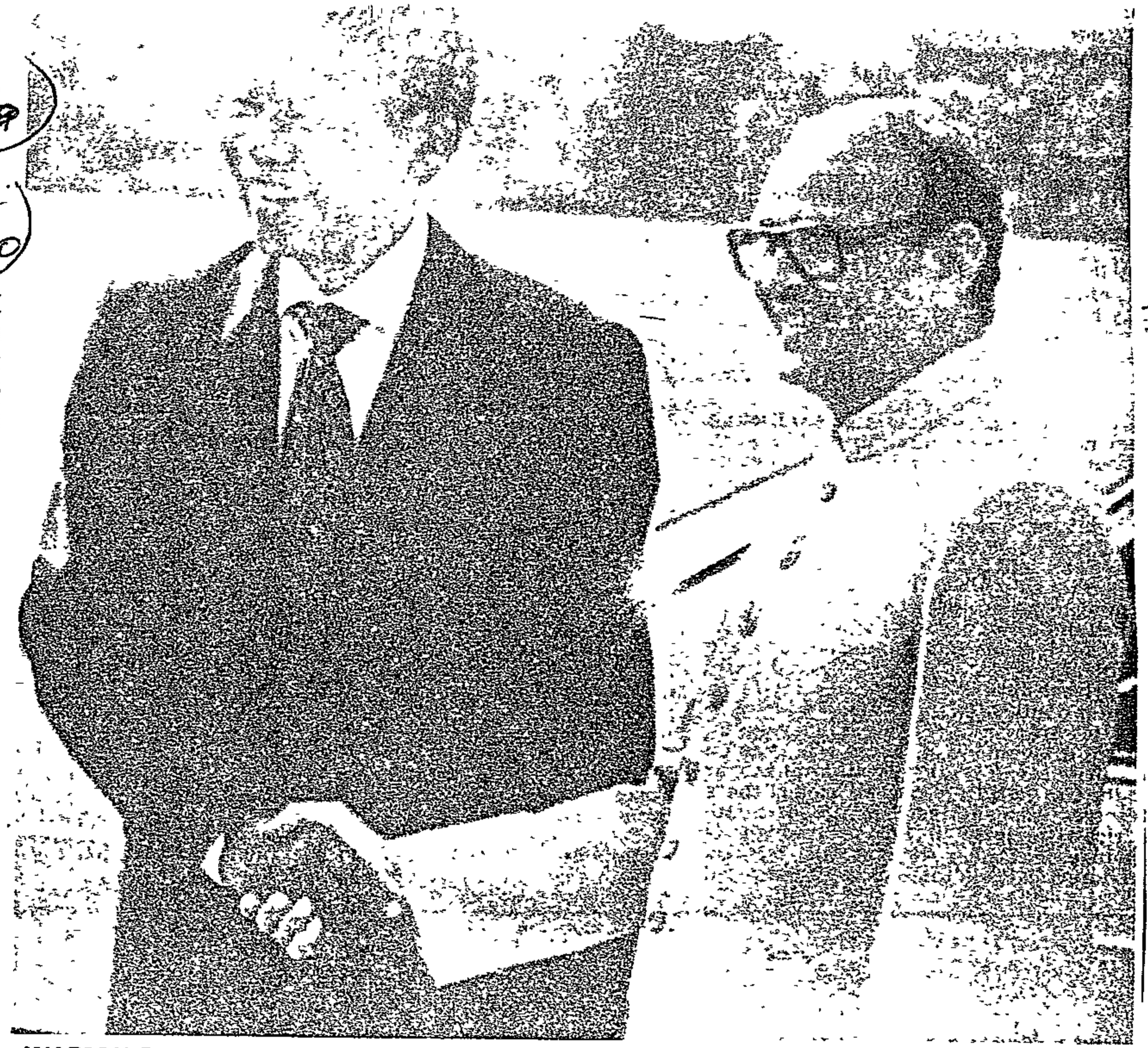

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06/11/90

Easing of sanctions to be debated

280

By Chris Whitfield

LONDON — Sanctions against South Africa could be relaxed soon.

The issue is on the agenda for a special meeting of the European Council next week.

The meeting in Rome starts on the day President de Klerk is expected to return to South Africa after his visit to Holland.

It will be the first real test of the success of the diplomatic initiatives which have taken him across Europe and to the United States.

Last week London sources said Britain was trying to persuade Italy to ensure that the Rome agenda includes the issue of sanctions.

Yesterday a British Foreign Office spokesman confirmed that the Italians had included South Africa on the agenda.

It has has been reported that Mrs Thatcher told President de Klerk at their meeting at the weekend that she would be pursuing a prompt end to sanctions.

The British tactic on sanctions has recently been more of gentle persuasion than of adopting an aggressive leading role in opposing them.

The Rome meeting, however, is unlikely to reach any final decision — it is essentially preparatory discussion for the full council meeting in December — but it will provide an opportunity to set the tone for what will be a comprehensive sanctions debate.

as long as that is not considered, any other measure is peripheral."

Earlier in the day, Mr Mandela was presented with India's highest civilian award, the Bharat Ratna. He is only the second foreigner to receive the

Mr Michael Mansell of the Tasmanian Aboriginal Legal Service said Aborigines planned to protest against Mr Man-



280

Kriel slams sanctions

Boycotts' end could solve housing crisis

PRETORIA. — The advocates of sanctions should change their tune so that the "enormous problem" of housing in South Africa could be solved, the Minister of Planning and Provincial Affairs, Mr Hernus Kriel, said here yesterday.

He revealed at a media briefing that eight major building companies had withdrawn from the black housing market because of unrest and bond repayment boycotts. He feared they might not return to the market.

Mr Kriel said it would cost R5 billion to provide housing for the 1,5 million "illegal" squatters — not counting the "legal" ones — and the two million backyard dwellers in townships.

He stressed business had to become more involved in black housing because the government alone would be unable to supply housing for the nine million additional people expected to become urbanised before the end of the century.

Mr Kriel identified those who called for bond-repayment defaulting and sanctions as supporters of the SACP, ANC, Cosatu, UDF and MDM, and said the leaders of these organisations could "do the country a tremendous service by telling their supporters to stop this nonsense because it's not to the advantage of anybody".

Asked about housing arrangements for returning ANC exiles, Mr Kriel said:

"Announcements in this regard will be made by my colleague (National Health and Population Development Minister) Dr Rina Venter who is handling some aspects of this, but I personally have a problem and that is that we have such a backlog of people who are living in South Africa that I doubt whether we would be able to make special provision for people who are returning.

"Surely the people who are here should also be provided with an opportunity to obtain a house?

"I also believe there is such a lot of money available to the exiles through the political parties they support that I think the political parties will be in a position, as I see it, with all this foreign money that they have available, to provide housing and to buy land for that specific purpose."

In some black areas, rent defaulting ran as high as 90%, and the "ridiculous demands" coupled to the boycott campaign were that every second house should be demolished to provide bigger stands, an extra bedroom should be built onto each house free of charge, and that bond repayments be limited to R50 per month.

Because of this, financial institutions were no longer prepared to put their money at risk, knowing they would not be repaid, he said.

The government's goal was that every family should be properly housed — formally or informally — by 2000, but the co-operation of the government, the private sector and the people of the country was required for this.

Mr Kriel said in order to achieve the goal of a shelter for all, he had directed the South African Housing Advisory Council to formulate a national housing policy, to be published as a White Paper.

He added he would welcome opportunities to discuss housing policies with extra-parliamentary groups such as the ANC. — Sapa



CHL Irish 11/10/90

ANC: Don't lift sanctions

780

Own Correspondent

LONDON. — The ANC's chief representative here yesterday denied that change in South Africa was irreversible and urged that sanctions be maintained because repression was continuing under laws like the Internal Security Act.

Slamming a call by the Financial Times for the lifting of sanctions, Mr Mendi Msimang said the newspaper's view was "based on a serious misreading of the economic and political situation in our country".



Nelson Mandela lays a wreath at the memorial to India's independence leader Mahatma Gandhi in New Delhi.

● Picture by Reuter

Mandela promotes sanctions

Nelson Mandela is spending most of his time in the Far East accepting accolades from wellwishers. But, as Star political writer SHAUN JOHNSON reports, he has an urgent message to deliver to his hosts behind closed doors — to reverse the trend, initiated by the State President, to relax sanctions against South Africa.

On the surface, Nelson Mandela's Far East tour is all about pomp and praise, with precious little in the way of real political content.

This is misleading. In fact, besides the razzmatazz, the ANC deputy president must discharge an earnest task before his return to South Africa at the beginning of November: chiefly, he needs to plug the ever-widening holes in the sanctions dyke.

In an interview before he left for India with Mr Mandela, ANC deputy head of international affairs Stanley Mabizela conceded that State President F W de Klerk had achieved considerable diplomatic success in the course of his recent foreign forays, and said part of the purpose of the ANC's Far East trip was to "stop that trend".

Seek assistance

Mr Mabizela, who returned recently to South Africa from exile, is deputy to ANC international affairs chief Thabo Mbeki, and is regarded as an influential figure within the organisation.

He said that while Mr Mandela would receive a rapturous welcome in India, Malaysia, Brunei, Australia, Indonesia and Japan as an "internationally recognised champion of human rights", he would also be "seeking the assistance (of those countries) in ensuring that sanctions are maintained.

'Not true'

"Some people think we are still being unnecessarily hard, that the eradication of apartheid has indeed reached the point of irreversibility, and we have to explain that is not true."

The governments of India and Malaysia were of particular importance in this regard, as India enjoys an influential position within the Commonwealth and the Non-Aligned Movement, while Malaysia currently occupies the chair of the Commonwealth Foreign Ministers Committee on Southern Africa.

"We shall be urging these governments to use their influence with other members, asking them please to stick by us, to maintain sanctions."

Mr Mabizela admitted that the ANC was aware "that indeed there are some areas (in the world) where the sanctions question is collapsing. This is to be found in many countries, particularly in Africa.

"We have got to view these things objectively," he said. "With the countries of Africa, which are the biggest busters of sanctions, one has got to accept the reality on the ground.

Votes

"Economically, they are having a tough time of it, and they think that if they could link up with South Africa as soon as possible, they could solve some of these economic problems which are bearing down on them so severely.

"This is why some of them have decided even to go against some of their own votes at the Organisation of African Unity or at the United Nations, and reopen trade relations with South Africa".

Mr Mabizela said the ANC hoped the latest Mandela tour would arrest the trend.

He would not go so far as to say the Mandela trip would "regain the initiative" from President de Klerk, who he saw as "very persuasive in the way he goes about things". However, he was sure "that the opposing position" would be taken note of.

Move afoot

"If you remember," he said, "at the time that Mr Mandela undertook his tour to Europe, Africa and the United States, a big move was afoot in the European Community to lift sanctions altogether.

"The tour reversed that, and it is from that point of view that this tour becomes very important."

He said the ANC remained resolute in its belief that sanctions should not be lifted until "all apartheid laws" had been eradicated.

This was likely to be the last trip for Mr Mandela this year, although a number of countries want him to visit, including Ghana, Senegal, New Zealand, China, Brazil. Argentina, Venezuela and Cuba.

Tour challenge for Mandela

Sowetan 18/10/90 (280)

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Welcome

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ANC deputy head of international affairs Stanley Mabizela, conceded that State President FW de Klerk had achieved considerable diplomatic success in the course of his recent foreign forays, and said part of the purpose of the ANC's Far East trip was to "stop that trend".

Welcome

He said that while Mandela would receive a rapturous welcome in India, Malaysia, Brunei, Australia, Indonesia and Japan as an "internationally recognised champion of human rights", he would also be "seeking assistance in ensuring that sanctions are maintained.

"Some people think we are still being unnecessarily hard, that the eradication of apartheid has indeed reached the point of irreversibility, and we have to explain that that is not true."

India and Malaysia were of particular importance in this regard, as India enjoys an influential position within the Commonwealth and the Non-Aligned Movement, while Malaysia currently occupies the chair of the Commonwealth Foreign Ministers Committee on Southern Africa.

"We shall be urging these governments to use their influence with other members, asking them please to stick by us, to maintain sanctions."

Sanctions

Mabizela admitted that the ANC was aware "that indeed there are some areas where the sanctions question is collapsing. This is to be found in many countries, particularly in Africa.

"The countries of Africa are the biggest busters of sanctions. Economically, they are having a tough time of it, and they think that if they could link up with South Africa as soon as possible, they could solve some of these economic problems which are bearing down on them so severely."

He said the ANC remained resolute in its belief that sanctions should not be lifted until "all apartheid laws" had been eradicated. - *Sowetan Correspondent.*

Italian sanctions 'not binding'

LINDEN BIRNS

ITALY's sanctions against new investment in SA are no longer legally binding, an Italian trade official believes.

Italian trade commissioner in SA Massimiliano Sponzilli said yesterday, that with EC economic unity looming, the Italian legislature had introduced new "liberal" laws affecting trade, commerce and industry. Some of these affected sanctions against SA, he said.

In terms of a mid-1980s EC sanctions agreement, member countries were forbidden to make new investments in SA, to buy minerals or to import SA goods, Sponzilli said.

"Now we are in a position where capital can be moved freely between Italy and SA. In Italian law, if a new piece of legislation is brought onto the statute books and a clause contradicts the previous law, then the new legislation cancels out the old one.

"Strictly speaking there is now no longer any law forbidding Italian investment in SA. There is only a moral obligation on the potential investor to uphold sanctions," he said.

The Italian Embassy yesterday took a contradictory stance to Sponzilli. Commercial desk head Alessandro Cortese said he was convinced sanctions, even on investment, were still in place.

"For commercial trade it's open. The problem is with capital inflow from Italy to SA. This is still illegal. We only have a problem in controlling this, but if you get caught investing then you have been caught acting illegally," Cortese said.

Italian import figures for the first half of this year reflect a 4% increase over the same period in 1989. Italian export figures are 12% down on the 1989 figures.

Figures for 1989 showed an increase of almost 30% in bilateral trade compared with 1988 figures.

In 1989 Italian imports from SA were worth R7,2bn, while exports to SA were R1,85bn.

Figures for the first six months of 1990 reflected total imports worth R3,3bn, while exports were valued at R900m.

SANCTIONS FM 19/10/90 (280)

SLIPPING THEIR MIND

UK PM Margaret Thatcher's weekend lunch with President F W de Klerk produced a statement from her Downing Street spokesman that economic sanctions against SA were "withering on the vine." And nowhere, it emerges, have they withered faster than in Italy, holder of the European Community presidency and host to the special EC Council summit in Rome on October 25-26 as a prelude to the grandstand gathering in December, when the alphabetically rotating office passes to Luxembourg.

For since last November — three months prior to De Klerk's unbanning speech and the release of ANC Deputy President Nelson Mandela — Italian sanctions have been in limbo.

The EC measures of 1985 and 1986 fell under the policy of European Political Cooperation. But the only bans which were implemented at EC level were those on imports of SA iron and steel products and Krugerrands.

It was left to the 12 EC members individually to decide what to do about the rest, from loans and investment to trade in oil, promotion of tourism and so on. Six countries, the UK being one, took the "voluntary" line on these and the other formalised their measures by legally enforceable decrees (not laws) of one kind or another.

Italy, in early 1987, instituted the Formica Decree (Salvatore Formica, a Socialist, is Minister of Finance). It was due to have been renewed in November 1989, only nobody bothered to raise the question in either the Senate or the Chamber of Deputies — not the Communists or the Socialists.

Equally nobody appears able to establish what the position has been since then, apart from knowing that iron and steel and Krugerrands are still prohibited SA imports in Italy as everywhere else. Attempts by the *FM* to clarify the situation met with no success this week — the relevant Foreign and Trade ministry officials were not available nor returning telephone calls.

Nor, understandably, is it a question the SA Embassy in Rome has been anxious to raise. That sleeping dog was best left to slumber.

As far as can be established the Formica Decree — affecting investment and financial links and trade in oil and high technology products — is still in place but its legal standing appears to have lapsed. The formal renewal was simply forgotten.

And, as one Rome source told the *FM*, a lot of water has passed under the bridge in the last nine months and Formica has drifted away with it.

Bilateral trade between SA and Italy this year is up by nearly 30%. Some 48% of coal burnt in Italian power stations comes from Richards Bay and Italy is now SA's biggest market in the EC.

Confindustria, the industry umbrella organisation, has just had a delegation in SA looking at investment opportunities. Adolfo Battaglia, the Republican (liberal) Minister of Industry has visited SA and Trade, Industry & Tourism Minister Kent Durr has been to Italy, among other places.

Finally, last week, the Socialist Foreign Minister Gianni De Michelis said he wanted relations with SA normalised as soon as possible.

It is not clear, however, whether Italy will use the closing weeks of its EC presidency to get there. Britain, having taken the lead, is now nudging the EC towards taking what will be a largely symbolic step in formally ending sanctions — but one which will have important repercussions on the US Congress — and overcoming the last of the hardliners, Ireland and Denmark.

SA is on the agenda for next week's meeting of heads of government in Rome but, according to the UK Foreign Office, the topic will take its place among a list of more pressing matters headed by European responses to the Gulf crisis, German reunification and British entry to the exchange rate mechanism of the European Monetary System.

There are also worries about US reaction to the failure of EC agriculture ministers to agree to reduce farm subsidies sufficiently.

Discussion about SA is likely to be a general review of events and reports from the UK, Holland and Luxembourg on De Klerk's visits. But it could produce results in the more important communiqué which will follow Italy's end of term summit in December.

John Cavill

GOVERNMENT POLICY FM 19/10/90

UNTHINKABLE VISION (11A)

When black American civil rights leader Martin Luther King said in the Sixties that he had "a dream," it marked the end of official racial discrimination in that country. Last week, Constitutional Development Minister Gerrit Viljoen announced: "I have acquired a new vision ..." (304A)

Viljoen explained this vision to a group of political journalists. It is the realisation that the NP can become part of the majority in a new dispensation. Compare it to his earlier philosophy that the future of minorities had to lie in the entrenchment of protection for those groups and Viljoen's vision illustrates the 180° turn by the De Klerk administration

FIM 19/10/90 (280)

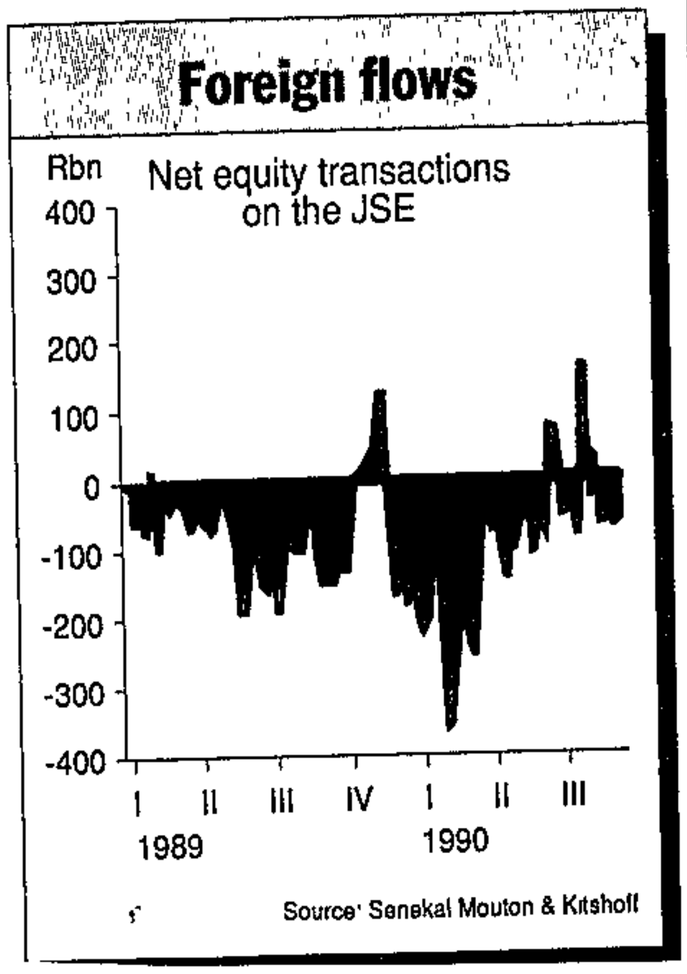
FOREIGN DISINVESTMENT
FIM 19/10/90 (280)

SLOWING FLOWS

Massive net sales of JSE shares by foreigners — R2,8bn in the first quarter of 1990 — were followed by net sales of only R803m in the second quarter and R273m in the third. July and August saw sales slow to a trickle and September brought only a mild uptick.

This is a reversal of an earlier trend. "Between the start of 1989 and May this year, foreigners were net sellers of SA equities. Despite the improvement, net sales to date total R7bn," says Senekal Mouton & Kitshoff economist Leon Steenkamp. "Foreign investors have, however, continuously been net buyers of bonds."

Steenkamp told an international investment conference in Paris: "Bearing in mind





Steenkamp

the degree of social instability SA has experienced in the recent past, the improved trend in foreign investment action appears all the more remarkable. It is interesting to note that financial/economic factors have had a distinct effect on foreign investment trends even in a period when political factors could have been expected to have completely dominated events." Thus:

☐ Bond purchases have been buoyed by the financial rand discount, which swelled the yield. Since the beginning of 1989 long-term bonds have, on average, yielded well over 20% to the foreign investor. Now they yield 24,2% — 16,5% direct and 7,7% from the financial rand — well above comparable yields elsewhere; while

☐ The fortunes of gold shares correlate with the price of bullion.

Steenkamp returned from the conference with the impression that "sentiment towards SA has improved beyond recognition. Unfortunately, this does not suggest that vast amounts of foreign capital will immediately flow in. Political uncertainty, the disappointing performance of gold and international developments make investors cautious."

Steenkamp says international long-term investment strategies have a strong bias towards Europe — west and east.

Despite this, he foresees a "satisfactory" inflow of capital if an acceptable political dispensation is achieved and the authorities persist with current monetary and fiscal policies. An important positive factor, he says, is the Reserve Bank's determination to preserve the value of the currency.

"Persistence with restrictive monetary policy measures is all the more remarkable because of the degree of political instability recently. In earlier years, the authorities would have opted for stimulation." ■

Barend: SA hurt by finance curbs

CAPE TIMES 20/10/90 280

By BARRY STREEK
Political Staff

TRADE sanctions did not hurt South Africa much but financial sanctions, which forced the country to operate on a cash basis, did, Finance Minister Mr Barend du Plessis said yesterday.

He also said: "Unless you have confidence, comprising political and economic confidence, there cannot be growth."

In a wide-ranging address on the economy to the Transvaal congress of the National Party, he expressed confidence about its future. "We are not without our problems, but our economy is more healthy," he said.

No government could spend itself into prosperity and, as a result, tight control over the money supply had to be exercised.

The money supply had been reduced from 30% to 14%, but this control had resulted in high interest rates, Mr Du Plessis said.

South Africa was the eighth most open economy in the world, making it dependent on vital imports and the generation of money through exports.

"Trade sanctions did not hurt us to that extent, but financial sanctions, the fact that we had to run this country on a cash basis, did affect us."

The low growth rate in the 1980s, with its high state expenditure and increasing tax burdens, had resulted in a real decline in income for most people.

"Give us a chance. We will get this economy under control," Mr Du Plessis added.

By the third quarter of next year, the government would be in a position to free the economy for growth and then the effect of sanctions would disappear.

Blacks debate sanctions call

By MANDLA TYALA

ORGANISED black business is meeting this weekend to take some tough policy decisions.

Top of the agenda of the National African Federated Chamber of Commerce and Industry (Nafcoc) conference in Venda is whether to call for the lifting of sanctions against South Africa.

Heated debate is also expected over proposals that black-white partnerships in township business ventures be encouraged.

The sanctions resolution will be particularly controversial for Nafcoc because of the chamber's close working relationship with the ANC, which continues to campaign for sanctions to be maintained.

ST Times 21/10/90

Opposed

Nafcoc decided in 1986 that it would not take part in any efforts to encourage new investments in the country unless blacks were involved.

Nafcoc president Dr Sam Motsuenyane said yesterday he had new thoughts on the issue of economic sanctions, but would not divulge these before addressing a closed session of the conference.

For the past 12 years Nafcoc has been opposed to the injection of white capital into township businesses because the Group Areas Act prevented black businessmen from trading in white areas.

Black traders argued that they did not have equal access to sources of capital.

Noting that black-white partnerships could only exist and thrive in a climate of equality and mutual trust, Nafcoc resolved in 1978 that black businessmen trading in black areas be protected against unfair competition from their more affluent and privileged white counterparts.

Although many black businessmen now acknowledge that trading restrictions in white areas have gradually fallen away, they believe township businessmen still need to be protected from the big guns of white business.

Into Africa on FW's reform

Continuing his safaris into Africa, President De Klerk is this week opening major new contacts and making important advances in gaining acceptance for South Africa in the continent. GERALD L'ANGE, Editor, Argus Africa News Service reports.

PRESIDENT De Klerk's latest trip into Africa demonstrates again how his reforms are undercutting the African National Congress' influence in black Africa.

The ANC is still calling for African and all other countries to maintain sanctions on South Africa, including bans on diplomatic and cultural relations as well as trade. This means that every time Mr De Klerk is received openly and officially by an African head of state in his own capital the ANC's demands are being openly rejected.

AFRICA

It appears that African governments are increasingly taking the view that the reasons for ostracising South Africa have been removed by the De Klerk reforms.

Those that want direct access to South African trade, technology and aid would have little patience with sanctions barriers that they regarded as being no longer justified. Or it could be that they only needed half an excuse to deal with South Africa in the first place and this is provided by the De Klerk reforms, even though the ANC says these are insufficient.

Some African countries had, after all, started dealing openly with South Africa even before Mr De Klerk took office, while P W Botha was still president.

A more extreme interpretation of developments is that the ANC could now have to face the possibility that some African governments suspect that its insistence on continued sanctions is aimed at gaining political power rather than seeking a solution acceptable to all South Africans.

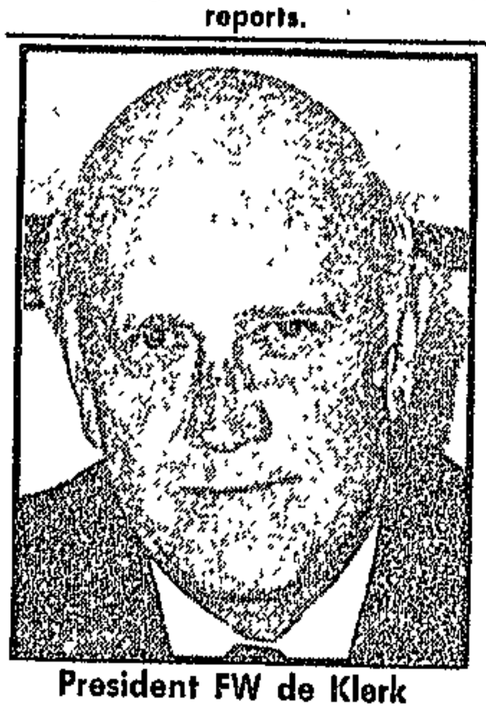
Moroccan motive

Whatever the motivation of those governments opening their doors to the State President, the effect is to strengthen Pretoria's influence in Africa at the expense of the ANC.

The Moroccan government's motives in inviting Mr De Klerk to Rabat are perhaps even more open to speculation than were those of the governments of other African countries he has visited as president: Ivory Coast, Mozambique, Zaire, Zambia, Zamibia and Madagascar.

Morocco largely follows an independent line in inter-African politics and has long been one of the strongest supporters of Dr Jonas Savimbi's rebel Unita movement in Angola. It is possible that South Africa's own close links with Unita may have led to contacts with Morocco.

What is important about Mr De Klerk's visit there is that these contacts are being openly formalised. And that they now give South Africa friendly relations with a country that is influential not only in African circles but especially among the Maghreb grouping of Arab states in north



President FW de Klerk

Africa and in the wider Arab world.

Morocco is a constitutional monarchy under King Hassan and is governed by a coalition of four parties. Its troubled economy has begun improving after the institution of reforms required by the International Monetary Fund. It has a relatively large mining industry and is the world's third largest producer of phosphates.

The Deputy Director-General of Foreign Affairs, Rusty Evans, sees the visit as "a reflection of the changing attitudes of African heads of state and government towards South Africa and a particular mark of respect for President De Klerk and what he is doing."

He says his department is optimistic that this spirit of acceptance will spread wider in Africa. Mr Evans sees the Rabat visit also as "a reflection of the wider recognition that South Africa is getting in African capitals because of the fact that we identify with Africa."

Before he left there was speculation that Mr De Klerk would visit another African country in addition to Morocco during his present journey and observers considered it likely that this would be one of the Francophone countries.

These countries have usually had a more pragmatic attitude to South Africa than the former British territories. South Africa has long had informal relations of various kinds with the Ivory Coast and is known to have had dealings recently with Gabon and the Congo, where some of the negotiations that led to the 1988 Angola-Namibia settlement took place.

South Africa is believed to have had contacts also with Senegal, which has close relations with Morocco and has backed Morocco's claim to Western Sahara. Should Mr De Klerk visit Senegal it would be a major step in consolidating South Africa's acceptance in Francophone Africa.

'No rush' to lift sanctions

Aussies backtrack after Hawke's hint on sports links

SYDNEY — The Australian Foreign Minister, Mr Gareth Evans, has moved to lower expectations raised by the Prime Minister, Mr Bob Hawke, that Australia might be planning to lift sporting sanctions against South Africa.

Speaking to reporters as Mr Nelson Mandela arrived in Australia yesterday, he said he did not think anyone was "going to rush into the lifting of any sanctions".

While a weekend statement by Mr Hawke that he hoped Australia would be able to lift the sanctions "as soon as it's reasonable" was strongly qualified, it led to newspaper headlines suggesting such a move was imminent.

Speaking on a current-affairs programme of the Australian Broadcasting Corporation, Mr Evans said there was reason for supposing that a start might be made on the lifting of sanctions relatively soon but more evidence of profound and irreversible change was needed.

"It is important to appreciate that a lot of those basic pillars of apartheid remain very much intact," Mr Evans said. "Until some of those things do start to get chalked up, it's almost certainly premature to be lifting any of the sanctions."

Mr Evans said the Prime Minister had mentioned sporting sanctions but was not seeking to differentiate between sporting and other sanctions.

Mr Evans said Australia's intention was to act in concert, particularly with Commonwealth countries with which it had been in close dialogue.

Speaking on ABC Radio on the eve of Mr Mandela's visit, Mr Hawke said South African President F W de Klerk acknowledged that sanctions had accelerated reform of the apartheid system.

"They've made it clear that the pressures that have been put on them by the rest of the world, including Australia, is a thing which has now bought them to the table," Mr Hawke said. "We've always wanted not to bring South Africa to its kness, but to bring it to the negotiating table." — Daily Telegraph and UPI

Mandela runs into flak Down Under

SYDNEY. — Mr Nelson Mandela arrived in Australia yesterday running into criticism from the South African ambassador to Australia and a lawyer who claims to lead a provisional aboriginal government.

In Canberra Mr David Tothill, the SA ambassador, accused Mr Mandela of playing on the "heart-strings of the Western democracies" in fundraising efforts around the world.

He told a Foreign Correspondents' Association lunch that Mr Mandela was not the clear-cut leader of all blacks in SA.

Last week aboriginal lawyer Mr Michael Mansell told reporters: "The stigma of Nelson Mandela linking arms with the Australian government will be shoved in our face every time we say something.

"We want to expose by way of protest the way in which the Australian government is seeking to use the Mandela visit."

Meanwhile, Prime Minister Mr Bob Hawke said sporting sanctions against South Africa could soon be lifted.

"From my point of view, I hope that as soon as it's reasonable now we will be able to lift the sanctions.

"If they fully integrate the society and develop the talents of their population, they could be very, very formidable opponents." — Sapa-AP

KWV in wine export drive

CAPE TOWN — The organisation representing SA wine producers, KWV, has launched a major export promotion campaign to gear up the wine industry for the anticipated lifting of trade sanctions.

The two priorities of the campaign are to get branded SA wines and spirits back on international shelves and to double the production of wine for brandy distillation by next year to meet growing domestic and foreign demand.

KWV is planning contractual agreements with certain producers and co-operative cellars to guarantee a supply of quality export wines.

To ensure it is prepared for the opening up of new export markets, the organisation has restructured its marketing department to create more international marketing positions.

The concerted drive to win back former appreciators of SA wine and capture new markets includes measures to make the product politically palatable. KWV has

LESLEY LAMBERT

drawn up a manpower code with guidelines for suitable labour practices and social upliftment.

Announcing the new strategy yesterday, KWV chairman Pietman Hugo said it represented a complete turnaround from the low profile bulk exports of past years to high profile advertising-supported marketing of brand products. A new range of top quality wine series and new varietal wines would be introduced for potential export markets, Hugo said.

Although KWV lost most of its traditional markets during the past decade, it circumvented the sanctions campaign by selling bulk unidentified products. In 1984 it ventured into the production of grape juice concentrate as an alternative to alcohol.

During the financial year to end-December 1989, export volumes rose by 85%, largely as a result of a doubling in the volumes of export grape juice concentrate

☐ To Page 2

KWV drive

☐ From Page 1

and brandy and the discovery of new markets for bulk natural wines.

This year KWV could not keep up with demand for concentrate and bulk dry white, according to Hugo, who estimated the industry's total income would show an 18% increase to over R500m for the year to end-December 1990. KWV believes it can improve this performance by adding the more profitable quality branded wines to its export lists.

On the domestic front, KWV CE Ritzema de la Bat said efforts to increase wine consumption, particularly in the Transvaal, were continuing.

FW should help speed US sanctions on their way

B/day 23/10/90

280

SIMON BARBER in Washington

LAST month President F W de Klerk told the National Press Club: "We intend, because we believe it must be done, to do all the things to which the Comprehensive Anti-Apartheid Act refers. We're going to do it. Whether the legislation was instituted or not, we would have done it according to the policies which we have accepted. And therefore the time will come when automatically there will be compliance and sanctions will fall away."

This may have been little more than a deft way of telling Americans that Pretoria was not especially concerned about their sanctions: no, we have not come here to beg for their removal, because, serendipitously, they will lapse anyway when we have done what we have to do for our own sake. Next subject, please.

Since then there have mounting indications — and hopes on the part the Bush administration — that De Klerk may have been hinting at something extra, namely that a way might be found to repeal of the Population Registration Act before final agreement is reached on a new constitution.

There are two ways the CAAA's sanctions can be lifted. By degrees or wholesale.

The former process can begin once Pretoria has met four of the Act's five main conditions and at the same time demonstrates that it has made "substantial progress towards dismantling the system of apartheid and establishing a nonracial democracy".

The five conditions, lest anyone need reminding, are:

One. The release of ANC deputy president Nelson Mandela and all other persons persecuted for their political beliefs or detained unduly without trial.

Two. The repeal of the state of emergency in effect on October 2 1986, when the CAAA was enacted, and the release of all persons held under it.

Three. The removal of restrictions on "democratic" political parties and on the "free exercise" by all South Africans of the right to form political parties, express political opinions, and otherwise participate in the political process.

Four. The repeal of the Group Areas and Population Registration Acts without identically intended legisation being adopted in their place.

Five. The agreement by government to enter good faith negotiations with "truly representative members of the black majority" without precondition.

As of last week's lifting of the state of emergency in Natal, President George Bush and his advisers take the position that the government has "irreversibly" satisified numbers one, two and three, plus the "substantial progress" provision. They believe, on the basis of the Pretoria Minute and subsequent remarks by both government and the ANC, that number five will be dealt with by April next year.

When that happens, the Act permits Bush to "suspend or modify" its sanctions subject to majority votes of disapproval by both Houses within 30 working days.

It is conceivable that Bush could determine to suspend the lot and have just enough support in the Senate to sustain his decision. Absent a major change of heart on sanctions by the ANC, this is also highly unlikely. Instead, Bush will merely begin "consultations" with Congress on which sanctions should be removed.

Bush, being Bush, will work by consensus, a misleading term in this instance, since the consensus will not be a product of the views of all 535 congressmen and senators. The positions of the Congressional Black Caucus, though it is less than 30 strong, will, in alliance with the likes of Congressman Howard Wolpe and Senator Edward Kennedy, have the effect of, say, 200 votes. Not enough to block any change in the status quo, but certainly sufficient to ensure that the first sanctions lifted are the most meaningless ones. The landing rights ban, for example.

The real meat — including the bans on new investment and loans and the embargo on SA coal and agricultural products — will quite possibly not be reached until a new, ANC-led government has been installed. This is what happened in the case of Namibia which was not excused from the strictures of the CAAA until independence day.

Who cares, you may say. Let the Americans play their domestic racial games, the vacuum will be more than amply filled by the Europeans and the industrialised Far East, especially now that the IMF and World Bank are seriously considering their own re-engagement.

One set of people that cares, ironically enough, is the Bush administration. Partly because it would like to diminish Congress interference in foreign policy generally, partly because it is genuinely interested in constructive relations with SA, the administration wants the CAAA monkey off its back once and for all.

There is only one way to achieve this, and that, as De Klerk indicated in his speech to the Press Club, is to make the Act fall away automatically by meeting all five of the CAAA's conditions. In which event, the law states that the relevant, sanctions-bearing sections of the Act "shall be terminated".

The law does not say how, precisely, but the thing to notice is that there is no provision for a congressional veto. This means that having decided Pretoria had done all that was asked of it in the Act, Bush could simply repeal its sanctions by executive order. If Congress then disagreed with his assessment, it would have to pass a whole new Bill, an improbable feat under any foreseeable circumstance.

Also terminated, incidently, would be the so-called Rangel Amendment which denies US corporations credit against their US taxes for tax paid in SA. Enacted a year after the CAAA, it has become a driving force behind US disinvestment. Having forced out Mobil Oil Corp, among others, it remains a major source of discomfort for those companies that have stayed on.

The companies are trying to persuade Congressman Charles Rangel, the Black Caucus member who authored the amendment, to accept a technical clause in the current budget Bill that would place the measure among those the president is entitled to suspend when Pretoria scores four out of five. Their chances are slim, and in the meantime the amendment can lapse only when all five conditions are fulfilled.

Assuming the next session of Parliament will repeal the Group Areas Act, the last real obstacle to this happening — and the CAAA being swiftly put out of SA's misery — is the other half of condition number four, the Population Registration Act.

De Klerk maintains this must persist on the books so that he will have a voters' roll on the basis of which to consult "his people" once a new constitution is negotiated. But surely it is not beyond the wit of man to find some other legal basis for a white referendum that is surely intended to be a one-off affair. After all, De Klerk himself has said that SA has witnessed its last all-white election.

Perhaps he realises this, which is why, at the National Press Club, he looked to a time when the CAAA would fall away "automatically". If he does not, the Bush administration certainly understands and is actively studying the options for him. It would prefer that the CAAA not have to die a lingering death. So should De Klerk.

LETTERS

24/10/90

Cape Times, Wednesday,

Thank you Australia — Mandela

CANBERRA. — Mr Nelson Mandela thanked Prime Minister Mr Bob Hawke and the Australian people yesterday for their opposition to apartheid and urged them not to drop sanctions against Pretoria.

Mr Mandela, who arrived in the Australian capital on Monday night from Indonesia, was driven to Parliament House in a special armoured anti-terrorist limousine amid tight security

As he left the vehicle, he was accosted by Aboriginal activist Mr Michael Mansell.

"What about the Aboriginals, Mr Mandela, what about the Aboriginals?" Mr Mansell yelled from behind a large black and yellow Aborigine flag.

However, Mr Mandela appeared not to hear the shout or see the flag. He was warmly greeted by Mr Hawke and Foreign Affairs Minister Mr Gareth Evans.

In a lunch speech, he appealed to the Australian government not to drop sanctions.

"Australia has made a significant and consistent contribution to the sports and cultural boycott, specifically under the Gleneagles Agreement

"This campaign must be maintained inside South Africa, especially in rugby, cricket, tennis and athletics.

"We are optimistic that with the maintenance of economic sanctions we will hasten the achievement of freedom for South Africans who have yearned and fought for so long and sacrificed so much."

Mr Mandela accused the "fanatic right wing" within the ranks of the SA government security forces of orchestrating the black-on-black violence.

"It is an attempt to weaken the African National Congress and to derail the peace process," he said.

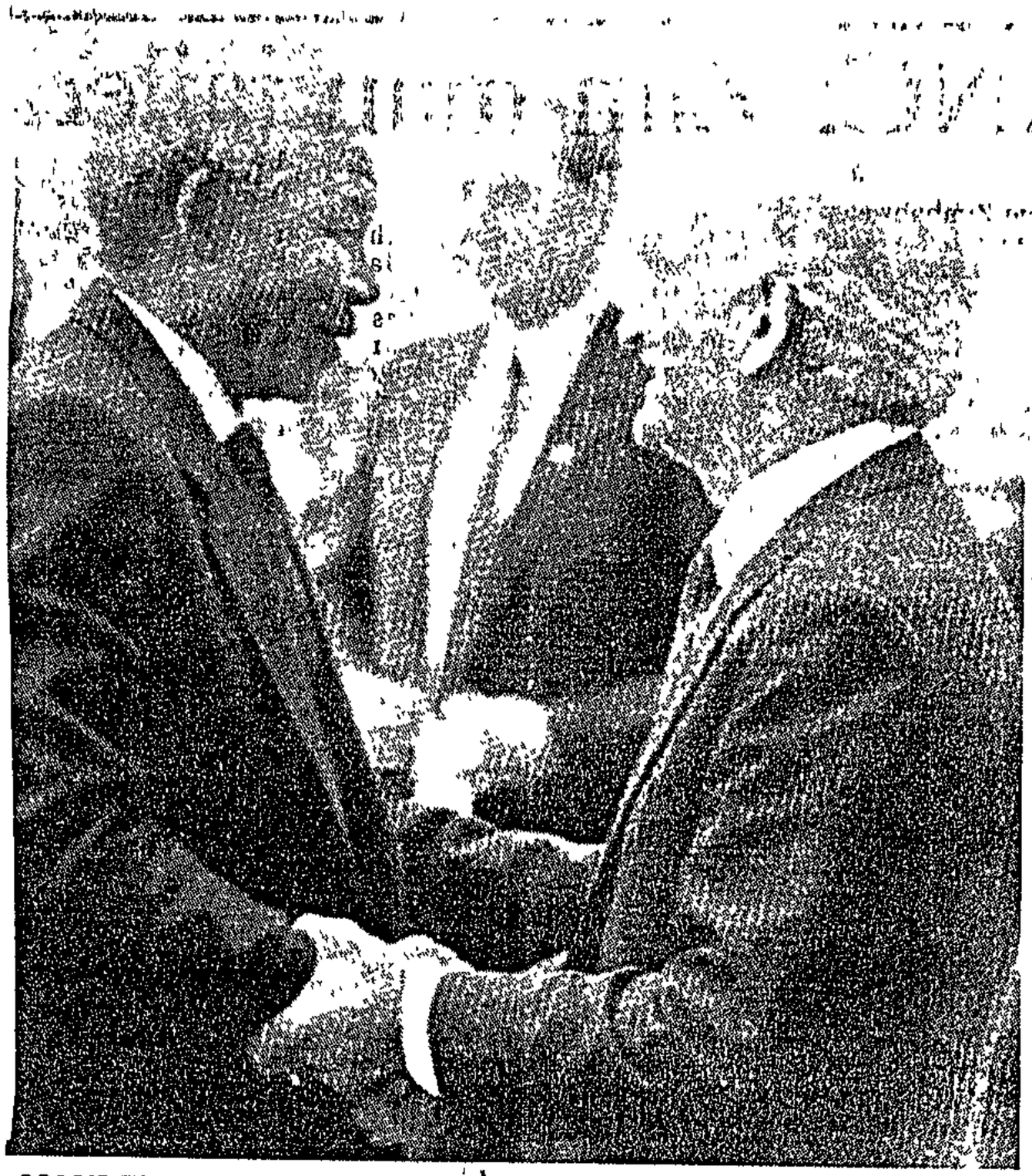
Mr Mandela said the lifting of some sanctions to reward President De Klerk, which the Australian Opposition has proposed, would allow extreme right wing groups in South Africa to claim that the president was responding to Western pressure.

Mr Mandela was given a standing ovation by the 1 000 official guests at the end of his speech.

● The Azanian Peoples' Organisation said South Africa's blacks and the Aboriginals had both been dispossessed of their land and expressed solidarity with the Aborigines on the occasion of Mr Mandela's visit.

● Mr Mandela will address the Japanese parliament on October 30 and will meet various Ministers and business leaders

He will visit Malaysia from November 1 to 4, two weeks later than scheduled. — Sapa-Reuter



MANDELA DOWN UNDER ... Mr Nelson Mandela is greeted by Australian Prime Minister Mr Bob Hawke in Canberra yesterday. Picture REUTER

Court erred on Winnie's trial date

JOHANNESBURG — A Rand Supreme Court judge yesterday ruled that a magistrate erred when he postponed the trial date of Mrs Winnie Mandela, who is scheduled to appear in court on charges of kidnapping and assault.

Mr Justice K V Dijkhorst, in a 30-minute judgment, granted an application by Witwatersrand attorney-general Mr Klaus von Lieres, who sought a declaratory order.

Mr Von Lieres launched his application on Friday after magistrate Mr T F Veldman recently postponed Mrs Mandela's trial on kidnapping and assault charges to February 4. The Supreme Court had set October 30 as trial date, but after an application by Mrs Mandela's defence lawyer, Mr Veldman agreed to postpone the trial.

In his challenge, Mr Von Lieres said he agreed with the new date, but contested the right of a magistrate to change a Supreme Court decision.

Mr Justice Dijkhorst subsequently ruled that a magistrate was not empowered to change a trial date set by the Supreme Court. — Sapa

Jo'burg 'ready for 5-star visitors'

By Adam Gordon

Johannesburg was poised to regain its rightful place as a premier business and tourist destination, Anglo American chairman Julian Ogilvie Thompson said at the official opening of the Carlton hotel's new R3,7 million lobby yesterday.

"As surely as sanctions are on their way out, five-star visitors are on their way in," he said.

This marked the emergence of Johannesburg as a modern international metropolis, he told a gathering of about 200 guests.

He said the fact that Spain earned more from tourism than South Africa did from its gold mines suggested that the tourist industry remained largely unrealised in this country.

The R3,7 million world-class foyer revamp would help the Carlton and others like it become "foreign-exchange factories".

The Carlton Centre, built in 1972, was Anglo American's largest single long-term property investment. It probably remained the most ambitious attempt to address what he termed "the urban failings" of the central business district.

However, Anglo American's participation in urban renewal was not confined to the Carlton, Mr Ogilvie Thompson said. Anglo American Property Services was pursuing the redevelopment of Newtown with the Johannesburg municipality.

"We hope these important initiatives in urban renewal will also be allowed to unfold," he said.

Anglo American's previous chairman, Harry Oppenheimer, opened the original Carlton lobby in 1972.



Julian Ogilvie Thompson

African states propose special UN mission to SA

Star 24/10/90 (280)

Special Correspondent

UNITED NATIONS — The group of African states at the United Nations proposed in a resolution circulated yesterday that South Africa receive a special mission to study, among other matters, the protection of minorities.

Evidently, South Africa's white population is not the primary concern, but such a mission could hardly fail to look into all aspects of South Africa's multiracial society.

The resolution, being debated in the General Assembly's social committee, will instruct UN Secretary-General Dr Javier Perez de Cuellar to request Pretoria to permit a visit by the special rapporteur of the sub-commission on prevention of discrimination and protection of minorities.

The intention is for the official, Ahmed Khalifa, to update his report to the General Assembly.

The resolution calls on all governments and organisations to maintain sanctions "until the total dismantlement of the apartheid system has been achieved".

It will probably command a big vote in the 159-nation committee, but is hardly likely to impress Pretoria or developed countries encouraging reform.

Strong Swedes go soft on SA

From MADI GRAY

STOCKHOLM. — An application to invest more than four million rands in SKF's ball bearing plant in Uitenhage in the Eastern Cape was granted by the Swedish Board of Commerce last week. South 18/10 - 24/10/90

The decision is a major departure from Sweden's longstanding policy of prohibiting new investments in South Africa and may herald the demise of its sanctions policy. (280)

Discrimination

The board justified the decision on the grounds that it is line with existing legislation because the investment is intended to increase safety and improve working conditions, not facilitate an expansion of SKF's activities.

SKF's South African manager, Mr Edgar Schindler, said, however, that poor turnover at the plant and the need for new machinery were the real reason for the investment.

In an interview with a Swedish metal workers' publication, Schindler said new machinery was needed at the plant.

Sanctions: racist laws must go, say Dutch

Star 25/10/90 280

Political Staff

THE HAGUE — President de Klerk leaves the Netherlands today eagerly awaiting steps by the Dutch government to ease sanctions — having convinced them that the movement towards a new South Africa is unstoppable.

The South African party will spend today in Luxembourg for top-level meetings with political leaders and the royal family.

Reshaped

Dutch government sources said that from their side, President de Klerk's visit had gone off excellently.

They have officially accepted as profound, but not yet irreversible, the steps towards a reformed South Africa.

While all levels of Dutch political leaders believe President de Klerk will honour his promises to end apartheid and negotiate a new constitution, the fact that the Group Areas Act, the Land Act and the Population Registration Act still stand is holding them back from acting decisively.

Dutch Foreign Minister Hans van den Broek will submit a paper to parliament next month on how President de Klerk's visit has reshaped Holland's policy towards Pretoria.

Dutch government sources said they were the first to impose sanctions in the European framework, so it was only fair to be the first to get rid of them.

Dutch political leaders welcomed the personal effort put in by President de Klerk in the short time available to prepare for the tour. They are likening him to Soviet leader Mikhail Gorbachev.

Dutch government sources said the cultural treaty between South Africa and Holland which was suspended in 1979 to protest against the death in detention of Steve Biko, and scrapped a few years later, would not immediately be renewed — but it was "time to open up for cultural, scientific and educational co-operation".

South Africa's eyes are also on a European Community committee comprising 12 directors-generals of political affairs — the highest public servants in the EC — who are about to prepare a report on sanctions.



New friends . . President F W de Klerk and his wife Marike chat to their hosts, Queen Beatrix and Prince Claus of the Netherlands, prior to a state luncheon at Noordeinde Palace in The Hague yesterday. Picture. Reuter

Sanctions gone by Christmas?

CAPE Times
25/10/90
280

THE HAGUE. — Investment sanctions against South Africa by the 12 European Community countries — together with bars on religious, educational and scientific links — could be lifted by the middle of December.

"It is time to open up," the Dutch Foreign Affairs spokesman said yesterday.

This was one of the benefits of the talks President F W de Klerk held with the Netherlands government during his two-day official visit — which has received splash coverage here.

Comparing him with President Mikhail Gorbachev, the Foreign Affairs spokesman said the public response to Mr De Klerk had been summed up in an off-the-cuff remark by Prime Minister Mr Ruud Lubbers that "he is the right man on the right spot"

He said that Mr De Klerk's visit had been "very helpful" — an official Dutch spokesman in fact described it as "excellent" — and said the SA president had made a favourable impression.

In particular, the fact that Mr De Klerk had given a schedule for the removal of the Group Areas Act and the Land Acts, the revision of the Internal Security Act, the release of political prisoners and the return of exiles and constitutional negotiations

Royal treatment for FW and Marike



Cape Times
25/10/90

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In particular, the fact that Mr De Klerk had given a schedule for the removal of the Group Areas Act and the Land Acts, the revision of the Internal Security Act, the release of political prisoners and the return of exiles and constitutional negotiations had helped influence Dutch policy

Rome summit

The Dutch government also believed Mr De Klerk had introduced "very profound" change in SA, but although it welcomed and encouraged this, it was not sufficient to be regarded as "irreversible", the spokesman said

However, he emphasised that the gradual lifting of sanctions would be part of a comprehensive EC package which still had to be negotiated with the other European countries.

It is also significant that Luxembourg, which Mr De Klerk is visiting today, will hold the EC presidency during the first half of 1991 to be followed by Holland during the last six months of next year.

The Foreign Affairs commissions in both chambers of Parliament in Holland are investigating Dutch policy and are expected to report back in the middle of November to enable the Dutch Parliament to formulate its policies on SA.

At the same time the EC Council of Foreign Ministers, who met in Luxembourg on Monday, have also set up a special investigation into policy towards SA and are due to meet again before the summit of European heads of government in Rome in the middle of December.

The Rome summit will discuss a number of issues, including SA, and it is expected to approve the lifting of some restrictions on links with SA.

The Dutch Foreign Affairs spokesman said these could include cultural relations, scientific and education links, and, significantly, investment, as hinted this week by the Dutch Foreign Minister, Mr Hans van der Broek, in a radio interview.

The Minister of Foreign Affairs, Mr Pik Botha, confirmed last night that the Dutch government had been told the Group Areas Act and the Land Acts would be scrapped during the next parliamentary session, but no specific dates had been given However, the laws would be scrapped during the next sesssion, Mr Botha said

Mr De Klerk had pointed out in the week's discussions that the Population Registration Act could not be

To page 2

● Splash coverage for FW — Page 4



AT THE PALACE . . . President De Klerk and his wife Marike at the Noordeinde Palace yesterday with Queen Beatrix (left) and Prince Claus (left). Picture: REUTER

P.T.O.

From page 1

changed until a new constitution had been negotiated because without it the current constitution could not function, particularly in regard to by-elections and the situation could not be left in a vacuum. *FM Times 25/10/90 (80) (80) (80)*

The fact that Mr De Klerk had emphasised that the abolition of this law was linked to the adoption of a new constitution and that the National Party had opened its membership to all races, seemed to have been accepted by the Dutch government.

"Body language-wise and reaction-wise, my impression is that there is acquiescence on this issue," Mr Botha said.

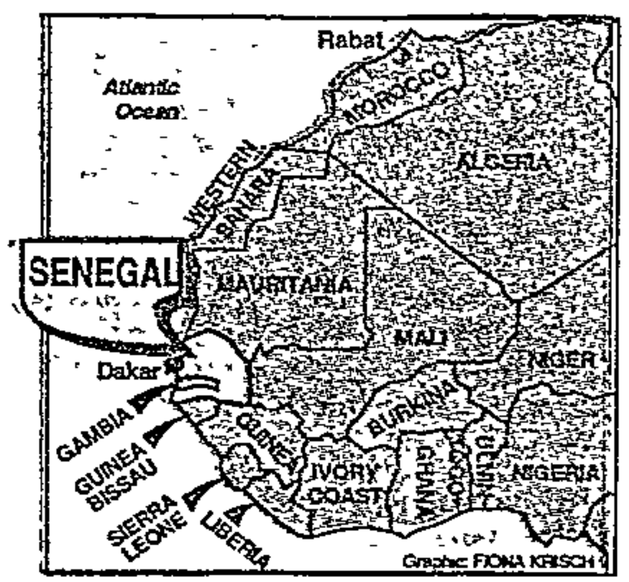
Yesterday Mr De Klerk answered questions from the commissions of foreign affairs and he was applauded at the end of it.

Mr De Klerk was then granted a half-hour audience with Queen Beatrix and her husband, Prince Claus, at the royal palace, followed by a lunch the queen hosted for the president, Mr Botha, their wives and senior members of the SA delegation.

In the afternoon Mr De Klerk and Mr Botha visited the International Court of Justice, where Mr Botha was one of the lawyers representing SA in 1966 in its successful case against Ethiopia and Liberia to retain the mandate of the then South West Africa.

Mr and Mrs De Klerk later met SA Embassy staff in The Hague before a private dinner in the evening.

The South African delegation was due to leave the Netherlands early today for a day visit to Luxembourg, the last stage of the European tour before returning to SA. — Political Staff and Sapa



Another breakthrough for FW as he heads for Senegal

PRESIDENT F W de Klerk is expected to pay an official visit the east African state of Senegal today, achieving another significant breakthrough in Africa.

Sources said yesterday De Klerk and his party would stop over at Dakar and would be received by Senegalese President Dbdou Diouf.

He will leave for SA tomorrow.

In 1987, Dakar was the venue of one of the first meetings between white South Africans and the ANC.

A spokesman for the Foreign Affairs Department would not comment on the trip yesterday, but it is expected to be announced by the Senegalese today.

TIM COHEN

Senegal has been critical of SA in the past and has supported the call for sanctions, but has also emphasised the need for discussions. It is not expected to establish diplomatic relations with SA immediately, but De Klerk may secure trade links and landing rights, sources said.

De Klerk arrives in Dakar after today's stopover in Luxembourg following his visit to the Netherlands.

BARRY STREEK reports from The Hague that a Dutch Foreign Affairs spokesman said the EC's investment sanctions against SA and bars on religious, educational and scientific links, could go by mid-December.

The spokesman said other EC sanctions measures would remain until all apartheid measures had been scrapped and the European governments were convinced the process of change in SA really was "irreversible".

He stressed that the gradual lifting of sanctions would be part of a comprehensive EC package which still had to be negotiated with the other countries.

Luxembourg will hold the EC presidency during the first half of 1991 to be followed by Holland for the second half.

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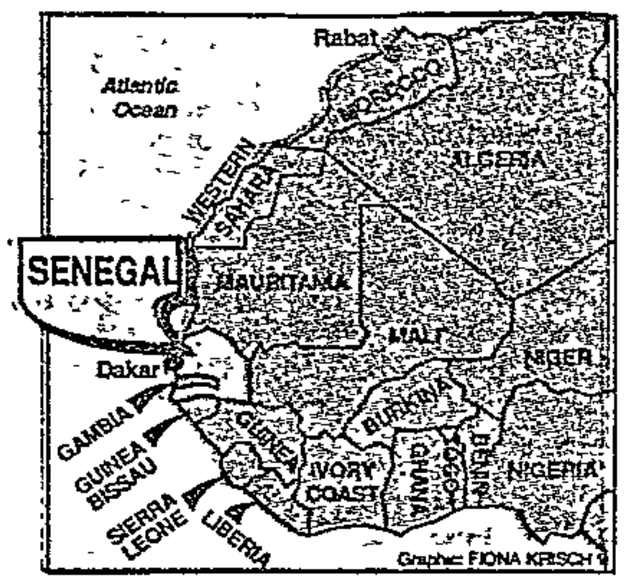

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Bday 25/10/90

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IMF argument against sanctions

280 SIMON BARBER

WASHINGTON — Trade and financial sanctions are undermining SA's ability to create a more just social and economic order, the IMF's annual Recent Economic Developments report on SA concludes.

"Until these constraints are lifted, the SA economy will create less wealth and consequently have less with which to address its pressing needs," says the 89-page confidential assessment which was circulated to fund directors on August 22.

In contrast to the ANC's economic policy paper, which calls for SA's "reconstruction" to be financed primarily from domestic savings, the IMF report places heavy exphasis on SA's need for foreign capital.

"Without access to foreign saving . . . the economy will probably continue to stagnate and be unable to create enough jobs to avoid a secular rise in non-white unemployment" of about 1% a year, leading to continued severe economic inequalities.

The conclusion is partly based on an economic model devised by IMF economist Tamim Bayoumi, who visited SA last June. B Idm 25/10/90

In an appendix to the report, Bayoumi argues that "future growth and employment prospects . . . depend to a large extent on increasing investment that would come from changes in policies that improve confidence and reopen access to foreign saving".

FW: • Sanctions are crumbling

CAPE TIMES 27/10/90

280

JOHANNESBURG. — President F W de Klerk returned home yesterday from breakthrough visits to the Netherlands, Luxembourg and two African states and declared that world sanctions against South Africa are crumbling.

"In general sanctions are crumbling," Mr De Klerk said on his arrival

Meanwhile in Tokyo, sources said Japan was considering the partial lifting of sanctions and inviting Mr De Klerk to visit Tokyo However, with Mr Nelson Mandela due in Tokyo today, the Japanese Foreign Ministry insisted that it had no immediate plan to ease up on sanctions

At yesterday's press conference at Jan Smuts Airport, Mr De Klerk said "I did not go (abroad) with a shopping list." He said sanctions were lapsing because of his sweeping racial reforms.

The trip, which was Mr De Klerk's eighth abroad, also helped launch a major drive into Africa — with diplomatic links as well as landing or overflying rights as the prizes.

Algeria

Landing rights were among the issues discussed during this week's visit to Morocco and Senegal.

It is reliably understood that negotiations about over-flying or landing rights are also at an advanced stage in other West African countries

Although a distance of some 320km across Algerian territory still remains a problem, South African diplomatic sources said yesterday that there was a strong possibility that negotiations could result in SAA not being forced to fly around the bulge of Africa

"It looks very promising," one source said.

The establishment of trade and air links with Madagascar earlier this year was another indication that Africa's approach to South Africa is changing.

Mr De Klerk underlined the government's approach and its priority in establishing links with the rest of Africa when he spoke at press conference in Dakar soon after midnight on Thursday

"The important reality is that the new South Africa will be an integral part of Africa and will play an integral role in Africa

"We cannot afford to waste any time about this," Mr De Klerk said

He hoped these developments would "enable South Africa to take its full rightful place as an African nation"

When a Senghalese journalist asked whether he was an African, Mr De Klerk replied: "Yes, I am an African

"My family fought the first freedom war in Africa against the colonialists, against the British empire

"I am an African. My forefathers have been here for eight generations and I don't want to be anywhere else"

Foreign Minister Mr Pik Botha who accompanied Mr De Klerk abroad, said the president had shown in his visits to 25 countries, including the US and Britain, that he was "absolutely excellent" at putting his case

"Not only has the president a product which is now marketable, but he also is, in my opinion, the chief salesman." Mr Botha said

Mr Mandela is scheduled today to visit Tokyo where Japan, in spite of the Foreign Ministry's insistence that it is not yet ready to lift sanctions, has begun reviewing sanctions on sports, cultural and educational exchanges and the denial of visas to South African citizens

A gradual easing of commercial sanctions, including a ban on direct investment and on direct flights to Japan by SAA, could come later depending on the attitude of European countries and the US

To page 2



ASSAULT CASE . . . Ms Tricia Oxford (front) outside court with friends Yesterday a former lover of Ms Oxford told how he attacked her in a "blinding spell of dizziness" Picture ALAN TAYLOR

crack of dawn

P.T.O

From page 1

Japan has honoured sanctions to avoid international criticism, rather than from heart-felt opposition to racial segregation. Recent reforms in South Africa's apartheid system gave the Foreign Ministry the cue it wanted.

Japan is one of Pretoria's main trading partners

Over 60% of cars in South Africa are Japanese and Japanese firms have long-term contracts to buy chromium, platinum and other essential raw materials. For appearance's sake Japan's direct imports from South Africa have been partly replaced by imports along third country routes.

During his six-day visit at the invitation of the government, Mr Mandela is expected to discourage the Japanese from improving relations with Pretoria.

When he meets Prime Minister Mr Toshiki Kaifu on Monday he is likely to urge Japan to maintain sanctions, on the grounds that apartheid is still a long way from being dismantled.

Japanese officials say they want to express support for Mr Mandela, but also for Mr De Klerk.

"We view the changes in South Africa very positively," said Mr Takeshi Kamitani, director of the Foreign Ministry's South African desk.

"We have not specified any particular measures we would take, but we have made it known to the South African government that we will support efforts by it to lift apartheid."

Contacts between the two nations have already been increased, including a string of meetings between high-ranking diplomats.

"Japanese trade with South Africa is still very big, although it represents only a small part of Japan's total trade," said Mr Masao Yoshida, an organiser of Mr Mandela's visit. "Ties with Japan are very important. That's why we think Japan may have some leverage to change the situation." — Political Staff, UPI and Sapa-Reuter

Pik's wife laid low by bug

Political Staff

JOHANNESBURG. — Mrs Helena Botha, the wife of the Minister of Foreign Affairs, Mr Pik Botha, had to be taken by ambulance on Thursday to the aircraft for the final leg of President F W de Klerk's five-day tour of Africa and Europe.

Mrs Botha, who fell ill in Luxembourg and who was given medical treatment on the plane, was also transferred to an ambulance when the aircraft, a Safair Boeing 707, arrived in Johannesburg yesterday morning.

Doctors believe she has gastro-entiritis and she is reported to be making good progress.

FW: I want to win elections in new SA



HOME AGAIN . . . President F W de Klerk is greeted at Jan Smuts Airport by Constitutional Affairs Minister Mr Gerrit Viljoen on his return yesterday. Picture: REUTER

From BARRY STREEK

JOHANNESBURG. — President F W de Klerk wants to win an election under the new constitution, when every South African has a vote of equal value.

"I want to win an election under the new constitution," he said at a press conference at Dakar Airport in Senegal in the early hours of yesterday morning.

"I might be able to win an election, although the president would not have as much power as at present."

The election would be held on a democratic basis on a one-man-one-vote basis, he said in reply to a question from a Senghalese journalist.

When the journalist asked him whether this applied only to men, Mr De Klerk replied quickly: "We are also against discrimination against women on the basis of sex."

He added: "We do not want to continue minority domination, but we say that because of the complexity of our country, we want to protect minority rights, but not minority protection in a discriminatory way."

The National Party was in favour of alliances around agreed values and policies, but the government of the day had to be accountable to the people.

He believed the negotiations had to be concluded as soon as possible, but this should not be done in such a hurry that it took away democracy.

"I am confident that is what we will achieve.

"I am working for a new constitution and I will accept the results of the new constitution," he said.

All South Africans would become part of the new system and he was working for this to happen.

Mr De Klerk also said he thought the international community had a role to play in the development of the new South Africa, but this did not mean the international community should tell South Africans how to run their own country.

De Klerk visit opens doors

By SEKOLA SELLO

SANCTIONS against South Africa are crumbling and the doors to Africa are opening for the country, State President FW de Klerk has said.

Returning on Friday from a triumphant state visit which took him to Morocco, Holland, Luxembourg and a quick stop in Senegal, De Klerk told newsmen at Jan Smuts Airport that his African visits would reap fruits and had laid a foundation for future contacts.

He said trade with Africa – which in the past had been conducted secretly – was improving and was now being acknowledged publicly.

South African products were now sold openly without their origins being concealed.

Although confident that economic sanctions against South Africa were crumbling, he gave cautious indications that this would not take place soon.

He had not gone to Europe with a shopping list or to ask for the lifting of sanctions, he said, but implied that he expected changes on a cultural level, particularly with Holland.

The world was beginning to realise that South Africa had an important role to play in the development of Southern Africa as well as the rest of the continent.

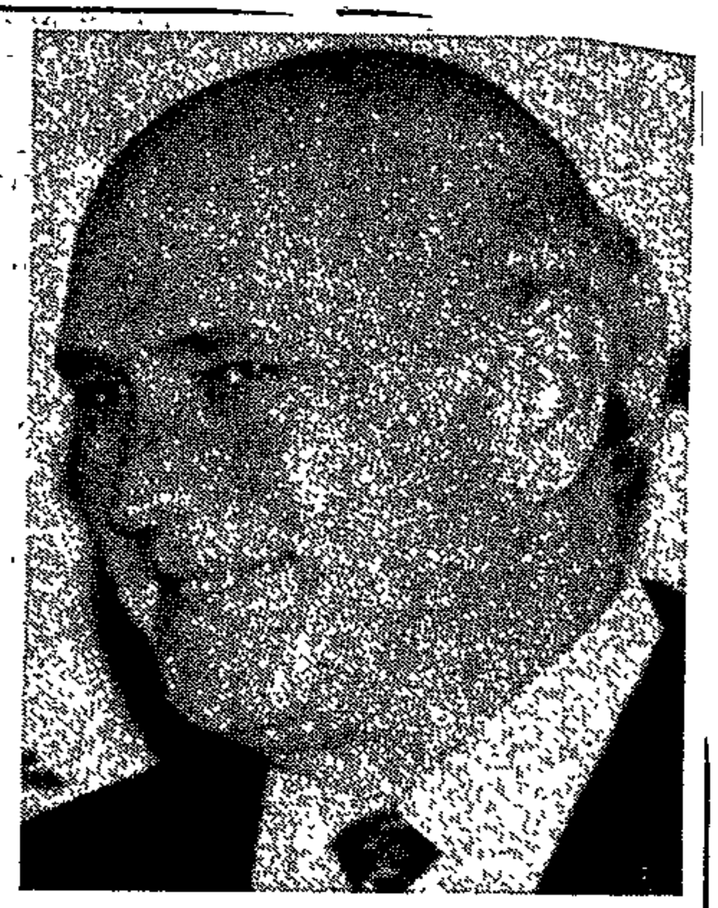
Linguistic and historical ties between Holland and South Africa could pave the way for Holland, one of Europe's harshest critics of South Africa in the past, to restore cultural contacts with this country, he added.

His visit to Morocco, where he was given red-carpet treatment and held talks with King Hassan II, is seen as of vital importance in opening doors for South Africa to the Arab world.

This was the first State visit by a South African leader to an Arab country.

De Klerk did not give details of his discussions with King Hassan and his Senegalese counterpart, Abdou Diouf.

Since taking over as State President over a year ago, De Klerk has already visited Zambia, Madagascar, Mozambique, the Ivory Coast and Angola.



FW de Klerk ... sanctions going.

Harvard anti-SA drive goes in reverse

By PATRICIA CHENEY
Washington

OFFICIALS at Harvard University admitted this week that the university's South African holdings had increased for the first time in three years.

In a report, the Harvard Corporation, the university's main governing body, said direct investments in companies doing business in SA increased by 32 percent, or R136-million, from December 1989 to June 1990.

The increase to R558-million from R422-million during the first six months of this year was due mainly to the purchase of additional shares in five SA-related companies, as well as an increase in market value.

"This is really an accident of the market," said Elizabeth Gray, a spokesman for the corporation.

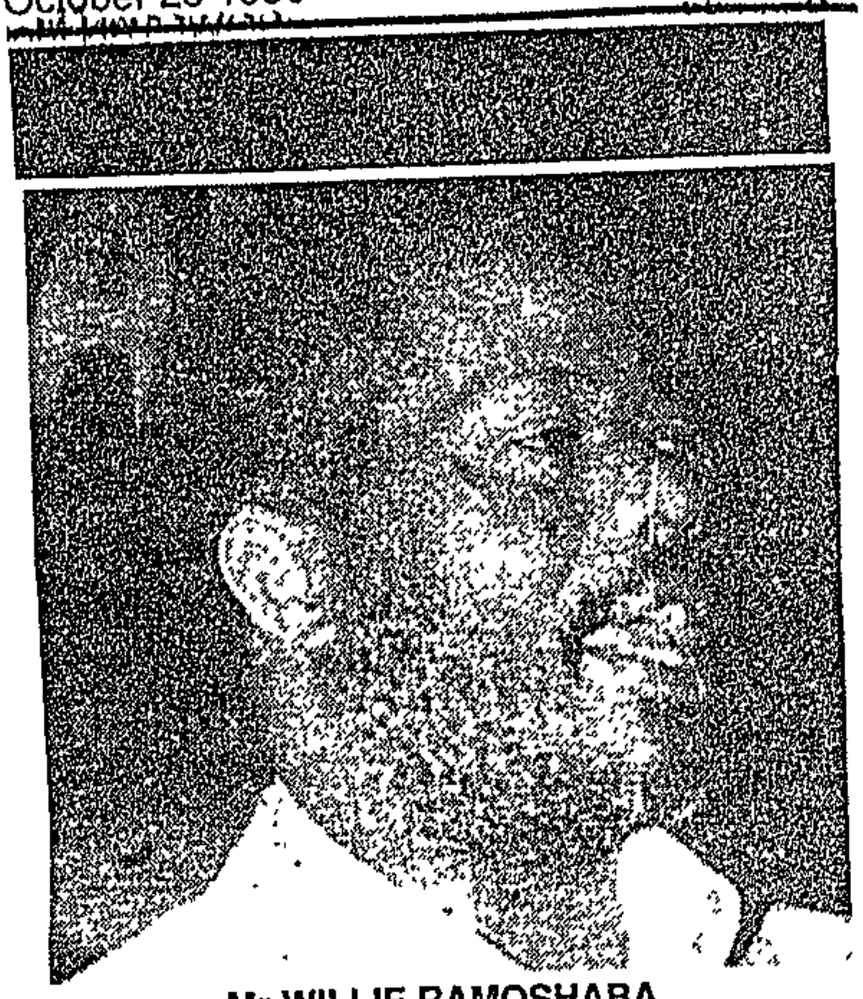
Disinvest

"Much of this is due to an appreciation of stocks we already held. There's an ebb and flow in the market and we may have a low point in our next financial report."

Last year Archbishop Desmond Tutu became a member of the Harvard Corporation and in February urged the university to disinvest from SA-related companies.

But, so far, Harvard has followed a policy of only selling off shares in those firms that do not support progressive social programmes in South Africa.

Last year, Harvard's holdings in South Africa-related stocks dropped 30 percent in value.



Mr WILLIE RAMOSHABA

Mission to US was an eye-opener: delegates

Sowetan 29/10/90

By JOSHUA RABOROKO

THE 65 black business people, who went on an "observation mission" to the United States, were not used as sanction-busters, the executive director of WR Consultants, Mr Willie Ramoshaba, said when the group arrived back in Johannesburg.

Addressing a Press conference at Jan Smuts Airport, Ramoshaba, who was a cordinator of the mission, said there were many black Americans who were interested in pumping money towards the economic development of South Africa entrepreneurs but were hamstrung by the sanctions lobby in their country.

He said that the American community was sympathetic towards the plight of blacks and had indicated that they would only invest in the country once apartheid was dismantled.

The International Finance Corporation and the African Development Bank were prepared to help black businessmen develop, especially in the fields of manufacturing, agriculture, import and export trade.

The group, consisting of black entrepreneurs from South Africa, Botswana, Malawi, Lesotho, Swaziland and Zimbabwe, visited Los Angeles, Chicago, Washington and New York, where they exchanged views with their counterparts.

Among the leading personalities on the tour were Dr Ellen Kuzwayo, second vice president of Fabcos; Dr Nthato Motlana, chairman of Get Ahead Foundation; Mr James Ngcoya, president of Sabta, and Mr Philemon Makhetha, chairman of the Greater Soweto Chamber of Commerce.

There was dissappointment from some of the relatives who had come to welcome their loved ones when it was announced that through a fault by travel agencies, some of the tourists were left stranded in Zambia. However, they were expected home at the weekend.

Apartheid must end

At the Press conference, Mr S Molefe, a member of the SADCC from Botswana, said South Africa should dismantle apartheid if it was to be accepted by the international community, especially African states, as a trading partner.

The president of the National Stokvel Association of SA, Mr Kehla Lukhele, said the Americans welcomed the South African concept of stokvels. They had their own stokvels and wanted to exchange ideas with their counter-parts elsewhere.

Most of the people who went on the tour said the mission was an eye-opener. "We will be able to plough what we gained in our businesses and the community," Mrs Mary Mabaso said "Our black women have to be exposed to business.

Sanctions move

Blocaus 29/10/90

☐ From Page 1

SA's access to fund facilities to the conditions for lifting sanctions prescribed in the Comprehensive Anti-Apartheid Act. Cohen has stated that the administration would judge an SA application strictly in terms of the Gramm Amendment.

Though Fauntroy himself will not be in Congress next year, other signatories of the letter, including House majority whip William Gray, Congressman Stephen Solarz, and most of the congressional black caucus, carry enough weight to give the administration second thoughts, especially if the IMF replenishment is to be held hostage.

Members of the black caucus have made it clear they will not consider the CAAA's conditions to have been met in SA until a new, non-racial government has taken office.

The administration believes that while SA has no intention of requesting a loan in the immediate future, it may well decide to do so in the middle of next year as part of a strategy to reflate the economy as constitutional talks get under way.

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IMF 'held hostage' in US pro-sanctions move

WASHINGTON — Hardline sanctions proponents in the US Congress are threatening to block new US funding for the IMF if the Bush administration supports an IMF loan application by SA.

In a letter to Treasury Secretary Nicholas Brady, they argue that change in SA is not "irreversible", as President George Bush contends, because "elements of the security forces and the extreme right wing" are attempting to "destabilise" constitutional talks.

The letter, drafted by Congressman Walter Fauntroy, chairman of the House Subcommittee on International Development, Finance, Trade and Monetary Policy, was

SIMON BARBER

prompted by remarks by Assistant Secretary of State for Africa Herman Cohen after President F W de Klerk's visit.

Cohen said on National Public Radio that the administration "would not have any political objections" to SA requesting an IMF loan.

The letter warns: "A confrontation in the Congress over an IMF loan to SA would be most unfortunate and would render a serious disservice to the IMF, which may soon be seeking congressional authorisation for US participation in a quota increase."

Noting that the IMF executive board was to have held its annual consultations on SA on October 10, Fauntroy and the letter's co-signatories said "we hope this meeting is not a prelude to a loan request from Pretoria".

Under the Gramm Amendment to the 1983 Bretton Woods Agreement Act, the administration is required to oppose an SA loan request unless it meets certain technical conditions. The proceeds would have to be used to help erode apartheid and to ease a genuine balance of payments crisis that could not be dealt with through private borrowing.

Fauntroy and his colleagues wish to link

☐ To Page 2

Du Plessis refutes rumour

FINANCE Minister Mr Barend du Plessis believes anti-apartheid forces in America are spreading rumours that the United States Government is about to approve an International Monetary Fund loan to South Africa.

He said he thought the intention was to stir up the dying sanctions debate in the US Congress and mobilise forces against South Africa.

Du Plessis was responding to rumours in Washington that the US Administration intended to approve a loan of R12,5 billion to South Africa.

He denied that the country had applied for an IMF loan.

"And when we decide to access the IMF we won't do it in the public eye. That would be the worst thing, to generate advance reaction on Capitol Hill and inject new life into the anti-apartheid industry which is in its death throes," he said.

Meanwhile, it has been reported from Washington that hardline pro-sanctioneers in the congress had threatened to block new funding for the IMF if the Bush Administration supported an IMF application by South Africa.

The report said Congressman Walter Fauntroy had argued in a letter to Treasury Secretary Nicholas Brady that change in South Africa was not "irreversible" because elements of the security forces and the right wing were trying to destabilise negotiations. - *Sowetan Correspondent.*

SA is already fading from the European investment map

B/Day 30/10/90

MIKE ROBERTSON in BONN

THE SA desk officer at the German economics ministry was not available. He and a quarter of his colleagues had been temporarily seconded to another office to try and track down the millions of Deutsche Marks that the former East German communist rulers had illicitly transferred to front companies outside the country.

By the end of last week the former Communist Party leaders had admitted to transferring amounts totalling about $70m to accounts of a Soviet front company, Putnik, in the Netherlands and Denmark to save the money from "probable expropriation".

This is but one example of both the challenges facing a united Germany as it attempts to undo 40 years of communist misrule and the very low position in which SA ranks on the list of German priorities

Social Democrat (SPD) spokesman on SA Gunter Verheugen says bluntly that in the past six months "nobody has been interested in the SA question".

During the visits of President F W de Klerk and Nelson Mandela to Bonn earlier this year, Economic Cooperation Minister Jurgen Warnke indicated that Germany would provide some assistance for the return of exiles to SA.

As yet, however, no funding has become available and Verheugen says there simply has not been an opportunity to raise the question.

Gerhard Thiedemann, the SA desk officer in Warnke's ministry, says funds to assist the return of refugees will be available in next year's budget. At this stage, however, he is not sure how much.

The money, he says, will be channelled through churches and political foundations and directed at providing housing for returnees.

While the possible lifting of EC sanctions is a major topic in SA, it too has attracted minimal interest here The German government is no firm supporter of sanctions. But, while some ministers like Warnke are said to be pressing for their lifting, the prevailing attitude appears to be to adopt a low profile and side with the majority opinion in the EC.

Rainer Erkens, an official of Foreign Minister Hans-Dietrich Genscher's Free Democratic Party (FDP), says its position is that sanctions should not be lifted until there are clear signs that change in SA is irreversible and an end to a negotiated settlement is in sight.

In practical terms this means the FDP will await a signal from Mandela or the ANC before supporting the lifting of sanctions. Given that the existing coalition is odds-on favourite to win the German elections, this will remain the policy for the foreseeable future.

Verheugen's SPD also supports the position that "the lifting of sanctions should be decided jointly between internal political forces (read ANC) and foreign countries".

But even his support for the continued implementation of sanctions is far from absolute.

Admitting to some "personal doubts", Verheugen says he believes "we must take into consideration that De Klerk could need something to show his constituency ... perhaps something symbolic to start with, like ending the sports boycott".

Opinions as to whether a new SA will attract new investments from German companies vary, but a majority of people I spoke to on a two-week tour as a guest of the German government were highly sceptical of the prospects.

The main reason advanced is that East Germany and former East bloc countries offer better investment opportunities than the Third World in general and Africa in particular.

German companies, with notable exceptions like Volkswagen and Deutsche Bank, have been slow to move into East Germany.



☐ WARNKE

Reasons given for this range from a lack of clarity on land ownership, poor infrastructure (the cost of rebuilding is estimated at DM2 000bn) or simply waiting for prices to drop lower.

Despite this there are attractions, such a skilled workforce with average wages half those in the former Federal Republic, and government tax incentives for companies that open new plants there.

Verheugen says that "even if SA finds a political solution soon, I don't see money flowing back into the country".

The Social Democrats, he says, have advised the ANC to forget about nationalisation

"I have told them that redistribution of wealth and land will not lead to better conditions. What SA needs is a strong economy. It is not in their interests to destroy it ... Socialist and communist systems have failed everywhere. SA needs to establish a responsible social market economy."

Thiedemann agrees that in most cases German companies would choose rather to invest in the former GDR or Eastern Europe than in a new SA. He believes, however, that there will be interest in investing in a reformed SA with a market-oriented economy.

The view of officials in the German foreign ministry is that if attempts to integrate the economies of the southern African region are successful, there will be an interest on the part of major German companies in investing.

Pik Botha's proposal for a kind of southern African economic union is regarded as desirable. But even a best case scenario of an SADCC which includes SA is unlikely to attract much German aid or investment.

The German government has said developments in the East would not result in any cut in aid to Third World countries This has not happened. But as Erkens points out, the collapse of communism has also meant that Third World countries' "blackmailing power" (if you don't help us we will go to the Soviet Union) has evaporated and that the major Western countries are now adopting a much tougher attitude towards aid projects.

He adds that Germany has a far more direct interest in preventing the total collapse of the economies of Poland, Czechoslovakia and Hungary which could result in a massive influx of people from those countries into Germany

"With Poland we have a Texas/Mexico situation," he says. "Helping Central Europe get back on its feet is a giant task which will cost a fortune ... This is so costly that people say forget about the rest of the world."

This is a gloomy but perhaps realistic scenario for a new SA. Even with a quick negotiated political settlement and agreement on a market-oriented economy, it is clear SA will struggle to attract aid and investment from leading European countries like Germany. It would, however, at least be in a position to try to exploit strategic advantages.

Any attempt to implement an economic system resembling those that resulted in the total collapse of the economies of Eastern Europe would inevitably lead to SA fast becoming one of the forgotten countries of sub-Saharan Africa.

☐ **Simon Barber's column will resume next week.**

Star 1/11/90 (250)

Sanctions 'justified as bargaining chip'

The business community had a responsibility to keep the wheels of the economy rolling, said Enos Mabuza, Chief Minister of KaNgwane, in Vereeniging yesterday.

In an interview on the eve of his address to the Hollandia Forum 1990, he said:

"Businessmen should not go in for instant mechanisation or follow a policy of disinvestment by putting their capital elsewhere."

He saw no contradiction in his view that internal disinvestment was not appropriate — while in other sections of the democratic movement the maintenance of international sanctions remained official policy.

"When the ANC goes to the negotiating table it must have bargaining chips. The Government has so many chips. It controls the country, the economy and the bureaucracy.

"The ANC can't be expected to give away its bargaining chips before getting to the table. The maintenance of international sanctions, in this context, may be painful but it is justified," Mr Mabuza said.

The Hollandia Forum is an annual platform for debate and top-level addresses, organised by the Hollandia Reinsurance Group and held this year in Vereeniging.

Get ready for the lifting of sanctions, says Mbeki

B1 Day 2/11/90

TANIA LEVY

THE international business community should prepare itself, if nothing else, to participate in a post-sanctions SA, ANC international affairs head Thabo Mbeki said yesterday.

Mbeki said the ANC would reassess its call for sanctions at its conference in December.

The process towards a negotiated settlement was on course and foreign investors should prepare to intervene as soon as sanctions ended, which the ANC hoped would be soon.

However, sanctions could be lifted tomorrow but would make no significant impact without political change, he said.

The ANC accepted that government's commitment to change was irreversible, but this did not mean the process itself was irreversible. Government had to move urgently to create a climate for negotiation by removing the remaining obstacles.

These included freeing political prisoners and detainees, the return of exiles, ending political trials and scrapping all remaining legislation that limited political expression.

In the excitement since February 2, it was often forgotten that SA was still ruled by a minority government and that the overwhelming majority of South Africans were excluded from participation in government at any level.

Mbeki said the ANC had never been a socialist or communist party and had not based its ideology on Marxism. It was intentionally avoiding linking itself to a specific economic model.

The extent of poverty in SA had to be recognised. Objectives and strategies to achieve them had to be worked out before possible models in the rest of the world could be looked at.

The ANC was interested in engaging the business community to reach a common agreement about steps to restructure SA politically and economically.

Star 2/11/90 (280)



Addressing business . . . Thabo Mbeki, the ANC's head of international affairs, speaks at the Financial Mail conference yesterday. Picture: Karen Fletcher.

End to sanctions may have little impact – Mbeki

Even if the ANC called for the immediate lifting of sanctions, it was doubtful that this would have any real impact because there had still not been sufficient political change in South Africa, ANC international affairs head Thabo Mbeki said yesterday.

Addressing a two-day conference organised by the Financial Mail in Johannesburg, he urged the international business community to prepare to participate in a post-sanctions South African economy

He denied press reports that he had hinted in a speech on Wednesday that the ANC might be close to easing pressure to maintain international sanctions.

Mr Mbeki said he did not want to prejudge the sanctions discussion that would take place at an ANC conference in December.

He admitted that decisions on sanctions were likely to be taken at the conference.

Disagreed

The Government and the ANC disagreed on how significant, or irreversible, political changes had been over the past year, Mr Mbeki said.

He urged the Government to speed up the process towards a non-racial democracy.

Without this, he said, there could be neither stability nor peace.

"Indeed, even if we called for the lifting of sanctions tomorrow, it is very doubtful that this would make any significant impact if we have not, in fact, changed our country along the political lines we have already indicated."

Mr Mbeki said it was the ANC's belief that foreign investments would not return to South Africa until there was reassurance about change, stability, security of investments, and so on.

"I do not have the power to prejudge it.

"But certainly in the context of the changing situation in South Africa, we would believe that it would be correct for those sectors of international business that are interested in South Africa that they prepare to intervene in the South African economy"

Mr Mbeki said the ANC hoped an end to sanctions would come soon.

"We are confident that the process leading to a negotiated settlement is on course," he emphasised.

"There is a process that is taking place in the country . perhaps too slow, perhaps somewhat hesitant, but there is a process.

"It therefore seems to us necesary that we should have a look at everything concerning the strategy in which we have engaged, including the question of sanctions

"I don't want to prejudge that, but it would seem to us that it is necessary to achieve as quickly as possible movement forward to a situation where it is no longer necessary to apply those pressures, so that it no longer becomes necessary to have sanctions

"We believe — I can say this with confidence — that . the international business community should certainly, if nothing else, prepare to participate in a post-sanctions economy of South Africa"

If white South Africa needed to be reassured about its political future under the new constitutional dispensation, black South Africa needed to be reassured about its economic future in the context of an economy which had, up to now, been seen as exploitative and geared to benefit the white sector of the population at the expense of the black, Mr Mbeki said. — Sapa.

Star 2/11/90

Miner killed in rockslide

One miner was killed and four were trapped 2,5 km underground yesterday after a mild earthquake on Wednesday caused a rockslide at Anglo's Western Deep Levels East mine - Rescue operations were under way to try to reach the missing men

R500 000 snatch

Ten armed robbers yesterday made off with cash and cheques worth more than R500 000 The incident occurred after four Coin Security employees, who were on their way from Soweto to Langlaagte, were stopped by two men dressed as traffic officers Six to eight armed men then joined the imposters in the robbery

Suspect shot

A suspected motorcycle thief was shot in the back when he ignored warnings to stop while being pursued by police in Kempton Park on Wednesday. The wounded man, aged about 30, is in satisfactory condition in Tembisa Hospital.

Teamwork nets 4

A combined operation between the East Rand and Maritzburg murder and robbery squads has led to the arrest of four men in connection with the hijacking of a truck with a cargo of tea near Heidelberg earlier this week. Two men were arrested in Maritzburg and two others at Kameeldrift in Pretoria.

Charges dropped

The State has withdrawn charges against Elizbeth Sibeko (50), who allegedly abducted Natasha Harms (17) in Johannesburg when she was a toddler in 1976

Shock payout

Car dealer Daniel Nomcoiya, of Ikageng in Potchefstroom, who claimed he was electri-

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EC to analyse how to lift sanctions

From CHRIS WHITFIELD
Argus Foreign Service
in London

THE European Community has embarked on an unprecedented joint analysis of policy on South Africa for a report that will dictate when and how sanctions will be relaxed.

The EC's Foreign Affairs Council, consisting of member nations' foreign ministers, has ordered the probe. Political directors from the foreign ministries of the EC countries will compile it.

SANCTIONS

It is expected to be completed in time for the EC Council annual meeting on December 19-21. Sources in the British Foreign Office believe that summit of European Prime Ministers will result in "some kind of declaration" on sanctions.

The so-called "phasing out" of sanctions, proposed by Dutch Foreign Minister Hans van der Broek, is thought to be favoured by most member nations. Mr van der Broek suggested earlier this year that certain sanctions should be dropped in response to specific reforms in South Africa. The first to go would probably be the ban on new investment in the Republic, and the last the restriction on weapon sales.

However, both Ireland and Denmark have stuck to hardline attitudes towards sanctions and feel they should not be eased until all traces of apartheid have been removed.

The Foreign Affairs Council's call for a joint analysis apparently arises out of a desire to thrash out the differences before the meeting in December. At past Council meetings sanctions against South Africa have been the single most divisive issue, but the general softening of attitude towards the Republic — most clearly illustrated by President De Klerk's visit to Holland — suggests that the South African government can look forward to December's summit with some optimism.

The Foreign Affairs Council decision to compile the report was also the reason why South Africa was eventually not discussed at last weekend's special meeting of the Council, held to pave the way for the December gathering.

On the same day that the summit begins, an all-party group of British MPs will give oral evidence to Foreign Secretary Douglas Hurd on their trip to South Africa, which starts this Saturday.

The nine-man Foreign Affairs Committee will be in the Republic for nine days and will visit Cape Town, Johannesburg, Pretoair and Durban. It will meet leading South African figures, including President de Klerk, Mr Nelson Mandela and Archbishop Desmond Tutu and its brief is to probe "UK policy towards South Africa and other states in the region".

The MPs, five Tories and four from the Labour Party, left in three groups last week for various southern African countries before travelling on to South Africa. They are visiting Zimbabwe, Malawi, Lesotho, Botswana, Mozambique, Swaziland, Zambia and Namibia.

Britain has traditionally been Pretoria's closest ally in its fight against sanctions and Mrs Thatcher is reported to have told President De Klerk recently that Britain would be pursuing a prompt ending to sanctions.

However, recent indications are that the British have decided to nudge their European colleagues from behind instead of continuing to lead opposition to sanctions.

EC sources point to these developments as indications that the joint analysis will emerge as the blueprint for European policy on the Republic.

Boycott 'has harmed culture'

Sowetan 6/11/90

By ELLIOT MAKHAYA

THE cultural boycott has caused "some harm" to South African culture, a South African Musicians Alliance document leaked to *Sowetan* this week says.

The boycott will only be lifted when agreement has been reached with groups like South African record companies, film distributors and TV companies.

The document proposes that those who wish to come to the country for any business or to perform, must donate 50 percent of all income earned within South Africa to Sama.

The money is to be donated over a period of three years in the form of record royalties.

Shock

The document says the boycott is no longer achieving "the desirable cultural objectives".

"The political objectives such as the isolation of the Government, remain valid in some respects, but proper planning must begin for the end of the boycott," the document states.

Sama chairman Mr Jabu Ngwenya confirmed the existence of the document but expressed shock at the leak.

"I cannot say much at the moment except to confirm that the document is a classified working document," he said.

To Page 2

Musicians losing out

From Page 1

Sowetan 6/11/90

The document says the isolation and the boycott has harmed South African culture for the following reasons:

* Lack of exposure of South African culture;
* Lack of exposure to performing artists from other countries;
* Lack of opportunity for South African artists to work outside South Africa to experiment and develop;
* The creation of a "widespread sense of cultural inferiority among perfomers and audience alike".

The document suggests that there should be a "measured progression" towards the lifting of the cultural boycott.

Sanctions-busting import offer by SA

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BIDay 8/11/90

SA yesterday offered to reconsider import surcharges on goods from countries which lifted sanctions.

The Department of Trade and Industry's new markets director, Piet Verwey, said all countries applying sanctions could approach SA with an offer to lift sanctions in return for the lifting of import surcharges. But there would be "no guarantees".

His offer implies that import surcharges could be dropped once sanctions go.

Hungary has already been granted exemption from the surcharges, and a similar deal with Poland is expected soon.

Surcharges affecting all SA's trading partners were introduced in 1988 to deter imports and protect the surplus on the current account of the balance of payments. However, the surcharges were now viewed as detrimental to improved local production and exports, government sources said.

SA imposes surcharges on imports ranging from 40% on luxury items to 7,5% on other goods. Only certain imports receive a blanket exemption from the Board of Trade and Industry.

EDYTH BULBRING

SA collected R2,6bn, out of a total revenue of R52,6bn, in import surcharges during the 1989 financial year, twice as much as expected.

Government officials said yesterday the exemption granted to Hungary and the expected surcharge exemption on Polish imports were the first steps towards phasing out surcharges and protective barriers.

A government priority in a plan for economic renewal was creating the climate for increased local production with a view to export. The surcharges had created a complacency in protected local industry which had to be removed, they said.

Import surcharges would be lifted on

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Imports

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☐ From Page 1

Polish goods in the "near future".

SA exempted Hungarian goods from import surcharges in August when the two countries signed a bilateral trade agreement normalising the previously unofficial trade between the two countries.

The pay-off for SA was Hungary's announcement it would lift sanctions.

He said Poland had broached the subject in certain quarters, but no official approach had been made.

Verwey said he expected an official approach to be made in the near future.

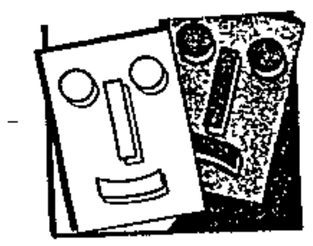
Polish sanctions were officially still in place, but whether this policy was practised was questionable, he said.

SA was in the initial stages of normalising relations with the Soviet Union, and an approach for import surcharge exemption would come as a surprise at this early stage, he said.

The concession granted to Hungary formed part of SA's attempts to encourage the penetration of the Eastern European market, the officials said.

CULTURAL DESK

FIM 9/11/90 (280)



FREEDOM FIGHTERS

I have hit upon a way to get rid of the cultural boycott which the ANC and its fellow-travellers so steadfastly refuse to lift.

We must appeal to the ANC to leave the boycott in place for the next 10 years; indeed, we should implore Nelson Mandela to ensure that the boycott is tightened so severely that we become cut off as never before from the art, music and literature of the world.

What has brought me to this strange conclusion, apart from desperation? A little story about Czechoslovakia, that's what, related in Britain's *Daily Telegraph*.

In January 1980, Julius Tomin, a lecturer in philosophy at the university in Prague, wrote a desperate letter to members of the philosophy department at Balliol College, Oxford. He told them he had lost his job because he was a questioning intellectual and appealed for help in keeping independent thought alive in Czechoslovakia.

In fact, hundreds of Czech intellectuals had lost their jobs and had been forced to work as window-cleaners, sweepers, stokers and so on. The Oxford men responded. The Master of Balliol visited Prague, was arrested and expelled. The resultant publicity induced support from many other people — some of them famous, like playwrights Harold Pinter and Tom Stoppard, musician Yehudi Menuhin and novelist Iris Murdoch. A trust fund was set up and a steady stream of academics risked arrest by lecturing in Czechoslovakia. Books were smuggled in, clandestine meetings arranged.

Czechs who organised and attended seminars were harassed, arrested and beaten by the secret police. Yet, in a country where the judiciary had not been independent since 1947, where thugs enforced a bankrupt socialist ideology under the cold eye of Moscow, it was vital simply to keep alive the idea of freedom.

What absurdity

Is it not ridiculous? The "Pretoria regime", until the election of F W de Klerk to the presidency, was perceived to be far more repressive than most eastern European countries. Yet the ANC conspired with intellectuals in Europe and the US (and in SA, to their particular shame) to achieve precisely the opposite of bringing light to a place where freedom was flickering.

Perhaps this tactic was understandable to the extent that the ANC and its supporters, driven to desperation, felt compelled to use any means available to crack the granite that was apartheid. But now it makes no sense whatsoever.

I suppose there is an explanation. Many of the exiled ANC members were not exposed to cultural deprivation and perhaps do not realise what damage it has done — not least to local intellectuals who appear to have missed two decades of progress in European thought. The local ANC members, impoverished by their own boycott, seem to view it as part of revolutionary orthodoxy rather than a mere tactic. All of them have become the enemies of culture while claiming to defend it — just like the Nats of old.

I wonder how many of those British and American intellectuals who so courageously supported the smuggling of books into Czechoslovakia; who were prepared to defy the secret police and stand up for freedom, also ensured that their work would not be allowed into SA ...

Well, I am prepared to organise a petition calling on government to enforce a 30-year ban on all foreign culture. The ANC will immediately brand the boycott a strategy of the apartheid regime; artists, writers, actors and musicians will start pouring into the country.

And if Danie Craven had any sense, he would call for a 10-year ban on rugby tours: come April, we'd be playing the All Blacks.

David Williams

Exiles come under fire on ANC cultural policy

W/Mail 9/11 - 15/11/90 280

The exiles who have guided cultural policy for decades are on trial. On Sunday night they faced a sometimes hostile reception as they attempted to justify why and how they have controlled this policy and interpreted its theory. IVOR POWELL reports from the first night of the Weekly Mail Book Week

THE opening symposium of this year's Weekly Mail Book Week on Sunday was touted as the Night of the Exiles.

With poet Mongane Wally Serote — African National Congress intellectual and cultural functionary — sharing a platform with recently returned literary critic Vernon February and leading cultural theorist Albie Sachs, it probably represented the most powerful battery of ANC cultural firepower yet seen in South Africa.

Weekly Mail co-editor Anton Harber did no more than sum up the mood of expectation when he said what was being celebrated was not only the return of eminent South Africans but the cultural enrichment which their return implied for the country as a whole.

But if the truth be told, the exiles failed to deliver the cultural goods which had been promised.

They were probably somewhat shell-shocked: fellow panellists Pieter-Dirk Uys and poet Stephen Watson, as resident South Africans, had little enough to say by way of validating the ideals which sustained the returnees through all those years spent in exile.

Both Uys and Watson spoke to the topic of "Cultural Freedom and the Democratic Process" as though the most immediate threat to that cultural freedom lay in the democratic process as it is embodied in the ANC's various cultural commissariats.

The exiles, on the other hand, continued to assume that the ANC constituted the solution, not the problem.

First up was a charming and occasionally entertaining — if somewhat diffuse — cultural manifesto by Uys which after some 20 minutes of anecdote and performance came to the very unequivocal point:

"Boycotts are undemocratic.

"Censorship is undemocratic.

"Cultural desks are as pompous as Publications Control Boards and they make audiences laugh as loudly.

"I will use my pen as a sword against whoever denies me my freedom of speech, my freedom of opinion and my right to disagree.

"Be they NP CP AWB PAC ANC!"

If, at this point, the exiles might have been wondering what they had walked into, it was driven home a while later when Cape Town poet and — with publication last week of a collection of prose pieces — essayist Watson took the podium.

"When Albie Sachs' paper 'Preparing ourselves for Freedom' was first published in South Africa earlier this year, the consensus as to its importance was overwhelming," Watson began.

Then he described his own reaction as "a dismay so comprehensive that it effectively neutralised any temptation I might have felt towards that form of spiritual vulgarity which is self-vindication".

In dogged detail he went on to break down this dismay into its constituent parts.

Was it not "incredible, dismal, or incredibly dismal", he asked, that such a paper consisting of "little more than platitudes which would be laughed out of court (or else dismissed as the most self evident form of common sense, not worthy of discussion) in almost all other places in the world" should be hailed as an event of unprecedented cultural importance here?

Surely, he went on, something must have been "intrinsically wrong, not just temporarily limited or strategically inadequate — if after so much struggle in so many spheres the greatest cultural revelation to hit the country in decades should be the sudden news that writers should now write variously and as well as they possibly can ... that poets should also write of love and that art should be full of contradictions".

There was much in Watson's argument with which one could take issue, especially an unquestioning faith in the transcendent value of cultural freedom in a situation where few freedoms could be described as givens, and alongside this a total refusal to locate South African culture within the context of the not uncomplicated history of this country.

But for all this there was a lot that was powerful and provocative in Watson's paper.



Poet Mongane Wally Serote, actor and playwright Pieter-Dirk Uys and the ANC's Albie Sachs ... debating 'Cultural Freedom and the Democratic Process'

Pictures: ELLEN ELMENDORP

And at least this much was made clear: the exiles who have been guiding cultural policy and interpreting its theory for decades are not returning like Christ to Jerusalem in showers of cheers and palm fronds.

They are on trial; many South Africans have had enough of attempts by the liberation movement to control or buy into their cultural production.

In their various ways and with varying degrees of success, the exiles attempted to do just that on Sunday night.

Speaking after Uys and before Watson's Light Brigade-type charge into the valley of death, Netherlands-based critic and academic Vernon February made an attempt — peppered with much First and Third World erudition — to re-establish the old liberation priorities.

Using a review by Watson as an example of what he meant by the notion of the "culture of the few", February starkly contrasted this with the notion of a mass-based and democratic interpretation of culture.

He spoke at some length on the danger that in this transitional situation, culture would be recolonised by these few and that the masses would yet again end up being marginalised.

(As Albie Sachs put it when it came to his turn, describing particular television programmes denied to South Africans in terms of a visit to a Transkei township: "They have no TV to watch (the programmes) on, they don't have electricity, they don't have water.")

What then are we talking about when we talk about the cultural boycott? "We should be talking about a literacy campaign for this country."

However, despite the good sense of February's argument and the validity of many of his points, his position failed on the night to find very much favour. Solutions are what people in this country are demanding; analyses — especially those which rest on such distinctions as that, proposed by Jean-Paul Sartre to the United Nations in 1946, between writers who side with the oppressed masses and those who are automatically identified with the oppressors — will be met in today's South Africa only with impatience. What is needed now is some kind of vision which will magic the conundrum into a three-year plan.

Serote, looking more jetlagged than shell-shocked, had less to offer: a brief history and defence of the cultural boycott; a series of questions about the nature of South Africanness in the field of culture; the observation that education is required as a priority in the new South Africa if that South Africanness is to be nurtured: and finally a hopeful nod at that diverse and indefinable "South Africanness" as some kind of cultural diamond.

It was left to the final speaker, ANC constitutional committee member and freelance cultural optimist, Albie Sachs, to demonstrate most vividly just how few answers the ANC really had.



Stephen Watson ... powerful and provocative attack on ANC policy

"No paper is worth the paper it is written on," he declared in response to Watson's 15 minutes of close argumentation. "I'm bored with it. It had a certain moment. It was that last century before February 2."

There are wonderful things happening in this country, he went on. Real gains are being made. South Africans can sing and celebrate like no other people on earth.

Why do we not focus on positives like this instead of continuing to debate, like droning dominees, issues like the cultural boycott about which nothing new has been said, he said, for 15 years.

Why indeed? Well there is one reason which was not mentioned in the somewhat bizarre contributions made from the floor.

It simply does not help any more to make starry observations — as the ANC's cultural spokespeople are wont to do — about the toyi toyi as an expression of people's culture.

Nor does it help to say that we need an inalienably South African culture expressive of the country's diversity.

But most of all it does not help to turn around and accuse other people of flogging dead horses like the cultural boycott and the tyranny of so-called people's cultural representatives when it is none other than your own movement which lacks the resolution to take them off the life-support machine.

As one person who has been through the democratic cultural mill remarked afterwards: "You find yourself doing double takes: is this Albie Sachs or Pik Botha?

"You know they're doing exactly the same thing, getting up and saying: 'Don't you know we've changed our minds?' And then thinking they don't have to change anything else."

SANCTIONS

SLOW THAW

Sweden will not lift sanctions against SA until all parties in constitutional negotiations say they believe the demise of apartheid is irreversible.

Bengt Säve-Söderbergh, an under-secretary in the Swedish Foreign Ministry, says that though Sweden accepts that SA faces enormous economic difficulties, sanctions remains the only effective weapon to remove apartheid. He is one of a five-man Swedish delegation that has been here to attend a conference with ANC representatives.

Another delegation member, Jan Karlsson, a former deputy minister of finance, says the "faster SA gets to a new constitution, the faster it can address its economic problems." He said the delegates would discuss with the ANC and UDF the Swedish political and economic experiences and "the reappraisals of a country that has been a welfare State for more than half a century."

Karlsson said he would tell the SA organisations of the Swedish experience with State ownership:

"During a crisis about 50 years ago, when we had about 23% unemployment and severe poverty, we considered State ownership on a large scale In the end, the Social Democrats never implemented those ideas. When a rightwing government was in power from 1976 to 1982, they nationalised some industry — but the social democrats never have. The experience of State ownership in a competitive society is not good. The experience in utilities, such as electricity, is good — but

not in goods-producing industries."

Säve-Söderbergh said that despite the rhetoric of reform in SA, "on the ground, people are still subject to petty harassment. We have an impression of commitment on both sides, but there are many stumbling blocks and irreversibility will come later."

He said of all the countries he had ever visited, SA had the greatest disparity between rich and poor he had ever encountered. The delegates made it quite clear that the ANC would receive no cuts in grants from Sweden, though some aid may be directed in different ways. For example, more aid would be directed towards training ANC members to assume government and diplomatic positions.

"Of all the international causes Sweden champions, the anti-apartheid movement receives the broadest support among all Swedes." ■

Another crack in cultural boycott

By SHARON CHETTY

ANOTHER crack has appeared in the ANC's cultural boycott with a decision to allow top Indian performers to appear in South Africa.

Internationally acclaimed actor and singer Amitabh Bachchan is one of the Indian stars who will tour the country over the next few months — with the blessing of the ANC.

He will be the special guest at a dinner to raise funds for the ANC. Money pledged will be used by the ANC for its exile repatriation programme.

ANC Southern Natal regional secretary Sbu Ndebele said this week the cultural boycott had been intended to isolate a South Africa ruled by the "racist National Party".

Confusion

"The ANC's intention was never to victimise people. Right now, if artists come over here to raise funds for charitable and educational projects, we will not oppose their visits."

Mr Ndebele said since the unbanning of the ANC and the start of talks with the government there was "immense confusion" over several issues.

"People are not sure whether the cultural boycott applies fully or if it is selective," he said.

"Until a policy decision is taken at our national congress, we will have to treat each individual application on merit."

He added that people who wanted ANC approval could contact their local ANC branches with written requests. These would be forwarded to the regional office for consideration.

Higher export sales push profits higher at Witbank

SFG 13/11/90 (280)

By Derek Tommey

The lifting of sanctions on South Africa would broaden the market base for coal exports, says Mr Allen Sealey, chairman of the Rand Mines' giant coal producer, Witbank Colliery, in his annual statement to shareholders.

However, he does not expect any material increase in the level of coal exports in 1991.

Mr Sealey says considerable interest in South African coal exists in a number of countries which have been denied imports from this country.

He added they were likely to be influenced by their perception of the political and economic future of South Africa when buying more coal.

Mr Sealey says that the international market for steam coal is rather lacklustre. However, demand continues to grow from year to year and the medium-term prospects are positive.

Witbank boosted its revenue by 37 percent in the year ended September 30 to above R1 billion for the first time.

Interest up

Working profit rose 38 percent from R174,1 million to R240,0 million. But a steep increase in interest payments from R18,0 million to R51,6 million helped to hold down the increase in the profit before tax to 16,1 percent - from R167,7 million to R194,7 million. Taxation was a minimal R1,5 million (R4,3 million) and this produced a taxed profit of R193,2 million equal to 2 469c a share - an increase of 18,5 percent.

Witbank is paying a final dividend of 390c (375c) making a total payment of 600c (500c) for the year.

The higher profits were the result of:

- Substantially higher export sales mainly as a result of the acquisition of the Middelburg Mine from BP — though the increase in the working profits was largely offset by higher interest costs;
- Higher average export prices;
- A weaker rand/dollar exchange rate;
- A full year's contribution for the first time from Majuba Colliery; and
- Increased prices on the inland market.

Working costs a ton milled increased by an averge of 18,3 percent. Programmes aimed at improving productivity and efficiency are being implemented at all levels.

Australian Opposition wants trade with SA

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Sowetan 14/11/90

MELBOURNE - Australia's Federal Conservative Opposition is set to break a tacit bipartisan moratorium on official trade links with South Africa.

The Opposition's trade spokesman, Alexander Downer, said yesterday he would lead a trade mission to South Africa next year whether Australia had lifted its sanctions or not.

The Opposition's move is likely to rekindle the debate over when Australia should ease its tough stance towards Pretoria.

Mr Downer said the mission would include other conservative politicians and members of the business community and would try to find markets in South Africa which might otherwise go to European countries.

The move, aimed at stealing a march on the Government over the South Africa issue, contradicts Commonwealth Heads of Government trade sanctions. - *Sowetan Foreign Services.*

US firms head for clash on Sullivan code

SOUTH AFRICAN subsidiaries of American companies are at odds with their parent firms about updating the Sullivan code of corporate conduct.

Local managers say parent companies are fixated with placating their critics and more time is spent meeting the Sullivan criteria than contributing to a better society.

The Johannesburg-based Signatory Association, which represents the subsidiaries, is calling for a major overhaul of the way its members' compliance with the code is graded by auditing firm Arthur D Little.

The association argues that the current system has turned into "an administrative nightmare" and is forcing firms to chose between receiving good marks and addressing such high priority issues as black training and advancement.

The Industry Support Unit, which speaks for the parent companies, is opposing any major changes on the grounds that they may undermine the credibility of the code and lay the companies open to further pressure from disinvestment activists.

By SIMON BARBER
Washington

High

Both sides are to meet in New York on December 6. Johnson and Johnson's Roger Crawford, the association's chairman, is heading the SA delegation. The session is expected to be stormy.

The subsidiaries' key complaint is that in order to satisfy Arthur D Little, they have to spend the equivalent of at least 12 percent of their overall payroll on education, housing and social justice programmes outside the workplace.

This ratio, they argue, is "too high a plateau" because expenditures on what they now believe to be their highest priority — the training and rapid promotion of black employees — cannot be counted towards it.

"It is obvious that in the unfolding political and economic debate, the question of training and advancement of disadvantaged South Africans will become more prominent, particularly as the aspirations for a stake in the economy become more pronounced," said a confidential document distributed by the association.

That the association has grounds for concern is born out by the latest Arthur D Little audit, released on Monday.

Law

It shows that in the year ending June 30, the percentage of managerial, supervisory and professional vacancies filled by non-whites fell by as much as 7 percent from the previous year, the first such decline since 1986.

This happened even though expenditure on various social responsibility causes remained constant.

US companies with majority stakes in SA-based businesses that have more than 25 employees are bound by law to ensure that those businesses adhere to the Sullivan code in one of two ways:

They must either have their subsidiary's adherence vetted by the US State Department or they must sign the statement of principles and submit to the rather more rigorous monitoring of Arthur D Little.

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Reddy takes swipe at supporters of sanctions

DURBAN — Solidarity leader Dr J N Reddy took a swing at political groups at the weekend for continuing to support sanctions at a time when the country needed massive capital to ensure socio-economic upliftment, wage improvements and more jobs for the unemployed.

"Let not our political ego impede economic progress," he said at his party's national congress in Chatsworth, Durban.

Dr Reddy, who is also chairman of the Ministers' Council in the House of Delegates, said economic growth, political change and stability went hand-in-hand.

"While much progress is made on the constitutional front, there are deliberate and short-sighted attempts by some political parties to destroy the economy by supporting the maintenance of sanctions.

Degeneration

"The ANC only last week expressed concern that sanctions should be lifted as soon as possible, but the lifting of sanctions was conditional on the rapid process of democratic transformation. Is the ANC holding on to its last thread of political credibility by maintaining that sanctions shall remain?

"How can it call for the issues of black impoverishment to be addressed while simultaneously supporting sanctions and thereby contributing actively to the degeneration of the economy?"

Dr Reddy said "naive conceptions" about how the economy worked or should work were compounding the problem.

"My earnest appeal to the ANC is to abandon its continued call for sanctions." — Own Correspondent.

SA settlement 'far off' — Mandela

CAPE TIMES 20/11/90 (280)

MBABANE. — Mr Nelson Mandela yesterday said economic sanctions should be maintained against South Africa because a political settlement in the country was still far off.

The ANC deputy president, who arrived in Swaziland for a major African trade conference, said there had to be a political solution in South Africa before it could return to the world community.

"And we are still very far from that," he told reporters.

Sanctions were introduced for the purpose of dismantling apartheid and giving the vote to every South African, so every South African, irrespective of his colour, could have the opportunity of determining his own future."

During Mr Mandela's visit he will attend the annual meeting of the Preferential Tariff Area (PTA) encompassing 18 East and Southern African states.

Heads of state from at least 14 nations are expected later in the week. — Sapa-Reuter

The codes applied by the CAAA in US/SA businesses

Washington Letter by SIMON BARBER

THE Comprehensive Anti-Apartheid Act not only imposes sanctions. It also obliges American companies with majority-owned operations in South Africa that have more than 25 employees to see to it that those operations abide by one of two employment codes

The codes themselves, both derived from the principles established by the Reverend Leon Sullivan in 1977, differ in certain details The more obvious divergence, however, is in the way in which each is supervised. One set, known as the Guidelines, is administered by the State Department The other, the so-called Statement of Principles, was overseen by Sullivan himself until 1987, when, under pressure from Randall Robinson and other activists, he abandoned the system he had so painstakingly nurtured and called on all US companies to leave South Africa

The companies that had adopted the Sullivan Code decided to keep it alive notwithstanding its author's departure For a while, they tried to find some figure of his stature to sanctify their continued presence in South Africa The effort proved vain and costly Today, the system is run by the companies themselves through the Industry Support Unit. Credibility is supplied — and the requirements of the CAAA satisfied — by the Cambridge, Massachusetts, auditing firm of Arthur D Little, whose Reid Weedon has been an integral part of the process since its inception

The Statement of Principles has 54 takers They call themselves Signatories and 27 other firms subscribe to the Guidelines. Every year, all receive questionnaires from either Arthur D Little or the State Department, which then issue reports scoring the companies on their performance. The State Department gives three grades: satisfactory, probation or fail To earn a "satifisfactory" mark, a company must show, through its answers to the questionnaire that it is implementing five basic principles.

These are workplace desegregation, the provision of equal employment opportunities and benefits, equal pay for equal work, the establishment of a minimum wage 30% above subsistence levels in urban areas and at least double such levels in rural areas; and the recognition of black trades unions.

In addition, the company must demonstrate that it is "actively" seeking to train and promote black employees while at the same time improving the "quality of life" of blacks beyond the workplace

In its latest report, covering 1989, the State Department concludes that nine firms have met all seven requirements and 17 are deemed to have satisified the first five criteria, but not the last two, and have been placed "on probation". This means they have scored enough points to avoid the penalty attached to failure, loss of US government export assistance.

Admin nightmare

The system, which is run by one part-time official, is not that rigorous Except in cases where the official spots egregious discrepancies, he simply does not have the resources to verify the claims the companies make.

The Arthur D Little regime, by contrast, has lately been described by the Johannesburg-based Signatory Association, which represents the US parent companies' local managements, as "an administrative nightmare"

As of the latest reporting period — the year ending June 30 — Signatories may be placed into one of three categories: 1) Making Good Progress; 2) Making Progess, and 3) Needs to Become More Active The last is divided into 3 (a), which is similar to the State Department "probationary" status, and 3 (b), failure to meet basic requirements

For the record, 36 of the 54 received Category 1 ratings this time around There were 13 2's, five 3 (a)'s and no 3 (b)'s.

Arthur D Little's "basic requirements" are not much different from the State Department's, although they include stipulations that managements must review implementation of the principles with their employees several times a year and must submit their major quantitative claims — including total payroll, employment, minimum wages structures and social expenditures — for a formal audit.

Action areas

The real rocket science starts for those companies — evidently the majority — anxious to make it into categories 1 and 2

This entails spending sums equivalent to 12% of total payroll on education for non-employees and community development and attaining a sufficient "arithmetic average" (the figure varies) of managerial, supervisory, sales and professional vacancies filled by what the auditors refer to as BCA's (blacks, coloured people and Asians).



LEON SULLIVAN: US firms in SA adopted the Sullivan Code — despite its author's departure.

Companies must show that they have performed well on four so-called "action areas" — non-employee education, workforce training and advancement, community development and social justice The latter, an optional extra for those who report to the State Department, includes efforts to lobby for change, provide legal assistance and help develop "BCA leadership"

The criteria used to calculate scores in these areas are highly complex, ranging from computations of "man day contributions" in each field to detailed reporting of the number of bursaries funded, the extent of "co-ordination with BCA's inside and outside the company" and even "the hierarchical distribution of employee efforts" on various social causes.

All this may make sense to parent corporations in the US The signatory CEO's who are battling domestic pressure to weather it out in South Africa want all the evidence they can lay their hands on to prove both to themselves and their critics that they are doing the right thing

Rumblings

And it is, after all, their money (and their shareholders') As the latest audit notes "There are substantial costs to the individual Signatory companies in contributions of time and money" for the State of Principles programme R67 m and 77 000 man-days for the year ending June 30, to be exact. "These costs are only sustainable because of significant contributions by US parent companies"

Not surprisingly, the perspective at the coal face is rather different There have long been rumblings from local management These now appear to be coming to a head In July this year, the Signatory Assocation began circulating a memorandum based on country-wide discussions with its members in preparation for a showdown with the Industry Support Unit and the parent companies in New York on December 6. "In this time of dynamic change," the memo states, "the question to be posed concerns the relevancy of our actions under the Statement of Principles and to specifically examine the structure of the annual report and evaluation procedures."

Turbulent

The central contention is that the time has come to end the focus on "placating our critics (in the past we have not really succeeded)" and instead give local managements more latitude to do what they think is necessary in the new environment without losing points on the Arthur D Little rating scale.

South Africa's transition will be turbulent, the memo argues, not least because trade unions are likely to use stoppages and other disruptions to strengthen the ANC's hand in negotiation This will require all the care, imagination and resources managers can muster without constantly having to worry about satisfying some watchdog in Massachusetts.



US subsidiaries irked by costly codes of conduct

B/Day 20/11/92

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SIMON BARBER in Washington

THE Comprehensive Anti-Apartheid Act not only imposes sanctions. It also obliges American companies with majority-owned operations in SA that have more than 25 employees to see to it that those operations abide by one of two employment codes.

The codes themselves, both derived from the principles established by the Rev Leon Sullivan in 1977, differ in certain details. The more obvious divergence, however, is in the way in which each is supervised.

One set, known as the Guidelines, is administered by the State Department. The other, the so-called Statement of Principles, was overseen by Sullivan himself until 1987, when, under pressure from Randall Robinson and other activists, he abandoned the system he had so painstakingly nurtured and called on all US companies to leave SA.

The companies that had adopted the Sullivan Code decided to keep it alive notwithstanding its author's departure. For a while, they tried to find some figure of his stature to sanctify their continued presence in SA. The effort proved vain and costly.

Today, the system is essentially run by the companies themselves through an entity set up for the purpose, the Industry Support Unit. Credibility is supplied — and the requirements of the CAAA satisfied — by the Massachussetts auditing firm of Arthur D Little.

The Statement of Principles currently has 54 signatories; 27 other firms subscribe to the Guidelines. Every year, all receive questionnaires from either Arthur D Little or the State Department, which then issue reports scoring the companies on their performance.

The State Department gives three grades: satisfactory, probation, and fail. To earn a "satifisfactory" mark, a company must show that it is implementing five basic principles. These are: workplace desegregation; the provision of equal employment opportunities and benefits; equal pay for equal work; a minimum wage 30% above subsistence levels in urban areas and at least double such levels in rural areas; and the recognition of black trades unions.

In addition, the company must demonstrate that it is "actively" seeking to train and promote black employees while at the same time improving their "quality of life" beyond the workplace.

In its latest report, covering 1989, the State Department concludes that nine firms have met all seven requirements. Seventeen are deemed to have satisified only the first five criteria and have been placed "on probation".

This means they have scored enough points to avoid the penalty attached to failure, loss of US government export assistance. One failed outright by returning an incomplete questionnaire.

The system, run by one part-time official, is not that rigorous.

The Arthur D Little regime, by contrast, has of late been described by the Johannesburg-based Signatory Association, which represents the US parent companies' local managements, as "an administrative nightmare".

As of the latest reporting period — the year ending June 30 — signatories may be placed into one of three categories: I) Making good progress; II) Making progess; and III) Needs to become more active. The last is divided into IIIA, which is similar to the State Department "probationary" status, and IIIB, failure to meet even basic requirements.

For the record, 36 of the 54 received category I ratings this time around. There were 13 IIs, five IIIAs and no IIIBs.

Arthur D Little's "basic requirements" are not much different from the State Department's. The real rocket science starts for those companies — evidently the majority — anxious to make it into categories I and II.

This entails spending sums equivalent to 12% of total payroll on education for non-employees and community development, and attaining a sufficient "arithmetic average" of managerial, supervisory, sales and professional vacancies filled by what the auditors refer to as BCAs (blacks, coloureds and Asians).

Companies must show that they have performed well in four so-called "action areas" — non-employee education, workforce training and advancement, community development and social justice. The latter includes efforts to lobby for change, provide legal assistance and help develop "BCA leadership".

All this may make sense to parent corporations in the US. Signatory CEOs, fighting domestic pressure to weather it out in SA, want to prove both to themselves and their critics that they are doing the right thing.

It is, after all, their money (and their shareholders'). As the latest Statement of Principles audit notes, substantial costs are involved: R67m and 77 000 man-days for the year ending June 30, to be exact. "These costs are only sustainable because of significant contributions by US parent companies."

Not surprisingly, the perspective at the coal face is rather different. There have long been rumblings from local management. These now appear to be coming to a head.

In July this year, the Signatory Assocation began circulating a memo in preparation for a showdown with the Industry Support Unit and the parent companies in New York on December 6. "In this time of dynamic change," the memo states, "the question to be posed concerns the relevancy of our actions under the Statement of Principles, and to specifically examine the structure of the annual report and evaluation procedures."

The central contention is that the time has come to end the focus on "placating our critics (in the past we have not really succeeded)" and instead permit local managements more latitude to do what they think is necessary in the new environment without losing points on the Arthur Little rating scale.

SA's transition will be turbule the memo argues, not least becau trade unions are likely to use stc pages and other disruptions strengthen the ANC's hand in nego ation. This will require all the ca imagination and resources mana ers can muster without constant having to worry about satisfyi some watchdog in Massachussett

In particular, the association fe that the requirement that 12% payroll be spent on projects to ben fit non-employees is diverting mo ey and time from what is now b coming a major priority: the trainu of black employees to enable them fill positions commensurate wi their newly won political power.

"It is obvious that in the unfoldi political and economic debate, t question of training and advanc ment of disadvantaged South Af cans will become more prominer particularly as the aspirations for stake in the economy become mo pronounced."

The association has a point. T Arthur D Little evaluation system too onerous and too confining. S managers surely have a better id than any outsider of what needs to b done if their parents' interests are be preserved and promoted. Aft all, if they don't, the parents can ki their interests goodbye anyway

The Industry Support Unit, whic technically represents the parent views, but which is also heavily infl enced by those of its own secretaria is opposed to any major changes i the Statement of Principles regim It cites, among other things, the re quirements of the law.

Even so, there are signs that growing number of parents syn pathise with their subsidiaries, an besides, are tired of bearing the cost the Arthur D Little method entails. mounting defection to the State De partment version can be expected

Sadly, no one has the courage t suggest that both codes of conduc and the alien intrusion they repre sent, be scrapped. Wouldn't it b grand if companies could be seen t be doing the right thing voluntaril and not because a governmen forced them into it?

ARTS

'Time to move beyond cultural boycott'

WMail 23-29/11/90

A paper by two cultural activists urge the immediate end of the cultural boycott and the reassessment of cultural strategies.

Weekly Mail Reporter

THE immediate end of the cultural boycott is being mooted by two leading cultural activists.

Writing in their individual capacities, Junaid Ahmed, general secretary of the Congress of South African Writers, and Mike van Graan, of Cape Town's Community Arts Project, call for co-operation with institutions that were formerly "off-limits" (such as the performing arts councils and the SABC).

In a paper intended to serve as a basis for discussion at the launch of the National Consultative Conference in Durban next month they propose drawing on international skills, expertise and experience to assist in the growth of a vibrant, internationally influenced but locally rooted culture.

Also, "to counter the influence and hegemony of dominant western arts traditions in our country and to develop our art in what is primarily an African developing country", they seek close links with cultural workers in other African countries, particularly with those in the front-line states.

In the paper they concede that "since February 2 1990, the struggle has shifted from the sphere of coercion to the sphere of hegemony" and argue that even if other forms of pressure need to be maintained for a while longer, lifting the cultural boycott at this stage will make more political gains for the progressive movement than would its retention, even as part of a broad strategy.

The boycott had served its purpose in bringing Pretoria to the negotiating table. It had helped to create restrictive organistions that had to go to make room for fresh organisations to develop unhindered.

"We have massive legacies of apartheid deprivation to overcome in providing literacy in the arts. Lifting the boycott will enable us to begin this work by recruiting skilled teachers from other parts of the world.

"As progressive forces now struggle for leadership within the new conditions, lifting the cultural boycott, hosting stars such as Sting and Tracy Chapman, as well as being responsible for British TV programmes becoming available to South Africa will draw many more people into the sphere of influence of the progressive movement."

The paper states:

"Whether one believes that the process of change is irreversible or not, the government has assumed the moral high ground. Whereas the morally repugnant system of apartheid and its brutality in repressing dissidents caused it to struggle to exercise hegemony despite its controlling the most important media and repulsed it from international community, the Pretoria government is beginning to win increasing sympathy at home and abroad.

"The rules of the game and the nature of struggle have changed significantly. The progressive movement can no longer rely for support on grounds of its former status as victim ... The onus is now on the progressive forces to take the lead for the majority at home and of the international community; to convince them that their forces are better than the new-look, new-speak De Klerk government, to offer superior ideas and moral values to the present and future South Africa.

"The boycott arose under very different conditions and it gave rise to forms of cultural organisation and practice which, if they were necessary in the context of severe repression, are most counter productive within this transitionary phase.

"Many cultural organisations had their genesis in the need to monitor and implement the cultural boycott. This function and the way it was executed led to these organisations being perceived as:

- Serving "primarily as censorship bodies whose primary aim was to control rather than facilitate culture, coming to be feared for their power rather than respected for their leadership.
- "Undemocratic with little tolerance for different points of view".
- Serving as "power bases for a few individuals.
- "Biased in favour of a particular ideology", and
- Existing "more to play political games in the cultural sphere than to represent the real interest of cultural workers.

"Accordingly many artists and cultural workers were alienated from progressive cultural organisations", which now had to overcome the legacies of both apartheid deprivation and the anti-apartheid cultural struggle.

Their task is to initiate a literacy campaign in the arts, to make skills and knowledge in the arts available on a mass scale.

The programme includes the training of human resources; the development of sophisticated leadership with the political and organisational skills and cultural sensibilities to be able to analyse, plan, strategise and practically advance a counter-hegemonic movement; the creation of the material base and organisational infrastructure to support grassroots cultural work, including the development of arts centres in rural and urban areas, and the development of new audiences, particularly in areas where there is no tradition of attending theatre or exhibitions.

The plan envisages the exploration of new aesthetic forms, more exciting ways of communication, new ways of creating and disseminating art and ways of looking at and thinking about the world.

It also urges the correction of historical inbalances in the distribution of skills, targeting women, rural dwellers and workers.

It also agitates for the introduction of arts syllabi at all levels of schooling, the recording and documenting of black cultural history and the democratisation of museums, galleries and libraries.

It aims to redress and counterbalance the flood of "sub-literature" and the lowest common denominator of commercial culture in all fields which ignored the cultural boycott and therefore "has come to dominate popular perceptions of literature and culture in our society".

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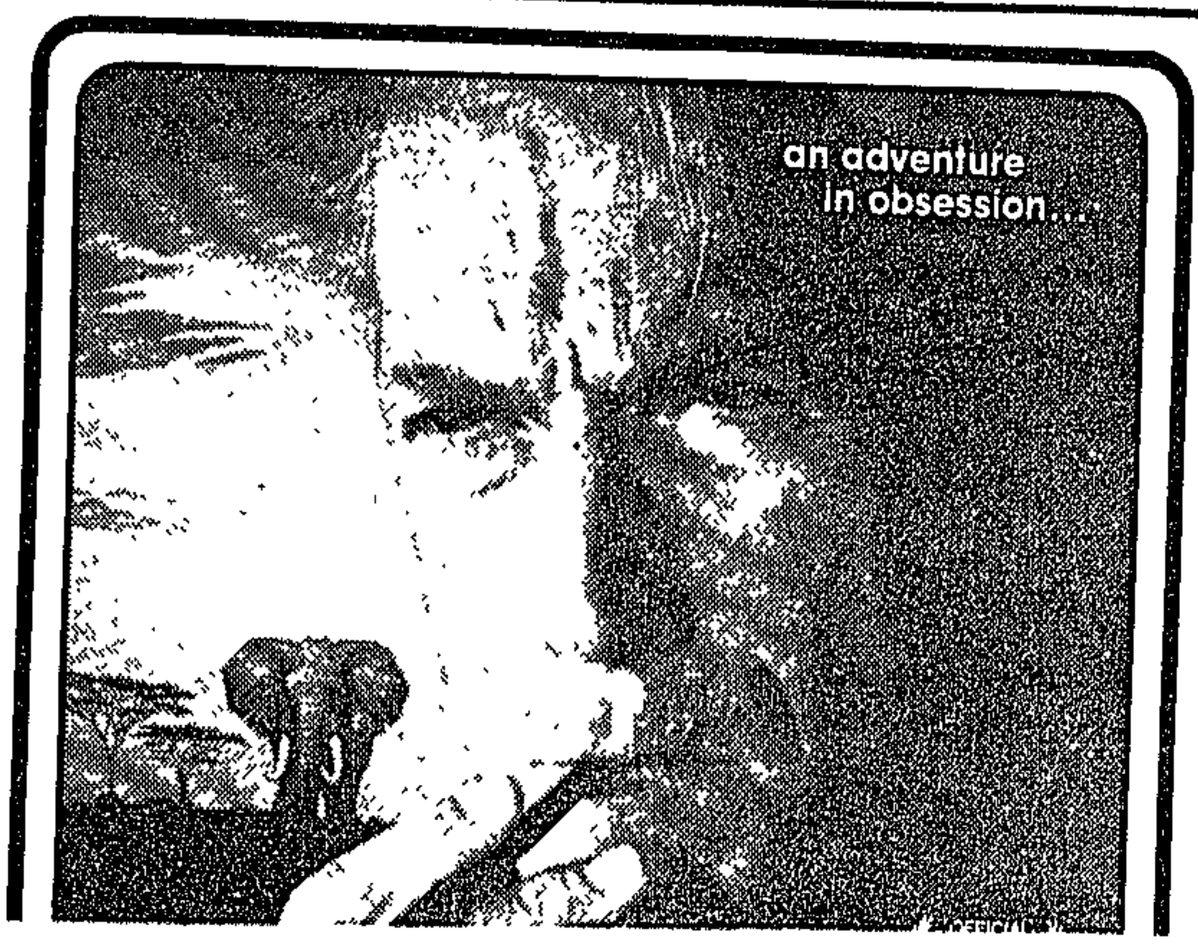
Calls cost 2 315 Rand per 30 secs

Staffrider to show art, photographs

THE 1990 Staffrider exhibition of graphics, paintings, sculpture and photography will be opened in the Market Gallery by Barbara Masekela, head of the Department of Arts and Culture of the African National Congress, on Sunday, November 25, at 6pm.

Awards to the value of R4 000 will be made and the winners of two scholarships made available by the British Council to an artist and photographer to study in the United Kingdom in 1991.



Major US companies showing renewed interest in SA

B 10-4 22/11/90

280

MANDY JEAN WOODS

AT LEAST six major US companies have visited SA over the past three months to conduct feasibility studies on setting up operations, American Chamber of Commerce executive director Wayne Mitchell said yesterday.

"We have also received numerous inquiries from other companies which want to visit the country early in 1991," he said.

Mitchell said the interest was significant as "we went from nothing to this. Everyone is anticipating a partial lifting of the Comprehensive Anti-Apartheid Act (CAAA) early in the new year."

But the main concern of these companies was future economic and political stability.

"Business is, by its nature, very cautious and most businesses are waiting to see how the new constitution will evolve and what new political and economic dispensation will develop here.

"President F W de Klerk's visit to the US earlier this year helped a lot with regard to turning around the psychological attitude towards looking at SA as an investment prospect," he said.

The independent, non-profit Investor Responsibility Research Centre's (IRRC's) International Business in SA 1990 report, released this month, showed disinvestment from SA by foreign companies had been reduced to a trickle.

The report said only eight non-US companies had pulled out of SA so far this year compared with 40 in 1987.

In total, 393 companies had disinvested since 1984, with US companies leading the way (with 209 companies leaving) followed by UK companies (84), German (34) and Canadian (16).

ovember 21 1990

Thurs 21/11/90 280

US exception to trend on sanctions – survey

Political Reporter

The US is the exception in the increasing worldwide trend to ignore sanctions against South Africa.

Most Democrats support the continuation of sanctions while Republicans generally favour a reassessment of puritive measures.

This is according to a survey conducted by the Institute for American Studies at Rand Afrikaans University.

The study was made halfway between the recent US visits of ANC deputy president Nelson Mandela and President de Klerk.

The survey clearly showed how easily sanctions could be maintained by a hostile bloc in Congress even when South Africa moves decisively to fulfil most of the conditions for "normalisation" imposed by the Comprehensive Anti-Apartheid Act (CAAA), notes the institute.

Restrictions

Apart from the CAAA, many state legislatures, local authorities and institutional investors have introduced their own restrictions on relations with Pretoria. These restrictions will severely impede the ability of US businesses to resume trade links with South Africa once the conditions for the lifting of sanctions have been met.

The institute warns that US businessmen would have to ask themselves whether it would be worth the risk the resume trade links with South Africa.

It further notes that the Bush administration, keen to reward Mr de Klerk, appears unwilling to risk the wrath of Congress over the South African issue when much more important international and domestic issues are at stake.

Asked when sanctions would be lifted, the Congress members interviewed seemed to favour a "clear signal" from Mr Mandela or SA's "black leadership" over the strict compliance with the US sanctions laws.

End SA sanctions call

280

MUNICH — Bavarian Prime Minister Max Streibl called on European governments last night to lift sanctions against South Africa.

Loud applause greeted the call, made at a Bavarian government reception for partipants at an international symposium organized by the Bavarian Hanns Seidel Foundation. South African Foreign Affairs Minister Pik Botha and several other South Africans are attending the symposium.

"It is high time that European sanctions against South Africa are lifted", declared Streibl.

The Bavarian leader called for greater European assistance for African countries who are embracing democracy. "More and more states of Africa are working to end their one-party systems. They need our assistance."

Australia and France have come to the meeting with a draft of an environmental protection convention that bans mining outright and makes the continent a nature reserve.

Other nations led by Britain and the United States favour a 30-year moratorium on mining and will propose a protocol on environmental measures to be annexed to the treaty.

New Zealand will propose an alternative protocol that includes a permanent ban on mineral prospecting and exploitation. - *Sapa-Reuter*

The savaged land...

Sowetan 15/11/90

Mozambican rebels use cannibal acts to terrorise boys

THE civil war between government troops and right-wing Renamo rebel group in Mozambique has savaged the land.

Thousands of refugees flee the country's borders into neighbouring states each month.

Between 500 and 800 people cross the Mozambican border into South Africa, between Komatiepoort in the north and where the KaNgwane self-governing state reaches the Swaziland border.

Several hundred cross into Zimbabwe and Malawi, as well.

During a recent Renamo attack on the frontier town of Ressano Garcia, about 3 000 refugees crossed the border into South Africa at Komatiepoort in one day

By ISMAIL LAGARDIEN

At the Refugee Centre in Mangweni, refugees pour in on foot from as far north as Beira, more than 600 km away

The rebels have a significant presence in the Maputo province, at the southern part of Mozambique where it borders, South Africa, Swaziland and Kangwane

Children

Mostly old women and small children arrive at the centre having crossed the electrified razor-wire fence the people on the South African side call the Fence of Fire - *umcingo womlilo*

"They arrive at the centre tired and completely lost, often having travelled for many days, sometimes even weeks," Ms Rachel Nsimbini, a field worker for the Refugee Centre said

Refugees

The refugees arrive without identification papers, money or extra clothing and their stories are the same: The war in Mozambique and the atrocities of Renamo are the cause of all the misery. There is no food, work or means of transport - there is no peace.

It was reported from Maputo that on the weekend of the attack on Ressano Garcia, Renamo also ambushed a train filled with migrant workers returning from South Africa.

The rebels blew up the train at Moveni, about 15km from the Komatiepoort border post and massacred 18 miners before ransacking the train.

Fifty people were injured, and, according to survivors interviewed by the Mozambican news agency AIM, there were women fighters among the rebels

This was the first time that there had been any indication that women were recruited to fight in Renamo

Recruits

Most of the recruits are children aged nine to 13, according to an American academic, Mr William Minter

In a study of Renamo's southern activities, based on interviews with rebel dissidents, Minter wrote that 90 percent of the movement is made up of forced recruits, a large portion of this group are boys between the ages of nine and 13.

The centre at Mangweni receives corroborative evidence as well as stories of horror and humiliation from young and old refugees.

According to the refugees, Renamo rebels dismember adults and cook their limbs then feed them to children in villages before forcing them to join their movement.

The children, severely degraded after this, comply and join the ranks of the rebels as a means of survival and escape rather than for political or counter-revolutionary reasons.

Reports

"In the beginning, I thought they (the stories of forced cannabalism) were fabricated, but subsequent reports have corroborated them," Nsimbini said.

Nsimbini has been with the refugee centre since 1986 and says that sometimes, when the refugees are questioned about their families and friends "they are silent with tears streaming from their eyes... That's when we know... Then they tell us".

And, corroborating Minter's story Nsimbini says: 'The refugees leave their country because of the war there. Most of the people who reach us are women and children. The youth is forcefully recruited into Renamo after they are humiliated by having to eat their fathers".

"When they (Renamo) reach a village they chop off the men's hands or their legs. Then they cook it up and tell the sons to eat the brew

"Thereafter the boys join them. Mostly because they have nowhere to turn to "The women and their little babies then come to us," Nsimbini said.

Skeletons

During a visit to the electrified fence, this *Sowetan* reporter saw two brilliant white skeletons of an adult and a child.

A South African Defence Force (SADF) source on duty in the area confirmed that the section of the border on the Mozambican side was mined. The bodies, he said was of a woman and a child...

The refugees, by some ironic twist of fate, enjoy refugee status in Kangwane, the self-governing state bordering Mozambique in the East and Swaziland in the South.

In South Africa they are illegal aliens, the SADF source said last week.

"Even if we knew of aliens in Kangwane, we can only collect them and take them to the nearest police station in the homeland where they will immediately be issued with a refugee document," he said.

According to field worker estimates, there are more than 20 000 Mozambican refugees living in the nominally independent Kangwane.

The ones who are successful, who get work and make a reasonable living in Kangwane, number no more than five . .



The Fence of Fire on the South Africa and Mozambique border. Thousands of refugees are crossing this electrified, razor-wire fence to escape atrocities, including cannibalism, which, they claim, are being committed by the Renamo terrorists.

SENATOR MAN
SHOP L192 LOWER LEVEL
SOUTHGATE SHOPPING CENTRE
SUMMER SALE
for a limited period only

TROUSERS from

SA's reforms made US pause and reflect

From DAVID BRAUN
Argus Foreign Service
in Washington

IT was the year that the United States was supposed to get really tough with South Africa ... but in the event 1990 was a period that caused Americans to pause and think

Seen from the US, 1990 was a truly momentous year for South Africa. It all began with President F W de Klerk's bold decisions to unban the African National Congress, release Mr Nelson Mandela and other political prisoners and start the process of negotiations towards a new constitutional future for the country.

The speed and depth of Mr De Klerk's initiatives took the wind right out of the sails of America's anti-apartheid activists, and a series of proposed laws which sought to itensify sanctions against South Africa fell right off the Congressional agenda.

The changes in South Africa enthralled the US, coming as they did so close to the toppling of the wall that divided Berlin and to the collapse of East European dictatorships. What was happenning in South Africa were seen as part of a new spirit of freedom and democracy sweeping the world.

Save the nation

When Mr Mandela walked to freedom in early February much of America watched the proceedings live on the major television networks. The major newspapers published special supplements on the event. Many in the US media celebrated both Mr De Klerk and Mr Mandela as men of vision who had come together to save their nation.

President Bush added to the drama by telephoning Mr Mandela and Mr De Klerk to invite them separately to visit him in the White House.

Ten months after Mr Mandela walked out of prison, the mood in America is still one of hope, but much of the euphoria of earlier this year has gone. The ongoing violence in South Africa has cast an increasingly darker shadow over the perceived prognosis for the country.

Still, 1990 can be said to have been one of the best years for South Africa's image in America.

Four high points during the year were the release of Mr Mandela, Mr Mandela's grand tour of the US, Mr De Klerk's successful visit to Washington and the publicity given to the violence in South Africa.

For the Bush Administration, the events of 1990 vindicated its policy of constraint



President De Klerk



Nelson Mandela

and encouragement. Assistant Secretary of State for African Affairs Mr Hank Cohen had last year warned that unless certain minimum results were achieved by mid-1990, the US government might be prepared to reconsider its policy of opposing sanctions.

However, Mr Cohen insisted he was confident that the South African government would move sufficiently in the right direction so that it would be possible not only to stave off further sanctions but also to make it possible to start lifting some punitive measures.

The unbanning of the ANC and all other organisations and the release of Mr Mandela and others took even the Bush Administration by surprise, and the US government started exploring ways to reward Pretoria.

The anti-apartheid activists in Congress, poised to increase sanctions against South Africa if Mr Cohen's optimism turned out to be groundless, suddenly found themselves fighting a rearguard action on the issue. The debate shifted overnight from whether sanctions should be increased to whether sanctions should be reduced.

The debate surged back and forth until Mr Mandela visited the US and gave a rousing speech to a joint sitting of the Congress that sanctions must not be lifted until change in South Africa had become truly irreversible.

Mr Mandela and his ANC delegation blazed across the US in late June like a brilliant comet. In New York city an estimated one million people lined the streets to get a glimpse of him. He was honoured with a ticker-tape parade, two or three hundred thousand people gathered to hear him in Harlem and in a capacity-filled Yankee Stadium.

Throughout his 10-day, eight-city tour Mr Mandela exhorted Americans to keep the pressure on South Africa by not lifting sanctions prematurely.

The impact of the Mandela tour on US grassroots public opinion was profound, and the politicians in Washington were mindful of it.

In September, it was Mr De Klerk's turn In contrast with the huge media hype of the Mandela tour, Mr De Klerk chose to make a low-profile but very intensive working visit to the US political leadership.

His meeting with President Bush was hugely successful, and the US leader said afterwards he was now convinced that change in South Africa was irreversible.

Mr Bush said sanctions would not be lifted until the US legal requirements had been met, but he warned that those requirements were to be interpreted broadly rather than narrowly. There would, he said, be no shifting of the goalposts.

On Capitol Hill, Mr De Klerk made a good impression, convincing senators and congressmen of his sincerity. However, a hardcore of both houses of Congress remained unconvinced that change in South Africa was irreversible. Mr de Klerk might say it was irreversible, but events could prove him wrong and the initiatives he had started culd be overturned, they said.

Mr De Klerk's visit nonetheless gave new impetus to moves in Washington to lift sanctions. The debate began to focus on which requirements of the US 1986 Comprehensive Anti-Apartheid Act (CAAA) for the lifting of sanctions were being met.

The South African government had clearly met some of the requirements: the unbanning of the ANC and other organisations and the lifting of the state of emergency. It had partly met others: the release of political prisoners and the return of exiles and the repeal of apartheid legislation. There was a difference of opinion as to whether the requirement of entering into good-faith negotiations with the representatives of the black majority had actually been met.

The worsening violence in South Africa began to colour the debate on South Africa, particularly a perception in some quarters that the South African government was somehow or other behind it and trying to exploit it for its own gain.

Prominent South African analyst in Washington Dr Pauline Baker said that 1990 had caused people to take a new and hard look at South Africa, but that no hard and fast conclusions had been reached.

"There is short-term optimism in America for South Africa but a lot of questions remain about the long term," she said.

Not fast enough

There was great concern about the violence and the impact it was having on the process of negotiations, she added.

Former US ambassador to South Africa, Mr Herman Nickel, said 1990 was a momentous year for South Africa. The initiatives of Mr De Klerk in February were a turning point, but towards the end of the year there was some concern that the process of negotiations was not going fast enough.

A major problem for South Africa at the end of 1990, he said, was that the US national attention had shifted away from Africa generally and from South Africa in particular.

"However, I am reasonably confident that if the South African government continues to meet practically all the conditions laid out in the CAAA that there will be an easing of existing sanctions. But how much difference that is going to make in economic terms for South Africa is another matter," he said.

● Cops and kids: Picture — Page 2

CAPE TIMES 26/11/90 280

AAM 'could back end of sanctions in year'

LONDON. — The president of the Anti-Apartheid Movement, Archbishop Trevor Huddleston, believes the movement could approve the removal of sanctions against South Africa within a year.

He made the announcement — the strongest indication yet of approval for the changes taking place within South Africa — to delegates at the AAM's annual conference in Sheffield, Yorkshire, at the weekend.

According to a report in the Observer yesterday, the archbishop said he expected President F W de Klerk to introduce legislation to repeal apartheid laws when the South African parliament resumed in February.

At the same time, however, delegates yesterday enthusiastically renewed vows to continue campaigning for sanctions until apartheid was officially declared "irreversible" by the ANC and the United Nations. — Sapa and Own Correspondent

'Lift sanctions' call by Soviet expert on SA

AR641 27/11/90 280

From STANLEY UYS
The Argus Foreign Service

MUNICH. — A leading member of the Institute for African Studies in Moscow, Dr Leo Rytov, told a conference here that in his opinion the international community should lift the sanctions against South Africa.

Sanctions had played their role in Namibia and in the early stages in South Africa, he said, but their impact had been negative as well as positive.

Investment had dried up, economic growth had been retarded and black unemployment had increased. The time had come to think about South Africa's economic development and democratisation.

Another member of the institute, Dr Tatiana Kravtsova, said she expected sanctions to be lifted by the international community next year.

Sanctions move to be intensified

By ALI MPHAKI

THE London Anti-Apartheid Movement resolved at the weekend to intensify their policy of sanctions but would review it once the ANC and the United Nations judge that the necessary "profound and irreversible" change has taken place in South Africa.

The chairman of the AAM, Mr Robert Hughes MP, said although they held their annual general meeting at the weekend after a year in which the speed of change in South Africa has been dramatic, it was clear that now is not the time for the AAM to relax its work in support of a united, non-racial and democratic South Africa, particularly through the maintenance of sanctions.

Confidence

He said they agreed on ways of strengthening their sanctions work, including a focus on gold, tourism, the oil embargo and the consumer boycott.

"For the first time, we can look forward with confidence to the stage when the Anti-Apartheid Movement will no longer be required. But until then, we are determined not to relax international pressure until apartheid is destroyed," he said.

Africa's longest running gay nightclub, which is housed in the historic Three Castles building. See Page 29 for an account of the club's history and background

Photo: KEVIN CARTER

UN meeting on cultural boycott

280 W-E | Mail 30/11-6/12/90.

By Paul Alexander

A GROUP of South African cultural activists are meeting senior officials of the United Nations Special Committee Against Apartheid in New York this week to plan for a major international symposium on the cultural and academic boycott.

Attending the New York meeting are members of the special committee, Nigerian ambassador Gambari Ibrahim, who chairs the Centre Against Apartheid, and US and UK observers.

The South African delegation includes Barbara Masekela and Pallo Jordan (African National Congress), Rashid Lanie (South African Musicians' Alliance), Gora Ibrahim (Pan Africanist Congress), Junaid Ahmed (Congress of South African Writers), Mike Morris (Union of Democratic University Staff Associations) and cultural activists Matsemela Manaka and Dali Tambo. Masekela and Lanie left the country on Tuesday evening for the day-long meeting.

"The aim of the meeting is to give South Africans an opportunity to discuss and consult on current thoughts of the policy of cultural and academic boycott within the country," said Sotiris Mousouris, head of the UN Centre Against Apartheid, speaking from his New York office.

The proposed symposium — planned for Los Angeles in February — would be a follow-up to the Culture Against Apartheid gathering in Athens two years ago, where delegates endorsed the concept of "exceptions" to the cultural boycott — a selective boycott in place of a blanket ban.

Coinciding with the New York meeting — at United Nations headquarters — will be the historic Durban Consultative Cultural Conference beginning tomorrow, from which will be born a national cultural federation.

Included in this federation's programme of action would be the possible lifting of the "selective" cultural and academic boycott.

OD AND GARDENING ... PAGE 26 ★ CARTOONS ... PAGE 30 AND 31★ LISTI

Germany's stance is crucial

EC decision on sanctions expected soon

BRITAIN will again push for an early lifting of sanctions when EC foreign ministers meet in Brussels next Tuesday, but SA officials have warned against having inflated expectations.

Although up to eight EC members have indicated support for partial lifting of sanctions, Germany, which holds a pivotal position in the EC, is holding elections on Sunday and has failed to take a stand.

SA officials believe next Tuesday's meeting comes too soon after the German elections for that country to take a firm decision on sanctions.

However, by the time European heads of state meet on December 14 or 15 they believe Chancellor Helmut Kohl, who is expected to be easily re-elected, could join those countries which believe some gesture has to be made to support changes introduced by President F W de Klerk.

Kohl's decision would be crucial, officials said, as it would influence the French who have also not taken a firm stand.

Meetings between SA foreign affairs officials and political directors of the 12 have failed to produce a conclusive position on sanctions. Ireland and Denmark have led opposition to lifting sanctions while the remainder, with the exception of Germany and France, have indicated they favour at least a partial lifting of sanctions.

The political directors were asked by the foreign ministers on October 22 to review

MIKE ROBERTSON and KIN BENTLEY

EC sanctions policy and make proposals that would represent a signal of encouragement to the SA government.

All EC political decisions are made on the basis of consensus and the opposition of just one member to lifting sanctions would be enough.

A reliable Whitehall source confirmed yesterday that the new British Prime Minister John Major was unlikely to substantially alter British policy on SA sanctions from the well-known stance taken by his predecessor, Margaret Thatcher, who favoured their early lifting.

Meanwhile, an EC spokesman in Brussels confirmed yesterday that the 12 EC foreign ministers would also consider a plan to open a "technical office" in SA to administer the EC's special R150m-a-year programme to help victims of apartheid.

A British Foreign Office spokesman said while it was unlikely the foreign ministers would agree to lifting any of the sanctions measures on Tuesday, it was possible consensus could be reached through negotiation.

The matter comes up again at the European Council meeting of heads of state in Rome on December 14 and 15, at which a formal declaration on SA can be expected

☐ To Page 2

Sanctions

☐ From Page 1

to spell out any relaxation of sanctions.

While a formal relaxation of sanctions has not materialised, SA officials say that in reality they are crumbling.

After De Klerk's last meeting with Thatcher, her Press office said voluntary investment sanctions and other measures were "withering on the vine".

US President George Bush recently called on the EC to take steps to relax sanctions, arguing that his hands were tied by the Democratic Congress majority.

Among symbolic "rewards" being suggested are the partial lifting of the sports boycott for integrated sports codes in SA, with the same proviso of integration applying to the lifting of the cultural boycott.

Another early step would be the relaxing of the strict visa policy towards SA visitors to many EC countries and the lifting of remaining bars on religious, educational and scientific contact with SA.

Sanctions: EC move 'unlikely'

CAPE TIMES 30/11/90

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Own Correspondent

LONDON. — Sanctions against South Africa will be reviewed by European Community (EC) foreign ministers when they meet in Brussels next Tuesday, but a British Foreign Office spokesman said "substantial movement" should not be expected.

The reason is that decisions of the Foreign Affairs Council have to be taken by consensus — and at least three EC countries are still expected to oppose any relaxation of sanctions.

A reliable Whitehall source confirmed yesterday that the new Prime Minister, Mr John Major, was unlikely substantially to alter British policy on South African sanctions from the well-known stance taken by his predecessor, Mrs Margaret Thatcher, who favoured their early lifting.

Meanwhile, an EC spokesman in Brussels confirmed yesterday that the 12 EC foreign ministers would also consider a plan to open a "technical office" in SA to administer the EC's special R150 million-a-year programme to help victims of apartheid.

The three countries reported by diplomatic sources still to be opposed to relaxing sanctions are Ireland, Spain and Denmark. France and Germany are reportedly undecided.

Meanwhile, following two extensive visits to Europe this year by President F W de Klerk, voluntary investment sanctions and other measures are already weakening.

President George Bush recently called on the EC to take the first steps in relaxing sanctions, arguing that his hands were tied by the Democratic Congress majority.

Meanwhile, the Liaison Group of Anti-Apartheid Movements in the EC met Mr Gunter Burghardt, the EC's Director of Political Co-operation, in Brussels last Tuesday to "urge the EC to remain firm in opposing any relaxation of sanctions until there is profound and irreversible change leading to an end to apartheid".

Plan to block easing of sanctions

Star 1/12/90

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MIKE SILUMA

LONDON — The European anti-apartheid movement is to launch a campaign to halt the possible "premature" relaxation of sanctions against South Africa by the European Community.

Senior representatives of the anti-apartheid movement in Italy, Britain, Belgium, France, Germany, Denmark, Ireland, Holland, Portugal, Greece and Spain this week made an urgent appeal to the EC's political committee against the relaxation of sanctions.

In October EC foreign ministers meeting in Brussels asked the political committee to draw up proposals which could represent a signal of encouragement to the South African government for its reforms.

The recommendations of the political committee are to be considered by EC foreign ministers when they meet in Rome next week to prepare for the EC summit at the same venue on December 14, where a decision is likely to be taken.

An AAM spokesman said the group was "extremely alarmed" by the news that the meeting of EC foreign ministers in Rome next week would consider the relaxation of sanctions.

"Relaxing sanctions will be premature and counter-productive to the process of securing a genuine end to apartheid. We will be campaigning vigorously over the next few days against any such moves either at the (foreign ministers') meeting or the Rome Summit," added the spokesman.

The AAM had, however, received assurances from Brussels that the EC had no intention of establishing a diplomatic presence in South Africa.

Perez admits UN move on sanctions has fallen flat

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SIMON BARBER

WASHINGTON — A UN call for the tightening of financial sanctions by restricting SA's access to trade credits has fallen flat, UN Secretary-General Javier Perez de Cuellar has reported to the General Assembly. B/D 9414/12/90

He says the main problem is that none of SA's major trading partners in Europe and the Far East has taken any notice of the resolution the assembly adopted last December calling on member states to reduce maximum trade loan terms to 90 days and to deny official insurance cover to lenders.

From September last year, the German export-import bank Hermes had over $3bn in outstanding commitments to SA, the majority of them medium to long term. The figure for Britain's Export Credit Guarantee Department was $2,2bn similarly mixed; for the French Compagnie Francaise d'Assurance Exterieur, $1,4bn.

Countries that did take heed had already "rather low" trade levels with SA.

In the case of the US, which restricts access to its official Export-Import Bank for the purposes of most SA trade, traders have simply looked offshore and sought refuge in "the anonymity of international financial markets".

The structure of the SA economy is such as to make it "relatively impervious" to trade credit restrictions.

Disinvestment has enabled SA corporations to acquire financial institutions with "well-developed correspondent banking connections abroad". Also, many former subsidiaries have retained the access to trade credit facilities they previously enjoyed through their former parents.

Theoretically, Perez reports, trade credit restrictions should force SA exporters to cut prices.

Reform 'not enough' to justify ending sanctions, says UN

The Argus Foreign Service

NEW YORK. — President De Klerk's reforms were acknowledged as the UN General Assembly began its annual debate on the apartheid question, but delegates said he still had not done enough to justify ending sanctions, including the costly oil embargo.

There was a marked reduction of the harsh rhetoric that has marked so many past UN discussions of the problem and the lack of any great sense of urgency was evident from the sparse attendance, with scores of seats remaining empty.

The new Foreign Minister of India, Mr Vidya Charan Shukla, took the opportunity to make his UN debut.

In his relatively unpolemical remarks, he said talks between the South African government and the ANC had produced "some good results," but he endorsed the assessment of the Secretary-General, Mr Javier Perez de Cuellar, that the process of change was at an early stage and there was a long way to go.

Positive steps

Opening the debate, Professor Ibrahim Gambari of Nigeria, chairman of the UN special committee against apartheid, said: "There is no doubt thst the South African authorities have indeed taken a number of positive steps.

"Nonetheless, they fall far short of the minimum measures necessary to create a climate for negotiation."

Mr Martin Huslid of Norway, chairman of the intergovernmental group monitoring the voluntary oil embargo, said South Africa was satisfying its energy needs at high cost — 2 billion US dollars (about R5 billion) a year above the normal cost of the oil being imported.

Rome meeting

In Brussels European Community heads of government are to consider ending trade sanctions against South Africa when they meet in Rome next week.

EC foreign ministers who met here on Monday have asked their officials to prepare a list of options on removing sanctions on new investment and imports, to be considered by the Rome summit.

But there was no indication that a majority of the 12 EC governments back removing sanctions at this stage, though the Italians, who chair the EC are in favour of dropping sanctions.

Diplomats will now draw up a list of options ranging from immediate removal of all sanctions to making no change. A third alternative is an agreement on removing the sanctions at a later stage.

The present EC sanctions bar new investment in South Africa and stop imports of South African iron and steel and Krugerrand coins into the EC. There are also restrictions on technical and other co-operation.

INTERNATIONAL

EC discusses end of sanctions on SA

Cape Times 5/12/90 280

Own Correspondent

LONDON. — European foreign ministers yesterday discussed various options for lifting sanctions against South Africa during their meeting in Brussels.

They will now forward these options for discussion and an EC declaration during the European Council summit of prime ministers in Rome next week.

South Africa was not high on the agenda at yesterday's meeting, according to EC sources, with the pressing issue of aid to the Soviet Union dominating the day's events.

However, the president of the council, Italian Foreign Minister Mr Gianni Michelis, last night confirmed that preparations concerning the question of sanctions, as well as the EC's Southern African aid programme, were finalised with a view to the Rome summit.

Although he failed to elaborate, political sources say the foreign ministers assessed various options on how to respond to the reform process so that it will encourage South Africa to effect the final, "profound and irreversible" changes.

This was in line with the EC's Dublin declaration on South Africa, in which the council affirmed its willingness to consider a gradual relaxation of sanctions pressure "when there is clear evidence that the process of change has become irreversible".

However, the repeal by Pretoria of the remaining pillars of apartheid, and the start of negotiations for a non-racial democracy, remain the fundamental steps the EC is waiting to reward.

Concern was also reportedly expressed at the carnage in the township battles between the ANC and Inkatha.

Among key sanctions which the EC will consider lifting next week are the bans on the import of iron, steel and Krugerrands. The voluntary bans on new investment by member states are already "withering on the vine".

A symbolic statement on the desirability of resuming cultural, political, sporting and other contacts with South Africa, although not prevented by the EC, could also be forthcoming next week.

UN split looms on sanctions

WASHINGTON — As the UN General Assembly debates a follow-up to last December's consensus Declaration on Apartheid, the US, EC and Japan are making it clear they will not support any resolution binding members to the continuation of sanctions, diplomats say.

The major Western powers find the two draft resolutions submitted so far by the African bloc and the UN Special Committee on Apartheid intolerable and say they are ready to break the consensus reached in last year's vote and on a subsequent resolution last September.

The ANC is anxious consensus should survive. Its foreign affairs director, Thabo Mbeki, has hurried to New York where he met African representatives yesterday to discuss ways of breaking the looming deadlock. He is expected to address the Assembly today.

SIMON BARBER

Current drafts call for the maintenance of all sanctions, including sports and cultural boycotts, while blaming government for the continuing violence and for blocking the return of exiles.

US officials said that, to be acceptable, a resolution would have to leave it up to individual governments to make their own decisions on the lifting of sanctions.

The sources said the US was bound by President George Bush's own determination that change in SA was now "irreversible" and could not support any wording that contradicted this.

State President F W de Klerk's visit to Washington in September also made it impossible for the administration to accept language that referred to De Klerk's government as a "regime".

Harms: Matanzima might be charged

B1 Pays 5/12/90.

PRETORIA — Former Transkei president Kaiser Matanzima could be charged with subversion in a Transkei court for encouraging the SA government to withhold funds from Transkei, military leader Maj-Gen Bantu Holomisa said last night.

In a statement responding to the findings of the Harms Commission of Inquiry into cross-border irregularities, Holomisa said the commission had proved Transkei's earlier claims that Matanzima had written to Pretoria demanding "the RSA government freeze all monies payable to Transkei until Transkei had paid Temba Construction in full".

Temba Construction is one of the companies comprising Jalc Holdings (Pty) Ltd.

Holomisa said Matanzima's letter seemed to demonstrate that he had a vested interest in the affairs of the company.

"It is ironical that Transkei was indeed strangulated after the letter written by him in 1988," Holomisa said.

The Transkei government would have to establish whether Matanzima's encouragement of the SA government to withold funds from Transkei was subversive or not. If subversion was established, Matanzima would be charged, Holomisa said.

EDYTH BULBRING

In criticising the report, Holomisa said it would appear that Mr Justice Louis Harms was "rather soft" in dealing with Jalc directors, as he had the right to subpoena any one of them to give evidence before the commission.

The refusal of Jalc directors to testify before the commission left doubt as to their dealings and links with intelligence agents in SA and other individuals who showed keen interst in the welfare of Jalc.

Co-operation

Holomisa said Transkei also noted the lack of coverage of certain issues like the Vermaas indaba.

The report would be handed to Transkei's Attorney-General for his perusal and action.

Holomisa said he felt the offices of the Attorneys-General of Transkei and SA should co-operate in confronting the Jalc affair as the matters raised before the commission were territorially intertwined.

Without the co-operation of one, the other could not succeed, he said.

ANC envoys meet on lifting sanctions

B1 Pays 5/12/90 (280)

PETER DELMAR

ANC foreign representatives from around the world are to meet in Johannesburg next week to discuss mechanisms for the lifting of sanctions and the integration of ANC and official government missions abroad.

ANC foreign relations administrative secretary Yusuf Saloojee said yesterday the meeting would be attended by officials of all 40 ANC foreign missions, as well as department director Thabo Mbeki and his deputy Stanley Mabizela.

Although ruling out an immediate lifting of sanctions, Saloojee said ANC foreign representatives had to be prepared when the current process became irreversible — the point at which the ANC would call for a lifting of sanctions.

The ANC, he said, would continue to call for boycotts of South African products abroad.

"But we need to start working out some kind of mechanism and the timing of how sanctions will be lifted," Saloojee said.

Lifting sanctions would also have to be preceded by wide-ranging consultations with various organisations and governments.

Saloojee said a new development was a growing perception internationally that apartheid had been abolished. The ANC would discuss how to combat this belief at next week's meeting.

It would also consider how to focus the international community's attention on SA's needs in the post-apartheid era, particularly in housing, education and health.

Saloojee said ANC embassies were being "besieged" by SA diplomats wanting to speak to their counterparts.

"We need to work out, do we talk to our counterparts in SA embassies and what is the purpose of that talk?"

The meeting would also consider how ANC and SA missions would be restructured "in a future situation" where dual representation was unnecessary.

Saloojee said the ANC attached great importance to its foreign relations. This foreign affairs conference was of "vital importance" in the current climate and before the ANC's national consultative conference.

The meeting would formulate a new foreign affairs policy for discussion.

Council to look into converting hostels

B1 Pays 5/12/90

THEO RAWANA

JABULANI men's hostel in Soweto is a complex of live-in couples, shebeens and discos — and the discovery has moved the Soweto City Council to look into the question of converting hostels into family units.

Poli pict

THE ANC's v collusion with Zonkezizwe w

Trade, sport barriers first to go

ANC takes a hard look at sanctions

A DRAFT ANC document has proposed gradually reducing sanctions, including a substantial easing of trade and sports barriers, from next year.

The still-secret document, "Managing the process of transition", calls for a thorough re-evaluation of the ANC's sanctions stance. It notes local and international developments have reduced the effectiveness of diplomatic and trade sanctions.

Trade sanctions, it recommends, should be eased and tied to exporters addressing discrimination within their own ranks.

Sport and cultural embargoes on particular codes should be lifted once they have a united, nonracial governing body.

The other outstanding precondition for SA's readmission to international sport would be the repeal of the Group Areas Act, on the cards for next year.

Financial sanctions, including investment by the IMF, should be opposed "on the grounds that the country is still governed by a white, minority regime". Oil and military sanctions should also remain.

Meanwhile, diplomats at the UN yesterday interpreted draft resolutions proposed by the ANC's African supporters in the UN debate on apartheid as attempting to ensure that the ANC appeared to remain in charge of any dismantling of sanctions.

Developments at the UN indicate the ANC accepts that Western nations will soon begin to ease sanctions.

Diplomats believe this underlies the hardline draft resolutions offered by the ANC's African supporters which seek to bind members to maintaining existing measures and endorsing the ANC's official analysis of the situation on the ground.

Briefing Western envoys at the UN on Tuesday, ANC foreign affairs director

PETER DELMAR
and SIMON BARBER

Thabo Mbeki is understood to have urged European governments to delay their decision to ease sanctions "for a few months" until political prisoners were free and Pretoria had fulfilled its undertakings to repeal the Group Areas Act and Land Act, and "review" security legislation in the next parliamentary session.

EC heads of governments are currently believed to be ready to start rolling back sanctions when they meet on December 15.

Participants at the meeting with Mbeki construed his remarks to mean that the ANC was softening its conditions for the lifting of sanctions and was now primarily concerned about the timing.

But strong Western opposition to the two draft resolutions thus far offered by the African bloc and the UN Special Committee against Apartheid has not diminished.

The latest version, entitled "International efforts to eradicate apartheid", implicitly criticises countries that have begun to relax sanctions.

It also appears to define the "profound and irreversible changes" which must occur before sanctions can be lifted as "the eradication of apartheid and the establishment of a united nonracial SA".

It specifically calls on all governments, international bodies and financial institutions to maintain sanctions on "trade, investment, technology, oil and petroleum products, finance and transport".

US and other Western diplomats say that while they would like to achieve consensus they will only vote for a resolution reflecting their government's policies.

☐ To Page 2

Sanctions

A US official said he did not believe consensus was likely, in part because the debate had turned into an internal tug of war between Pretoria and the ANC and "our position is that outsiders should not get involved in a hardball game over post-apartheid policies".

The ANC document argues sanctions could be eased because the "strong adverse reaction to any regression" on government's part would ensure their reimposition.

An exact timetable for the easing of sanctions is not spelt out, but a speedy move in this direction is implicit.

ANC sources said the report had been discussed and endorsed by a large section of the ANC's "top and middle leadership" and it would be debated with a view to adoption at the ANC's national consultative conference which starts next week.

Next week a conference of ANC diplomats from around the world will consider concrete mechanisms and procedures for the lifting of sanctions.

KIN BENTLEY reports from London that Britain's Foreign Office said last night it would be studying reports on the document. Officials would comment today.

☐ From Page 1

Secret document calls for new look at boycotts

ANC 'switch' on sanctions

CAR TGIS 6/12/90 280

Own Correspondent

JOHANNESBURG. — A draft ANC document has proposed a phased lifting of sanctions, including a substantial easing of trade and sports barriers, from next year.

The still-secret document, "Managing the process of transition", calls for a thorough re-evaluation of the ANC's sanctions stance

It notes that local and international developments have reduced the effectiveness of diplomatic and trade sanctions

Sport and cultural embargoes on particular codes should be lifted once they have a united, non-racial governing body.

But financial restrictions, including investment by the IMF, should be opposed "on the grounds that the country is still governed by a white, minority regime". Oil and military sanctions should also remain.

SIMON BARBER reports that developments at the United Nations indicate the ANC accepts that Western nations will soon begin to ease sanctions

Mbeki 'delay'

Diplomats believe this underlies the hardline draft resolutions offered by the ANC's African supporters which seek to bind members to maintaining existing measures and to endorsing the ANC's official analysis of the situation on the ground

They also aim to give the impression that the ANC remains in charge of the eventual lifting of sanctions.

Briefing Western envoys at the UN on Tuesday, ANC foreign affairs director Mr Thabo Mbeki is understood to have urged European governments to delay their decision to ease sanctions "for a few months" until political prisoners were free and Pretoria had fulfilled its undertakings to repeal the Group Areas Act and Land Act, and "review" security legislation in the next parliamentary session

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● Foreign Minister Mr Pik Botha has briefed foreign diplomats on SA's view of the UN General Assembly's annual apartheid debate Mr Botha also wrote to the UN objecting to the debate as "inopportune", "uncalled-for" and echoing the ANC



BEACH BUOYS . . . This is one of three new buoys which will be used 100 metres off Clifton's fourth beach as a barrier to boats. In the past bathers have had close shaves with boats coming too close to shore, according to Clifton Livesaving spokesman Mr Eddy Cassar. Yesterday the Clifton Beach Lifesaving Club took possession of the buoys. Admiring them are, from the left, Melanie Wolpe, lifesaver Jason Fialkov, Chantal Solan and Gill Vaughan Jones. Picture ANNE LAING

Dolphins in 'mass suicide' off coast

UMTATA. — Sixteen dolphins were found dead off the Transkei Wild Coast near Hluleka Game Reserve yesterday morning.

The acting head of nature conservation in Transkei, Mr Andrew Grobicki, said there could be numerous reasons why the dolphins had died.

He said sometimes they committed suicide. It was also possible they could have died because of lack of oxygen in the water.

Mr Grobicki said he had already contacted relevant scientific institutions to come and study the dolphins. — Sapa

Pavarotti awarded 'Truffle of Year'

ALBA, Italy. — Italian tenor Luciano Pavarotti's love of food has been known to rival his love of song.

So when he was chosen for a local award it was only appropriate that the prize meet his tastes — a 650-gram truffle.

The "Truffle of the Year" award was granted to Pavarotti this week by Mr Enzo de Maria, mayor of this town in Italy's north-west Piedmont region.

The annual prize is given to prominent Italians who promote the image of Italy in the world. — Sapa-AP

Man trips up Pretoria

PRETORIA. — A man yesterday short-circuited the power supply to the city centre and adjoining suburbs when he fell on to high-voltage powerlines — and lived.

He received third-degree burns over 70% of his body and was admitted to H F Verwoerd Hospital. He asked hospital staff not to release any details about him.

Municipal sources, however, identified him as Mr Jacques Myburgh, who was apparently working on new power cables at a sub-station when he fell about 10 metres and came into contact with lines carrying between 70 000 volts and 132 000 volts. — Sapa

crack of dawn

BUSINESS

Few players expect lifting of sanctions to ignite coal market

B/Day 6/12/90 280

LONDON — The SA business community is full of speculation over what benefits will flow from a return to normal trade with the rest of the world, now that the end of sanctions is in sight.

Foremost is the coal industry, SA's second largest foreign exchange earner after gold and the world's third largest coal exporter. Exports totalled 47-million tons, or 12,6% of the world market, in 1989.

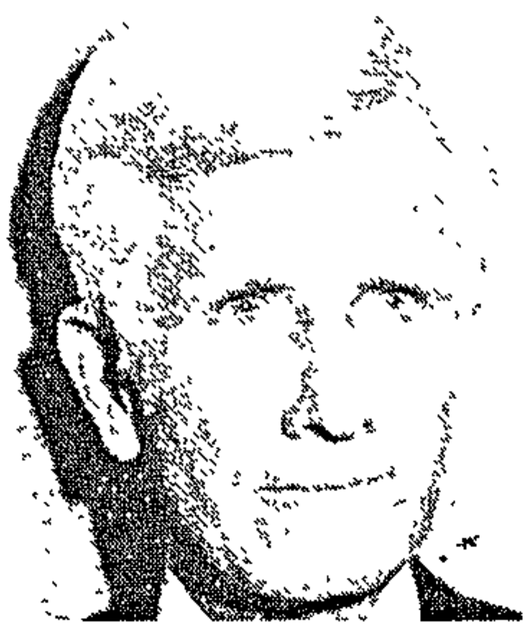
The prevailing sentiment in the sector is sober rather than buoyant. While all players agree lifting sanctions will make them more optimistic, and an expansion of capacity already under way suggests a measure of confidence, few are expecting a big improvement.

The industry was hit hard by sanctions during the mid-1980s, most importantly by the US, France and Denmark which closed their markets in 1986.

This affected about 10-million tons of SA's export volume which was then about 40-million tons a year.

However, even though these markets were lost, an increase in other markets meant there was no loss of sales.

Johannesburg Consolidated Investments (JCI) says that in 1985 about 61% of SA's coal exports went to Europe, 19% to Japan and 11% to the rest of Asia. By 1989 these figures had become 45%, 12% and 38% respectively.



● SEALEY

Maintenance of the volume exports, however, came at a considerable price. Power utilities around the world, the main purchasers of coal, traditionally seek a diversity of suppliers. The only way SA producers could maintain sales volume was by convincing their remaining consumers to depart from their normal buying patterns, which involved price cuts.

Consequently, SA coal has traded at a "political discount" for the last five years. This varies according to the market and the competition, but Trans-Natal Coal MD Mike Salamon estimates the discount averages $3 to $5 a ton and that it costs the local industry about $200m a year.

Sanctions had other effects too. Salamon says that after 1986 a greater proportion of coal sales were handled through the spot market than through term contracts, which suppliers prefer. And the sanctions-hit economy consumed less electricity, and hence less coal.

When sanctions end there are several reasons why SA's coal — essentially steam-coal which it had 27% of world seaborne trade in this sector last year — might be considered attractive.

First is quality: its low sulphur and ash content are important environmental considerations. Then there is the matter of diversity of supply. Consumers would be able to spread their risk better and would also stand to benefit from enhanced competition.

For SA, diversification would probably lead to a decline in intra-SA competition in certain markets and hence a gradual erosion of the political discount.

There is also the problem of infrastructural constraints. More than 90% of SA's coal exports — 43-million tons in 1989 — go through the Richards Bay coal terminal. Richards Bay has a nominal capacity of about 44-million tons and a R316m expenditure programme is under way to refurbish and expand capacity to 53-million tons by the mid-1990s.

The major groups are spending about R2bn on capital projects in order to be able to meet their expanded quota requirements through Richards Bay.

The most recent announcement of expanded capacity came from Amcoal, which is spending R900m to increase its capacity by 4,3-million tons.

Until such capacity becomes available any possible volume benefits from the lifting of sanctions will be largely irrelevant as the country simply lacks the capacity to ship more coal.

Even then, it will still be another year or two before there is adequate rolling stock to service this increased capacity.

Some believe bottlenecks are not really a problem.

Participate

Rand Mines coal division head Allen Sealey says: "Richards Bay is not an issue. This year we will not export to the port's capacity because we can't sell more coal without depressing the price."

Given the price elasticity of coal demand, and the experience of the recent past, major producers will clearly be very wary of pushing volume again at the expense of price.

For these reasons Sealey concludes: "It appears SA will only participate in growth of the world market to the extent that it currently has a proportion of that market." — Financial Times.

SA's weird, says Arthur Miller

By Carina le Grange DN 6/12/90

The cultural boycott is a political weapon and not a moral issue, American playwright Arthur Miller said in Johannesburg last night.

Miller, known to many South Africans from productions of his plays "The Crucible", "After the Fall" and "Death of a Salesman", was speaking at a function organised by the Congress of South African Writers (Cosaw).

Author Nadine Gordimer chaired a panel discussion which featured actor John Kani, playwright/actress Gcina Mhlope, poet Siphiwe Ngwenya and critic Paul Boekooi.

After discussion, questions were taken from the floor.

This was the only public appearance Miller has made during a fleeting visit to South Africa.

The purpose of his visit was the production of a BBC documentary involving a two-hour discussion between himself and ANC deputy president Nelson Mandela.

Switched on

Referring to the cultural boycott, Miller, hailed as one of America's greatest playwrights and ranking among the best in world theatre today, said that when he switched on television in South Africa, all he saw were American productions.

"Perhaps we are only keeping out the good stuff," he said.

Miller said he believed that in the '50s and early '60s the boycott was necessary in the sense that it roused people's consciences about the issues in South Africa.

"But I am not sure we still have the same problem now," he said.

In his short introductory talk, he said it seemed to him that South Africa was a country of "State socialism for whites and fascism for blacks".

He said it was a weird country, in which one could live without ever knowing what was really happening, and "if you don't veer to the right or the left", it could seem to be a paradise.

It was a country of "fragmented vision".

"I'm a man from the moon as far as this place is concerned," Miller said.



Arthur Miller . . . A man from the moon in this place.

Africa impatient for SA's entry into its markets

BIDAY 7/12/90

280

ALAN FINE

WEDNESDAY's call by SADCC business leaders for SA be given immediate observer status within the organisation would not have come as a surprise to Idasa's Van Zyl Slabbert who has just returned from an extensive tour of Europe and Africa.

He said this week that there was a broad recognition throughout Africa that the emergence of new international politico-economic power blocs meant the nations of Africa had themselves to seek urgently such an alliance. This is essential to avoid further retrogression, and SA is seen as a key to that process.

He warns this trend will put intense pressure on the ANC to ease substantially its position on sanctions. This was a prophetic statement made a day before the contents of the ANC's draft discussion document appeared in the media.

"A situation is developing where, if the ANC and government cannot soon agree on a common strategy regarding relationships with Africa, there is a real likelihood of a series of bilateral agreements between SA and African nations which bypass the ANC," Slabbert said.

A conference in Addis Ababa last month attended by technocrats from 17 African countries helped Slabbert formulate his thesis that Africa has to establish itself in a way similar to that of Europe and Asia.

The theme of the conference was Stability, Security and Co-operation in Africa. Not by coincidence, this theme is identical to that of earlier conferences in Europe and Asia.

Africa, says Slabbert, is asking itself what it should to do in response to the changes in the Soviet Union and Eastern Europe. The new order has meant a growing indifference to the plight of Africa in the form of donor fatigue.

"At the Addis conference there was an amazing degree of self-criticism. There is an acknowledgment that Africa cannot blame colonialism for all its ills, and a recognition of the corruption and personality cults which have stifled its development," he says.

And in seeking a way out of the morass, delegates repeatedly returned to the same two themes which have dominated post-cold war Europe — democratisation and the flourishing of the market.

"They recognise that democratisation and markets are preconditions for stability and security, and that that you cannot talk of stability and security for Africa, or for regions of Africa, without talking about domestic stability and security.

"Another dominant theme . . . was that, at the same time that the OAU countries are beginning to talk about democratisation, SA too is beginning to do so.

"They see SA as a critical part of the development of African markets. In some respects they even overestimate the importance of SA in the development of the continent," Slabbert argues.

Hence the drive for the economic integration of SA into the continent, and the need for the major players here to begin developing a new and joint approach — to begin preparing for future trade, scientific exchanges, and other areas of interaction with African countries.

"All (of) Africa needs to husband its resources — the international realignments make this necessary. Having the ANC and government playing African states off against each other on their relationships with SA makes this even more difficult than it would otherwise be.

"Why should it be necessary for, for example, Senegal to have to pay five times as much for powdered milk imported from Europe as it would have to pay if it imported the product from SA?



□ SLABBERT

"The continent is in deep trouble and it would be immoral to continue political posturing. A continuing ANC hard line would, anyway, not stop the growth of links between SA and other African nations," Slabbert asserts.

Slabbert argues that once normal economic relations develop, SA will have to move beyond southern Africa to realise fully the benefits of continental economic links.

In most of the southern African region, he says, economic relations will be more in the nature of developmental work — like transport, other infrastructure, and solving common agricultural problems. Real large-scale African trade is more likely to develop with the more powerful economies — Nigeria and French African nations like Senegal and the Ivory Coast.

Right now time is of the essence for the rest of Africa, and this makes the ANC's conference debate on sanctions in a week's time all the more critical.

"If the ANC wants to retain the most sensitive types of sanctions like the arms embargo, that is OK. But Africa must not be made to sacrifice any more because of SA's internal political processes," he concludes.

LETTERS

ANC 'keep-sanctions' plea to EC expected

LONDON. — The African National Congress is expected to ask the international community to keep sanctions in place for just another two or three months.

This was reported in the London Independent newspaper yesterday, while the ANC in Johannesburg tried to play down leaks of a proposed easing of sanctions as just a draft document.

The Independent correspondent in New York reported that ANC deputy leader Mr Nelson Mandela would appeal to the European Community summit in Rome next week to put off a decision on lifting sanctions — favoured by a majority in the EC — "for two or three months".

By that time the obstacles holding up agreements between the ANC and the government should have been cleared away and Parliament would be repealing its security legislation, the Land Acts and the Group Areas Act.

Anti-apartheid movements in Britain and Europe have recently expressed what they termed "alarm" at confirmation that a majority of the 12-member EC countries are in favour of at least a relaxation of Europe's 1986 sanctions against South Africa as a concrete response to President F W de Klerk's reforms.

A leading London broker said yesterday the ANC discussion document would have a positive effect on overseas investor confidence.

Despite the ANC retractions, Mr John Taylor, South African analyst for leading brokers James Capel, said yesterday he believed the existence of the document was a positive sign which "will improve confidence".

He said there had been much disillusionment with the ANC in recent months.

An ANC spokesman said in Johannesburg yesterday the draft document would be circulated at all levels before being tabled at the national consultative conference from December 14 to 16.

He said the leakage of the document at this stage was "unfortunate". — Sapa, Own Correspondent

● Hungary fights sanctions — Page 5

Hungary fights hardline stand on SA sanctions

CAPE Times 7/12/90

From SIMON BARBER

WASHINGTON. — Hungary has issued a thinly-veiled attack on what it views as the UN-biased treatment of South Africa and is joining the European Community in opposing the hardline sanctions resolutions under debate in the General Assembly.

While less outspoken, other East European nations, including Poland and Bulgaria, appear to be turning in the same direction.

Addressing the assembly on Wednesday, Hungarian representative Mr Andre Erdos called on members to "support only those resolutions reflecting changing realities and promoting the political process in South Africa".

He said the UN Centre against Apartheid "ought to make more efforts to verify information" it disseminated about South Africa.

"Otherwise the reputation and the credibility of the UN will be undermined."

Poland's Mr Stanislaw Pawlak said that while his country supported "existing international pressure" on South Africa the time had come to "consider a more positive approach and to decrease the risk of internal destabilisation".

He looked forward to the growing normalisation of relations with South Africa which would "widen the possibilities for South Africa's inhabitants and overcome the international isolation felt also by Polish immigrants living there".

Bulgaria's Mr Dimitar Kostov said more attention should be paid to "the pace and substance of reforms" in South Africa and urged that the ANC not be seen as the sole voice of opposition to the government".

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Poland and Bulgaria follow Hungary's lead in defending SA at the UN

B1 Daily 7/12/90

SIMON BARBER

(280)

EW YORK — Hungary has issued a thin-veiled attack on what it views as the N's biased treatment of SA and is joining e EC in opposing the hardline sanctions solutions being debated in the General ssembly

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Bulgaria's Dimitar Kostov said more attention should be paid to "the pace and substance of reforms" in SA and urged that the ANC not be seen as the sole voice of opposition to the government.

Zambia's Peter Zuze accused Pretoria of "absorbing Eastern European security personnel" to create a post-apartheid security structure designed to "compete" with a new civilian government.

The US special committee against apartheid noted with distaste the expansion of SA commercial ties with Eastern Europe. It cited the opening of an SA interests section in Budapest, the planned exchange of such offices by Poland and SA and the trade agreement signed between SA and Romania in October.

It also observed that an SA trade mission had visited the Soviet Union, ostensibly to discuss the Chernobyl disaster, and that Poland was expected to purchase 200 000 tons of SA iron ore.

Sapa reports from Pretoria that the SA government yesterday expressed its satisfaction with Hungary's positive attitude towards SA in the UN debate. SABC radio news quoted a Foreign Affairs spokesman as saying the department was happy with Hungary's pragmatic approach.

FM 7/12/90 (280)

never had contact, some of which see us as friends of the communist parties that have been ousted from power, have given new space for the Pretoria regime to expand its international political and economic contacts."

The paper calls for the generation of "the necessary economic resources inside the country, including those from the public sector." Such resources should not go to government but "to interim government structures in which would be represented the ANC, the rest of the democratic movement and the present government." The ANC clearly hopes to push government into accepting an "interim government."

However, says the paper, "we should oppose the lifting of financial sanctions, espe-



Mbeki ... *a decisive voice*

cially by the IMF, on the grounds that the country is still governed by a white minority regime." However, it recommends that trade sanctions should be eased and tied to the export sector addressing apartheid practices within its own ranks.

The document calls for discussions with the international business community and formation of an investment code. It also calls for the secondment of people to international institutions such as the EC, World Bank, IMF and African Development Bank "to train the specialised cadre that would have to deal with these institutions on behalf of a post-apartheid SA."

The paper will be discussed at the ANC's National Consultative Conference next week. It is also being submitted for comment to black business, various African governmental organisations — including the OAU — and nonracial sports bodies.

A policy decision is expected before December 19, when the EC meets to discuss SA.

Charlene Smith

SANCTIONS FM 7/12/90

END OF TUNNEL (280)

Sanctions could be lifted in phases, starting early next year.

A confidential ANC draft discussion document, titled "Managing the Period of Transition," sets out clearly why the ANC should lift sanctions and how this should be done.

While the paper says the time has not yet arrived for the lifting of all sanctions, the only ones it still favours are those affecting arms and oil. It calls for another look at the educational, cultural and sports boycotts. It suggests that "we should take a firm position that once a united, nonracial (sports) body has been created, and given the repeal of the Separate Amenities and the Group Areas Acts, we would work for the readmission of the affected code into international sport."

If this position is adopted by the ANC, the main obstacle to a return to international sport is the Group Areas Act — which government has promised to lift early next year.

The discussion paper argues: "We would not lose the weapon of sanctions even if we progressively reduce them during the process of change, as there would be a strong adverse international reaction to any regression ... (to) white minority domination." It notes that "trade sanctions are making little impact on the economy ... economic links with the African continent seem to be growing."

Diplomatic isolation has also weakened: "Changes in eastern Europe, marked by accession to power of forces with whom we

ANC hints on ending curbs

Sowetan 7/12/90

NEW YORK - The ANC has for the first time publicly agreed to a timetable for the lifting of sanctions against South Africa and indicated on Wednesday that they could be ended within three months if the Government adhered to agreements on reform.

Deputy president Mr Nelson Mandela will appeal to next week's European Community summit for a decision to lift sanctions - which is favoured by a majority in the EC - to be put off "for two or three months".

By that time the obstacles holding up agreements between the ANC and the Government should have been cleared away.

Message

The Government might also have repealed its security legislation, the Land Act and the Group Areas Act.

The message from the ANC, delivered by the organisation's spokesman on international affairs Mr Thabo Mbeki at a closed-door meeting of diplomats at the United Nations, marks the first time that the ANC has presented a specific timeframe for the removal of sanctions.

Mbeki denied in an interview yesterday that he had intended to signal a change of ANC policy and appeared to retract what he had said earlier at the meeting.

"What we are saying to the EC is that there is nothing that has happened so far in South Africa even to justify a review of the sanctions policy," he said. (280)

Meeting

"We do not know what will have happened by next February. But it would be wrong to say, just because obstacles have been removed and laws repealed, that the ANC would advise lifting sanctions."

However, European diplomats who had attended the meeting said he had given them a different message.

"The clear implication was that, provided the timetable was adhered to and the reforms that President FW de Klerk had promised were addressed, but not yet completed, it would be all right to lift sanctions," one European delegate said yesterday.

The Independent.

New UN bid to squeeze SA

Sowetan 7/12/90

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NEW YORK - South Africa's ability to meet its energy needs despite the voluntary embargo on oil shipments has sparked a new bid to make UN sanctions mandatory through a Security Council decision.

Among UN bodies, the Council alone has the power to order member states to comply with its decisions.

The General Assembly, which recommended a ban on the export of oil and petroleum products to the republic, soon will take up a resolution to urge the Security Council to ensure that the embargo becomes effective as part of an international effort to speed an end to apartheid.

If the resolution is adopted, the Council is not obliged to comply and is unlikely to, several diplomats said, because the United States, Britain and France retain the power of veto.

However, with Council-imposed sanctions in place against Iraq the clamour to follow a similar course against South Africa might well have become more persuasive if President F W de Klerk's reform policies were not so widely recognised.

Yesterday, on the second day of debate, Israel's Mr Ephraim Tari rebutted repeated Arab charges of collusion between his country and South Africa.

In fact, Arab states were helping the republic he said, citing a Shipping Research Bureau report that 309 of the 441 tankers that carried crude oil to South Africa up to last April sailed from the Middle East and nearly 300 of them from the Persian Gulf.

He quoted a further estimate, made in the Norwegian parliament, that as much as 95 per cent of oil going to South Africa went from Gulf states.

Opening day

As on the opening day, delegates addressed a sea of empty seats. Low attendance has been observed throughout the Assembly session, caused in part by the preoccupation of all members with the Gulf crisis, which is being dealt with by the Security Council.

Among those who spoke today, Mr Terence O'Brien, representing the new conservative government of New Zealand, said that unless profound and irreversible changes took place in South Africa a possibility remained that apartheid could survive in disguise. - *UN Correspondent.*

US calls on UN to halt swipes at SA

Star 7/12/90

Special Correspondent

NEW YORK — The United States pledged today to refuse to join in any UN resolution on the apartheid question that was not constructive and it called on the General Assembly to "encourage, not instigate".

Addressing the world body on the third day of the apartheid debate, John Moore said the US wanted a consensus resolution which reflected the current political reality of hope and not one which sought to castigate South Africa.

"The United States remains committed to seeking all appropriate means to hasten the end of apartheid," Mr Moore said.

Change should occur peacefully and all groups had to take responsibility to end violence and work together.

South Africa had not yet met the requirements set by the United States for the lifting of economic restrictions, but there was hope that these would be met as change continued.

In the meantime, he said, the UN should be prepared to modify its stance.

"It is not our purpose to persist with measures that have ceased to be productive and would lead to the birth of a new South Africa in severe economic distress," he said.

Peter Wilenski of Australia said it was time for the international community to look forward to South Africa's needs after the end of apartheid.

Australia did not want to maintain sanctions for longer than was necessary.

Vieri Traxler of Italy, speaking for the other 11 members of the European Community, said the new post-apartheid South Africa should be able to avail itself of all economic resources, including access to external financing to ensure its future prosperity.

The European Community states were not inclined to easy optimism and did not underestimate the scale of the difficulties lying ahead, he said.

Hungary also opposed the tough sanctions resolution being debated by the General Assembly. Throughout the debate, scores of seats were unoccupied.

Richard Dowden analyses the achievements and the anomalies of a policy that divided the world

Some strange facts about sanctions

280

BFW 7/12/90

IT was impossible to be neutral. Sanctions against South Africa divided humanity from top to bottom. From the US Congress, which passed the Comprehensive Anti-Apartheid Act in 1986, to the housewife in the greengrocers, who refused to buy Outspan oranges, everyone took a position.

The lobbies on both sides became an industry. Sanctions became a litmus test of where governments, companies, town halls, clubs, unions and individuals stood on apartheid.

The banned and exiled liberation movements made sanctions a key element of their strategy. Their aim was the total isolation of South Africa, and the anti-apartheid lobbies which acted as their international foot soldiers became more and more successful in sticking the pro-apartheid label on anyone who argued against sanctions.

In Britain, their biggest success came in 1985 when Barclays Bank, alarmed at the dramatic decline in student accounts following the Boycott Barclays campaign, decided to pull out of South Africa.

To be anti-apartheid and anti-sanctions became an almost impossible position, as Britain found to its cost at every international forum at which South Africa was on the agenda.

Mrs Thatcher's stand, four-square against sanctions, cost Britain many friends in Africa.

She was perceived as South Africa's greatest ally. She refused to use even the threat of sanctions and played down the fact that Britain did in practice impose sanctions.

Economic historians will continue to row over whether sanctions have been effective or not. The UN arms embargo, in place since 1977, and the sports boycott, which grew throughout the 1970s, were certainly effective.

The anti-sanctions lobby argued that the arms embargo had produced Armscor, South Africa's dynamic arms manufacturer, but when South Africa's army and air force were pitted against large quantities of new Russian equipment in southern Angola in 1988, Armscor could not cope and South Africa lacked the air power and the armour to take up the challenge.

The sports boycott simply made white South Africans isolated and unhappy.

Most effective was the decline of foreign investment — the sanction of the market place — which was only marginally affected by the arguments over the immorality of apartheid or what would end it.

The bankers simply perceived that apartheid made South Africa more and more unstable.

In the early 1980s the banks offered only short-term loans and when, in 1985, South Africa's foreign debt grew to $24 billion, the bankers refused to roll it over.

For the rest, South Africa had to buy on the world market at a premium and sell at a discount. Had the South African economy maintained its strength, that might not have been a problem.

Nevertheless, it was astonishing to travel from sanction-bound South Africa, whose cities hummed with life and whose roads roared with traffic, to the dead capitals of some of the Frontline states whose governments demanded sanctions, but whose shops displayed only South African goods.

There were other anomalies. Anti-apartheid plays were picketed by anti-apartheid activists, because they came from South Africa. The fall in the value of the rand as a result of financial sanctions actually increased the value of mineral exports while instability pushed up the price of gold — South Africa's vital earner which remained to the bitter end virtually unaffected by the boycott.

Disinvestment sometimes meant that foreign-owned companies in South Africa were bought by local interests, which were no longer bound by the European or American investment codes. As a result, blacks were laid off or paid lower wages.

Despite these perversions, all the main players, including Pretoria, admit that sanctions played their part in ending apartheid.

But as the recognition of this reality grew, so did the realisation that beneath apartheid, South Africa's low growth and rapidly expanding ill-educated population was threatening to bring catastrophe.

The awful truth was spelt out by a merchant banker to a South African trade delegation in London this week:

"Even if sanctions were lifted tomorrow, don't think there are queues of bankers lining up to invest in South Africa." — The Independent News Service. □

Frontline and EC in ugly row

Star 7/12/90

NEW YORK — An ugly row has developed between the European Community and the Frontline states at the United Nations over the timing and tactics for the lifting of sanctions against South Africa.

The EC is also insisting that the naming of Germany as the world's most serious sanctions-breaker is unacceptable.

The ANC, which recognised this week that sanctions may be gone in two to three months if the pace of reform keeps up, found itself torn between its erstwhile allies in the Frontline states and the Community.

Nelson Mandela is appealing to EC heads of state to hold off on a review of sanctions for two to three months. Diplomats have interpreted this as recognition by the ANC that sanctions will soon be lifted.

The EC is also angry at Tanzania and Zambia for referring to Germany by name in a resolution for breaking sanctions by selling submarines to South Africa.

Yesterday's row between the EC and the Frontline states underlined the wide gap which has opened between the ANC and these African countries over the ending of sanctions.

Partly out of habit, but also because the Frontline states want to hobble South Africa through sanctions for as long as possible, they are insisting that a UN resolution should call for sanctions to stay in place until "the eradication of apartheid".

The ANC is willing to live with much more lax criteria; European diplomats are demanding that the draft resolution be changed.

A majority of EC countries believes that the changes already undertaken by South Africa are irreversible and that the time has come for sanctions to be lifted.

Mr Mandela's appeal to the EC heads of state is seen as an attempt to maintain the ANC's leverage over Pretoria, which is fast slipping away. — The Independent News Service.

● 'Halt swipes at SA' — Page 3.

World recession new block to post-sanctions SA trade

Star 7/12/90.

By Neil Behrmann

LONDON — The international downturn, particularly in the United States, Britain and France, could impede South Africa's foreign trade even if sanctions are lifted.

This is the conclusion of foreign economists and bankers following discussions with the South Africa Britain Trade Association (Sabrita)

Headed by its president Blitz Bieber, Sabrita is touring the UK to help improve export and business relations for its members.

Mr Bieber said at a dinner here: "If sanctions are scrapped, SA exports will improve by around R1 billion or five percent of the total.

"Besides losing business, sanctions have forced our exporters to offer discounts on products while importers must pay premiums on goods bought."

Most participants at the dinner organised by the South Africa Foundation contended that sanctions should and would be abandoned as swiftly as possible.

Lekgau Mathabathe, a director of the Premier Group and council member of Sabrita, said: "Sanctions damage an economy which must grow rapidly to satisfy the needs of the population."

Well aware

He forecast that a pragmatic African National Congress would rule South Africa within two years and the Government would opt for a mixed economy and reject socialism.

"ANC leaders are well aware of the problems," he said. "Moreover if an ANC government. fails to satisfy the popu ation, blacks will vote for w ites in future elections.

"They w.ll opt for leaders who will improve services and prospects."

While foreign bankers and industrialists welcome the change in South Africa's political climate, they are concerned about high inflation and low economic growth. They are also contrained by recession at home.

A banker said US, Japanese and British banks were being hampered by capital restrictions following a spate of bad debts in their domestic economies and a sharp downturn in profits.

There was also a lot of competition for funds from Eastern Europe.

Since there were limited funds available, foreign bankers and industrialists would not be anxious to back projects in South Africa unless they were sure that they would be economically viable.

Meanwhile SA exporters are encountering recessions in the US and UK economies while a slowdown in the Far East and Europe will also restrain demand for South African minerals and metals.

A collapse of the General Agreement of Tariffs and Trade would also be adverse for the world economy and hence South Africa.

Debt-burdened countries in Africa and elsewhere cannot grow back to creditworthiness without free trade. To escape a deeper recession, the United States requires booming exports abroad.

Flounder

Eastern European economies also require unimpeded access to Western markets. Otherwise their economies will continue to flounder.

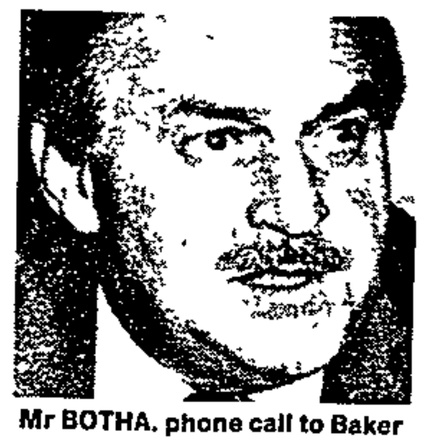
Without Gatt and subsequent tarriff liberalisation, trade would not have expanded more than twice as fast as output since 1950, says the Economist.

It is hardly surprising that international businessmen are worried that there will be a nasty increase in protectionism in the next few years.

C

Pik and Mbeki vie for support as curbs start to crumble

SANCTIONS: THE LAST GASP



Mr BOTHA. phone call to Baker

S/Times 9/12/90

Sunday Times Reporters

THE ANC — backed by two minor European countries — is fighting a last-ditch battle this week to shore up fast crumbling sanctions around the world.

Intense behind-the-scenes negotiations took place this week as the ANC's Thabo Mbeki, director of external affairs, tried to force the United Nations and EC members into holding the sanctions line — for at least a little longer.

The South African government responded with its own lobbying campaign which included a private telephone call from Foreign Minister Pik Botha to US Secretary of State James Baker and a briefing for Western ambassadors in Pretoria on Wednesday.

Little movement is expected at the UN or the EC Council meeting next week — but the political debates are being rapidly overtaken by a series of breaches in the sanctions dyke as businessmen and consumers leave the politicians behind.

Among the indicators of change:

- An ANC discussion document in circulation calls on the organisation to consider a phased roll back of sanctions;
- Business organisations of 12 sub-Saharan African countries have invited South Africa to send an observer to the Southern African Development Co-ordination Conference and the Southern and East African Preferential Trade Area meetings;
- General secretary of the National Olympic and Sports Congress, Mthobi Tyamazashe, said this week that "selective lifting" of the sports boycott had now become a strategy that should be "seriously considered";

Cheers! Europe is catching the spirit of new SA

THE SUNDAY MORNING ASSESSMENT

by Jeremy Brooks and Isabel Conway

THE "new South Africa" is the toast of Europe as specialist imports of Cape wines, fresh fish and South African beers probe the



Exiled group held up at Jan Smuts

By DRIES van HEERDEN

A GROUP of senior ANC officials were allowed into South Africa late last night after being holed up in the international transit lounge of Jan Smuts Airport for most of the day.

The group of 25 include some of the movement's top diplomats due to attend this week's consultative conference of the ANC in Johannesburg. Some of them have been waiting in the lounge since Friday.

ANC deputy president Nelson Mandela personally intervened after he was told that the group were not allowed to clear customs. Mr Mandela visited the airport, but could find "no one in authority" to deal with. He then left for Pretoria to raise the matter with senior government officials.

Home Affairs Minister Gene Louw and his direc-

R66 666,66 up



NINE LUCKY READERS shared the R600 000 Sunday Times Charity Crossword prize. Yesterday Marja Hardonk celebrated

catching the spirit of new SA

THE SUNDAY MORNING ASSESSMENT

by Jeremy Brooks and Isabel Conway

THE "new South Africa" is the toast of Europe as specialist imports of Cape wines, fresh fish and South African beers probe the market.

Retailers, sensing an end to a decade when SA fruit, for instance, had to be labelled to disguise its origin, are emerging openly with promotions of new ranges.

In London, one company has already applied for a government licence to supply beers — mainly Castle — to at least six pubs in the city centre.

"There are many problems still ahead of us," said Castle promotions director Allan McCallum, who organised a live satellite broadcast of the Currie Cup final to a West London sports centre.

"Most pubs are owned by national breweries and getting them to supply South African brands will take some arm twisting. We hope to get the go-ahead by the end of the month."

Mr McCallum said his company had first identified bars in London frequented by South Africans, but eventually hoped to expand into the areas around those points.

In Holland, wine importer Hans Schuchard said the eight prosperous years he enjoyed before the boycott are about to return. He has bought himself a new luxury car.

S/Times 9/12/90

Imports

"The tide is changing. Soon Dutch wine stores will be openly displaying my South African products again," he said.

Some outlets, he added, were already openly advertising in the media and circulating special offer promotions to customers.

The Dutch drank 400 000 litres of SA wine last year, a tiny part of the total 217-million litre consumption, dominated by French imports.

The South African share of the market — 0,28 percent — is still greater than that of California, Chile or Australia.

Mr Schuchard, who is hoping for a 50 percent increase in imports within the next 12 months, said he hated having to mix politics with business.

"Now that there are changes taking place and the debate is more open, I am reluctant about approaching new business with references to Mr De Klerk and his reforms.

"I feel my saying 'He's doing OK, isn't he?' might prompt disagreement and raise matters which have nothing to do with my wines and whether people want them."

Some bottlestores that openly displayed SA wines at the height of the boycott in 1985 were subjected to protests ranging from peaceful visits from anti-apartheid sym-

☐ To Page 2

document in circulation calls on the organisation to consider a phased roll back of sanctions;

● Business organisations of 12 sub-Saharan African countries have invited South Africa to send an observer to the Southern African Development Co-ordination Conference and the Southern and East African Preferential Trade Area meetings;

● General secretary of the National Olympic and Sports Congress, Mthobi Tyamazashe, said this week that "selective lifting" of the sports boycott had now become a strategy that should be "seriously considered";

Inflow

● South African agricultural products are back on the shelves in British and European shops;

● A UN Special Committee on Apartheid report revealed a wholesale contravention of that organisation's boycott measures by many countries;

● A greatly improved net capital inflow of R1,5-billion in the third quarter of this year — the first inflow in three years and the biggest since the last quarter of 1982.

Despite the fraying of sanctions world-wide, Ireland and Denmark took a tough line at the European Community's foreign ministers' meeting on Tuesday, forcing a consensual decision that sanctions be left in place — and some form of "statement of encouragment" on reform moves be issued.

The foreign ministers' meeting had three options before it: lift sanctions immediately, give credit for change already taken place and begin a selective process of lifting sanctions or undertake to lift sanctions when specified changes be made in SA.

Calls

Denmark and Ireland flatly refused to consider the first. France and Germany apparently failed to support the second option The officials opted for the third option.

The decision now goes to the EC's highest body, the European Council, in Rome on Friday.

A Western diplomat predicted this would lead to the council coming out with "just another statement" on sanctions — one that would leave the present situation unaltered.

Foreign Affairs Minister Pik Botha called in European and some other Western ambassadors on Wednesday to tell them of SA's deep disappointment at the EC foreign minister's decision to stick to its sanctions policy — particularly when most of those countries acknowledge that sanctions are a

☐ To Page 2

Sanctions crumble

S/Times 9/12/90 280

☐ From Page 1

dead letter.

The EC has obligatory sanctions on SA iron and steel and the importation of Kruger rands. The member states also subscribed to voluntary sanctions.

It is particularly in the voluntary category that the disintegration of sanctions has been most rapid.

Some Western diplomats said they saw the present dying phase of international sanctions as a period in which all parties — particularly the ANC — were struggling to have control of the lifting of the measures.

In the United Nations, meanwhile, debate on the Special Committee Against Apartheid's annual report, centres on whether the body should offer a relaxation of sanctions or take a hard line.

Mr Mbeki urged member states to adopt a consensus decision calling for the retention of sanctions.

Mr Botha, apparently concerned that the US would also support a hard line, called Secretary of State James Baker to complain. Sources in Washington said the call had angered the administration.

This weekend members of the UN General Assembly were still trying to reach consensus.

ANC to discuss phased lifting of sanctions

AN ANC discussion document proposing a phased lifting of sanctions would be the major point of discussion at today's meeting of recently returned ANC diplomats, NEC member Aziz Pahad said yesterday.

He said the heads of mission — among them ANC representatives from Paris, the US, Brussels, Ethiopia and Mozambique — would exchange views on the sanctions discussion document.

The representatives would brief delegates on the views of governments of the countries in which they were stationed, on the proposal that sanctions should be gradually lifted.

TIM COHEN

Pahad said all the ANC's heads of mission were in SA. About 60 more ANC members were expected to arrive for the conference. He expressed the hope that delays experienced at the weekend, which led to many of the organisation's diplomats being held up at Jan Smuts Airport for two days, would not be repeated.

ANC deputy president Nelson Mandela's intervention had been responsible for the admission to SA of 25 ANC members delayed at the airport. It was vital that ANC delegates who were still to arrive be allowed into SA before registration for the ANC conference on Thursday, Pahad said.

Sapa reports that the SABC quoted Home Affairs chief director of migration Mike Bester as saying special authority had been given to admit the ANC returnees on Saturday night.

He said the group had been delayed at the airport by "administrative and procedural problems" as his department had been receiving "too little warning" of the ANC members' return.

Inkatha slates 'mass action'

Cape Times 10/12/90 280

Own Correspondent

ULUNDI. — As long as the African National Congress persisted with its so-called mass action — based on intimidation — the country had not yet seen the worst of the violence, Chief Mangosuthu Buthelezi said on Saturday when he opened a special general conference of the Inkatha Freedom Party here.

He was reappointed leader of the party at the conference.

Chief Buthelezi told about 20 000 supporters and observers that the ANC's mass action campaign was hurting the South African body politic and damaging the negotiation cause.

The ANC should stop "spoiling for a fight" politics which set black against black and party against party. "The mass action programme of the ANC amounts to political bluster to cover up its inability to move back into a South Africa committed to democratic co-operation and striving to normalise South Africa," he said.

The conference called for a grand peace pact between all political parties in South Africa to get to grips with reducing the levels of political violence in the country. A resolution said that the present levels of violence were preventing negotiations really getting off the ground and it called on all political parties, as well as the government, to make the reduction of violence a top priority.

In another resolution, the IFP said it was "appalled" at the continued call for sanctions against South Africa. These did not work in the first place and most certainly could make no contribution to the country now.

It called on the United Nations and the European Economic Community to normalise economic relations with South Africa and adopt a rigorous timetable to phase out sanctions as quickly as possible.

The European Economic Community should "hear the voice of the masses of South Africa who cry out for economic development".

ANC meeting to focus on sanctions

Own Correspondent

JOHANNESBURG. — An African National Congress discussion document proposing a phased lifting of sanctions would be the major point of discussion at today's meeting of returned ANC diplomats, National Executive Committee member Mr Aziz Pahad said yesterday.

He said the heads of mission, among them ANC representatives from Paris, the US, Brussels, Ethiopia and Mozambique, would exchange views on the sanctions discussion document.

The representatives would inform the meeting of the views of the governments of the countries in which they were stationed on whether sanctions should be gradually lifted.

Mr Pahad said all the ANC's heads of mission were currently in South Africa but about 60 other ANC members were still to arrive for the conference.

He said he hoped that delays at the weekend which had caused many of the organisation's diplomats to be held up at Jan Smuts Airport for two days, would not be repeated.

ANC deputy president Mr Nelson Mandela had intervened personally to have 25 ANC members held up at the airport admitted into South Africa, he said.

It was vital that the ANC delegates who were still to arrive be allowed into the country before registration for the conference on Thursday, Mr Pahad said.

● Sapa reports that the SABC quoted the chief director of migration at the Department of Home Affairs, Mr Mike Bester, as saying special authority had been given on Saturday night to admit the ANC returnees.

Special arrangenments had been made at Jan Smuts Airport to process ANC members arriving for the conference, he said.

The delays at the airport had been caused by "administrative and procedural problems", which had been largely due to his department receiving "too little warning" of the ANC members' return.

Mr Bester appealed to the ANC to inform his department well in advance of the return of its members.

UN to keep up pressure on sanctions

NEW YORK - The General Assembly concluded two days of debate on apartheid on Thursday with most states condemning South Africa but acknowledging "modest" reforms, including the release of black detainees.

UN spokesman Fred Eckhard said a formal vote of condemnation will be taken this week. Overwhelming approval is expected.

Many speakers called for speeding up reforms to end apartheid. They also condemned black faction-fighting in South Africa that has left nearly 1 000 dead since August and threatens negotiations between black opposition groups and the South African Government.

They also called for continuing sanctions against South Africa until "irreversible" changes have taken place, noting that the Government's release of political prisoners, repeal of several discriminatory laws and an end to a longstanding State of Emergency.

"The international community must not let down its guard in response to the limited progress which has occurred in South Africa," Venezuelan envoy Roy Chaderton Matos told the 159-member assembly.

"It must keep up the pressure until apartheid is replaced by a democratic system based on equal rights and opportunities for all citizens," Chaderton Matos added.

Pakistan's envoy, Abdul Razak Thahim declared that as long as there was no "clear evidence of profound and irreversible changes," there was no justification for relaxing the existing sanctions and international pressure.

South Africa's voting rights in the assembly have been suspended since 1974. But Foreign Minister Pik Botha wrote to the UN president as debate opened on Wednesday, declaring "as far as we are concerned, apartheid is something of the past."

"Things have changed in South Africa. Is the Assembly incapable of adjusting to change as we in South Africa have done over recent months?" he wrote.

He cited the repeal of more than 100 discriminatory laws and regulations, the opening of the ruling National Party to South Africans of all races and the legalisation of the ANC.

Japanese delegate Shinya Nagai, while noting the "dramatic changes ... clearly under way," warned that the black violence should not be allowed to "jeopardise the progress."

He cautioned that the political process of dismantling apartheid was still in its initial stages and that while "positive changes" have taken place, much remained to be done. - *Sapa-AP*

Pik Botha should have stayed aloof of UN debate



SIMON BARBER in New York

IF A tottering drunk tries to pick a fight, the wiser course is not to humour him but to shut up and get out of the way. In reacting to the UN General Assembly's annual rant about apartheid last week, Foreign Minister Pik Botha chose the less wise course.

Instead of treating the exercise with the aloofness it properly deserved, Botha fired off a lengthy missive to the assembly's president complaining that the "debate" was "inappropriate, uncalled for and counterproductive". Of course it was, but what could possibly be gained from saying so?

The only party with a real stake in the outcome was the ANC, whose foreign affairs director Thabo Mbeki was on hand throughout the week trying to coax just one more worthless bit of paper out of the assembly to maintain the illusion of the congress's international standing.

That the movement feels obliged to place so much reliance on the Assembly scarcely reflects well upon its relative potency. The forum is, in essence, a losers' club, one of the few places where the failed get to play on equal footing with the successful, and no questions are asked about the reasons for their failure.

The Foreign Minister's first mistake was to take the proceedings seriously. His second was to panic. Somehow, he got it into his head that the US and the Europeans were going to betray him and, as they had done in December last year and again in September, support yet another "consensus" resolution based on the views of the ANC.

He telephoned US Secretary of State James Baker to complain. Baker and his team were not amused by the imputation. They thought they had been clear on the subject. Their president had called the process of change in SA "irreversible"; therefore they were not about to vote for any UN text which contradicted that. Did the Minister doubt their word? Next time he wished to take up the secretary's time, he had better have a solid reason.

Now, to be fair, government has domestic grounds for fearing another one-sided UN "consensus". It is clearly anxious to show its more jittery constituents that its policies are earning the international rewards they merit and that the outside world does not intend to stack the deck permanently in favour of the "liberation movements".

The problem lies in government's selection of benchmarks to demonstrate the progress it is making abroad and in its desire for symbolic victories — nicer words from the UN, for example — when practical ones are not only more abundant, but altogether more significant as well.

Frankly, it matters not one whit what rhetorical formulae the General Assembly finally adopts this week or even whether or not there is consensus on them. Nor is there any point in worrying about what the EC heads of government may decide in Rome on Thursday.

They may agree to lift sanctions. They may offer nothing more than a pat on the back. Perhaps they will listen to ANC deputy president Nelson Mandela and choose to maintain "existing measures" for a few more months.

The point is that the ANC can have all the pretty verbiage it wants. What counts is reality, and the reality is that UN resolutions on SA are worthless and the "existing measures" of the EC are becoming increasingly non-existent. Italy, in fact, has ended virtually all sanctions and reportedly intends to say so if the other 11 don't agree to follow suit at this week's meeting.

Little noticed amid the hot air swirling around the General Assembly last week were the sheaves of supporting documentation dumped into the hopper by the UN's vast anti-apartheid bureaucracy. Unconsciously or not, all told but one story: the sanctions edifice is crumbling and there is nothing anyone can do about it.

The UN special committee against apartheid's annual report contains a litany of countries in all corners of the globe that are violating or ignoring every sanctions resolution — from the arms and oil embargoes on down the list — the UN has ever advocated or sought to impose.

The committee is particularly pained to observe the burgeoning of SA's diplomatic and economic ties with Eastern Europe and Africa. Madagascar, the Ivory Coast and Zaire are singled out, the latter two as "springboards" for "the establishment of depots to handle the flow of SA exports to surrounding countries".

"There is a perceived contradiction," the report notes mournfully, "between, on the one hand, the vigorous condemnation of apartheid by these countries, and on the other hand, their practical conduct."

When the committee has sought to remonstrate with individual sinners, the responses are increasingly of the you-know-where-you-can-put it variety. Mauritius, for example, was asked whether it intended to let its citizens take advantage of relaxed SA visa requirements for trade and tourism purposes. The reply came back: "Mauritius is a democratic country and Mauritians are free to travel anywhere."

The Soviet Union was queried on its agreement to provide five years' diamond production to De Beers in return for a $1bn loan. The Soviet permanent representative insouciantly replied: "There is no question of a transaction with a South African company. The fact that the company's name is associated with the name 'De Beers' cannot be the basis for regarding that transaction as contravening UN decisions."

The reactions of oil producers accused of breaking the oil embargo are particularly sublime. In the course of last week's debate, the Israeli representative quoted Norway's minister of foreign affairs as telling his parliament that "95% of the oil supplied to SA comes from Arab states in the Persian Gulf, one half of this in direct shipments".

Kuwait's envoy rose to challenge this assertion as "unfair and insincere". On what grounds? Well, the Norwegian official who had made the statement in question was not the foreign minister and therefore could not have said such a terrible thing in parliament.

That being the level at which the General Assembly operates, what reasonable person can place much store by its deliberations?

The ANC is desperate for a consensus document calling for the maintenance of "existing" pressures. The only logical explanation is that it soon intends to face facts and ask for the suspension of sanctions while there are still some left to be suspended and for whose removal it might be able to demand something in return.

It also wishes to argue that the international community supports its view that government is foot-dragging on such issues at the release of political prisoners and the return of exiles.

More generally, it yearns to be able to say that the world takes its side in negotiations on a new constitution. In short, it is looking to the UN for certification as the true and only master of SA's fate.

The irony is that by relying on the General Assembly to achieve this, it actually succeeds in demonstrating quite the opposite of what it intends. Whatever resolution is finally adopted this week, and regardless of who supports it, the ANC will have betrayed not its strength, but its weakness. The General Assembly and its resolutions are the last refuge of the hapless.

AK6wJ 11/12/90

Sanctions may linger longer ...

The Argus Foreign Service

WASHINGTON. — The United States may start lifting sanctions against South Africa in a few months.

But it may be years before numerous state and local authorities repeal their punitive measures against the country.

Namibia has already found to its cost that dozens of state and civic authorities have not amended their statute books to lift sanctions against that country.

US President Bush ordered the repeal of federally imposed sanctions on the day Namibia attained independence and the State Department sent letters to every state governor to urge a similar purging of sanctions from state and local lawbooks.

However, according to a recent investigation, several dozen local authorities still impose sanctions on Namibia, many out of sheer ignorance that conditions in the country have changed.

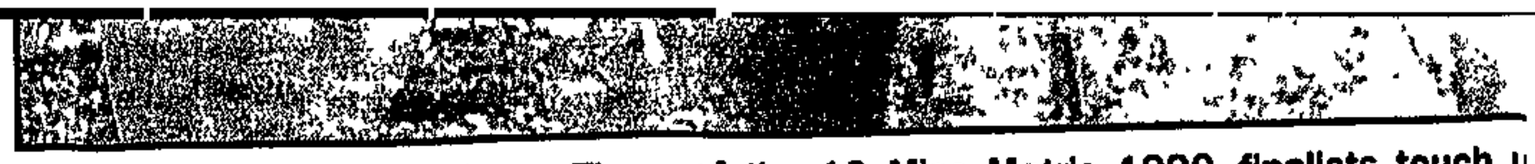
CONDITIONS

As South Africa has moved to fulfil the conditions for the repeal of sanctions stipulated by the US Congress in 1986, it is generally expected that President Bush will start repealing the measures from about May next year.

But what of the numerous measures which have been imposed by state and local authorities, over which the president and the congress have no direct control?

According to a June 1990 study of state and local laws on South Afrca, 26 states, 78 cities and 20 counties in the US have taken some or other action to restrict their business or investment ties to South Africa.

The Investor Responsibility Research Centre, which published the report, said many observers believed the wave of anti-apartheid measures that US state and local governments passed may have paved the way for the adoption of sanctions at the federal level.



Mirror, mirror on the wall . . . Three of the 10 Miss Matric 1990 finalists touch u
club. Hoping to walk away with the R10 000 first prize are (from left) Melanie Sc
(18) of St Andrew's School in Johannesburg and Taryn Webber (17) of Clarendon Gir

Mandela urges EC to keep sanctions

Nelson Mandela has made a last-ditch attempt to prevent the European Community easing sanctions on South Africa at this stage, just as Italy moves at the EC heads of government meeting in Rome this week to have them lifted.

Though there is doubt that certain EC countries are willing to lift sanctions — notably Germany, Denmark and Ireland — Italy is reported ready to move unilaterally if it fails to get the necessary unanimous EC vote to change the group's sanctions policy.

In a letter to EC heads of government, the ANC deputy president aimed to convince the European summit in Rome to stay the course on sanctions until next February or March, by which time the ANC might be ready to see them lifted.

Mr Mandela warned European Community leaders in his letter that they risked "complicating the peace process within South Africa" by lifting sanctions without the ANC's approval.

In a significant passage, Mr Mandela pointed out that "we ourselves are discussing the question of sanctions ... and we have begun consultations with other democratic formations inside our country, including the trade unions and the religious bodies", to reach a common position. — Political Staff-The Independent News Service.

SA Police find 13 more dead in township

East Rand Bureau

Police found 13 more bodies in unrest-torn Tokoza township today. This brought the total number of people killed in the area since the weekend to 26.

Captain Ida van Zweel, police liaison officer for the East Rand, said the 13 died as a result of bullet or stab wounds. They were all found in the vicinity of the Tokoza hostel.

She said that a crowd gathered in Phola Park last night and opened fire on the police.

Hundreds of Tokoza commuters were without transport today because the main taxi routes in the township were barricaded.

Mugabe: sanctions must stay

MICHAEL HARTNACK

HARARE — President Robert Mugabe said yesterday that although "some encouraging reforms" had been instituted in SA, Zimbabwe demanded that the international community keep up its "economic pressure".

"While we continue to retain cautious optimism, the apartheid system remains intact," Mugabe said in his end-of-year State of the Nation address to parliament.

Referring to the current debate over plans to nationalise 6-million hectares of white-dominated farmland for peasant resettlement, Mugabe affirmed that a constitutional amendment would complete its course through parliament, facilitating takeovers.

He reportedly plans to offer R540m compensation for farms (worth R3bn on the open market last year) which grew all Zimbabwe's main export, tobacco, and most of its staple food, maize.

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Mandela asks EC: Don't lift sanctions yet

Own Correspondent

LONDON. — Mr Nelson Mandela has urgently called on European Community leaders, who meet in Rome this week, to postpone considering lifting sanctions against South Africa until he has held detailed discussions with them.

Mr Mandela says he wants to communicate a "common position" on sanctions "evolved" from discussions the ANC is having with "other democratic formations" in the country.

In a letter to EC heads of government on the eve of the Rome summit, Mr Mandela makes a "humble request" to the leaders to "postpone any decision on this matter (sanctions) until early in the new year".

The summit is expected to make an announcement on sanctions on Saturday.

Major changes

Mr Mandela asks whether the leaders would "find it within (their) power to direct a later meeting of (EC) foreign ministers in February or March to consider this issue and take decisions".

The ANC deputy president believes major changes will come in President F W de Klerk's speech at the opening of Parliament in early February, enabling the sanctions issue to be reviewed by EC foreign ministers soon afterwards.

Mr Mandela confirms in his letter that sanctions have been under serious review by the ANC, as was reported by the Cape Times last week following the leaking of a confidential ANC document on sanctions policy.

Despite the clamour by some EC countries, notably Italy and the UK, for the lifting of sanctions this week, Mr Mandela's appeal to the EC to wait a few more months could prove persuasive.

● The Minister of Foreign Affairs, Mr Pik Botha, said in reaction to the letter last night: "I do not think it will serve any purpose to respond to the ANC's lost cause."

US may lift SA sanctions soon

280

Sowetan 12/12/90

WASHINGTON - The time for the US to start lifting sanctions against South Africa could well be only a few months away, but it may be years before numerous state and local authorities repeal their punitive measures against the country.

Namibia has already found to its cost that dozens of state and civic authorities have not amended their statute books to lift sanctions.

Repeal

President Bush ordered the repeal of federally imposed sanctions on the day Namibia attained independence and the US State Department sent letters to every state governor to urge a similar purging of sanctions from state and local lawbooks.

However, according to a recent investigation, several dozen local authorities still impose sanctions on Namibia, many out of sheer ignorance that conditions in the country have changed.

As South Africa has moved to fulfil the conditions for repeal of sanctions stipulated by the US Congress in 1986, it is generally

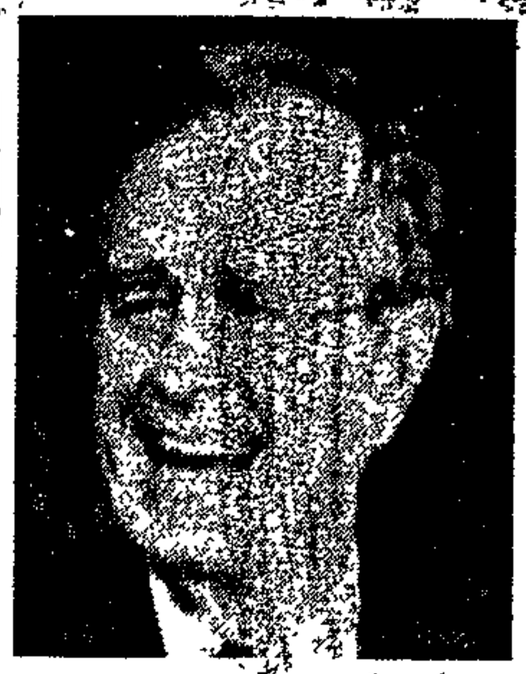
FOCUS

expected that President Bush will move to start repealing the measures from about May next year.

But what of the numerous measures which have been imposed by state and local authorities, over which the President and the Congress have no direct control?

According to a June 1990 study of state and local laws on South Africa, a total of 26 states, 78 cities and 20 counties in the US have taken some or other action to restrict their business or investment ties to South Africa.

The Investor Responsibility Research Centre, which published the report, said many observers believed the wave of anti-apartheid measures that US state and local governments passed may have paved the way for the adoption of sanctions at the federal level.



GEORGE BUSH

In the early 1980s, anti-apartheid activists, frustrated by their inability to persuade the executive branch or Congress to impose significant limitations on US economic ties with South Africa, turned their attention to state and local governments, the IRRC said.

The widespread adoption of South Africa-related measures at the state and local level helped to raise public awareness of South Africa, and this in turn may have made it easier for policymakers at the national level to propose sanctions against South Africa," the IRRC added.

Observers today believe that the it will be the federal government which will lead the way in the lifting of sanctions against South Africa. State and local authorities will take months, if not years, to follow suit in part because of their sensitivity to local anti-apartheid pressure groups.

The investigation into sanctions against Namibia found that the persistence with these measures by state and local authorities had become the biggest single stumbling block to increased trade between Namibia and the US.

Pressure

One analyst believes that even with massive publicity and a concerted effort to expunge sanctions from all statute books it would still take eight months to a year to set Namibia completely free.

When the time comes for sanctions to be lifted against South Africa this process could take even longer, especially if conflicting signals about the desirability of removing all pressure on South Africa were to be sent by the various constituencies in South Africa. - *Sowetan Foreign Service*

Embassy mum on sanctions claim

Star Bureau

LONDON — The South African Embassy in Rome has distanced itself from claims that the Italian government will move to ensure that all European Community sanctions on South Africa are lifted.

A spokesman said yesterday he thought such speculation was "adding two and two together and getting five".

"The embassy cannot speculate on what Italy plans to do. We would prefer not to make any comment at this stage," he said.

The EC Heads of Government meet in Rome later this week and there has been considerable debate on what steps would be taken on the sanctions issue.

Rome was initially persuaded to put sanctions on the agenda by Britain.

The Italian government is thought to be one of the majority in the EC which favour an easing of sanctions.

It had been expected that the Rome meeting would take some action, probably favouring a step-by-step easing of sanctions.

However, there has been no clear indication yet on how the ANC's appeal to EC leaders to hold their decision for a few months has been received.

Restrictions may stay for years

Star 14/12/90

By David Braun
Star Bureau

WASHINGTON — The time for the US to start lifting sanctions on South Africa could well be only a few months away, but it may be years before numerous state and local authorities repeal their punitive measures.

Namibia has already found to its cost that dozens of state and civic authorities have not amended their statute books to lift sanctions.

President Bush ordered the repeal of federally imposed sanctions on the day Namibia attained independence and the US State Department sent letters to every state governor to urge a similar purging of sanctions from state and local lawbooks.

However, several dozen local authorities still impose sanctions on Namibia, many out of sheer ignorance that conditions in the country have changed.

As South Africa has moved to fulfil the conditions for repeal of sanctions stipulated by the US Congress in 1986, it is generally expected that President Bush will move to start repealing the measures from about May next year.

But what of the numerous measures which have been imposed by state and local authorities, over which the President and the Congress have no direct control?

According to a June 1990 study of state and local laws on South Africa, a total of 26 states, 78 cities and 20 counties in the US have taken some or other action to restrict their ties to South Africa.

Frustrated

The Investor Responsibility Research Centre (IRRC) said many observers believed the wave of anti-apartheid measures that US state and local governments passed may have paved the way for the adoption of sanctions at the federal level.

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"The widespread adoption of South Africa-related measures at the state and local level helped to raise public awareness of South Africa, and this in turn may have made it easier for policymakers at the national level to propose sanctions against South Africa," the IRRC added.

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When the time comes for sanctions to be lifted against South Africa this process could take even longer, especially if conflicting signals about the desirability of removing all pressure on South Africa were to be sent by the various constituencies in South Africa.

Ease isolation, says ANC Youth League

THE ANC Youth League, one of the organisation's largest power-bases, has approved a plan calling for the phased lifting of sanctions. B\Dam 13/12/90

The league's acting secretary-general Billy Mafetlha confirmed yesterday that the league was preparing a detailed response to the ANC's discussion document on international isolation.

The discussion document proposes that substantial reforms to the apartheid system should be matched by a reduction of sanctions.

Although Mafetlha was reluctant to detail the contents of the league's response prior to the ANC conference, he said there was no difference in principle between the approach taken by the discussion document and that of the youth league.

TIM COHEN

☐ To Page 2

Youth League B\Dam 13/12/90

☐ From Page 1

Youth League president Peter Mokaba said in a recent interview that the league had inherited 1,5-million members from the SA Youth Congress and said it hoped to triple this number.

Mafetlha said the league and the ANC's discussion document favoured encouraging government by reducing sanctions in tandem with the process of change in SA.

"Apart from the stick, we need to use a little carrot," Mafetlha said.

He said a problem to be discussed at the conference was which sanctions should be lifted in response to which changes to the apartheid system.

He said the release of all political prisoners and the repeal of certain aspects of security legislation would be considered concrete changes to the apartheid system.

On the other hand, the youth league was not particularly impressed by the opening of parks and toilets, he said.

He said the Youth League did not believe sanctions were crumbling and added that this did not play any part in its decision.

Cultural boycott 'still valid'

South 13/12/90-17/12/90 280

LEADING members of the cultural movement have hit out at a proposal that the cultural moratorium on South Africa be dropped.

They were responding to a controversial paper by the secretary of the Congress of South African Writers (Cosaw), Junaid Ahmed, and the Community Arts Project's Mike van Graan in which they called for the cultural boycott to be unconditionally suspended.

Bargaining

"The cultural boycott hasserved and can still serve as a bargaining tool both internally and externally", says visual artist Jacqui Nolte, performance poet Sandile Dikeni and cartoonist Stacy Stent in their response.

"Initially, the decision to boycott was in response to the political oppression in our country. If Van Graan and Ahmed supported the boycott on that basis, it is hard to fathom why they are using present-day politics as a lever for dropping it."

They argue that while it is accepted that February 2 brought the government to the negotiating table, the stage of oppresssion is far from over.

They further motivate that there has not been enough debate among the progressive cultural movements to reach consensus on the boycott.

Opinion

"Van Graan and Ahmed's paper reinforces some public opinion that the reason South African audiences are not experiencing Sting and Tracy Chapman is due to the cultural boycott," they say.

They contend that this implies the old "blanket boycott" is still in practice and does not place its argument in terms of the selective boycott—a strategy adopted in 1987.

"Part of the reasoning of the selective boycott was to ensure that artistes who clearly aligned themselves with progressive ideology would not be denied access."

They claim that the cultural boycott is not responsible for artistes like Tracy Chapman and Sting not performing in South Africa. This they ascribe to the weak infrastructure and lack of resources of progressive organisations which could have hosted these international acts.

"To call on our organisations to take the lead is to assume they are in a position to challenge and present comparable alternatives to the status quo."

Argue

They also argue that it is also not possible to seek the use of state-aligned structures unquestioningly while their policies and programmes remain fundamentally intact.

"Immediate unconditional recall of the cultural boycott before widepread debate within the progressive cultural movement would at present be a welcome bonus for state structures," they conclude.

—Heather Robertson

Dutch MPs keen for an end to sanctions

A Idaily 13/12/90 280

Own Correspondent

AMSTERDAM — A majority of Dutch parliamentarians are urging Foreign Minister Hans van den Broek to call for the end of economic sanctions against SA during the EC summit in Rome this weekend.

The ruling Christian Democrats (CDA) and the Conservative Party want a Dutch government to show greater support for President F W de Klerk, the Daily Telegraph reports.

"The initiative will have more impact if it comes from the Netherlands, which has shown strong opposition to the SA government in the past," said CDA foreign affairs spokesman Hans van Weezel.

De Klerk drew support among Dutch opinion leaders during his two-day visit in October.

KIN BENTLEY reports from Rome that an Italian foreign affairs spokesman said yesterday Prime Minister Jiulio Andreotti's senior spokesman would address a pre-summit Press conference today.

At this light should be shed on the extent to which SA would feature at the summit.

The feeling among British diplomatic officials has been that sanctions should be allowed to "wither on the vine" and that the summit should facilitate this.

Major issues to be debated at the summit are European monetary, economic and political unions.

The Gulf crisis and aid to the Soviet Union are also due for discussion.

Crucial days in Rome

Argus 13/12/90 (280)

2-day European summit will decide on easing of sanctions

Unions urge EC to retain sanctions

Labour Reporter

TRADE union federations Cosatu and Nactu have called on the European Community to maintain sanctions against South Africa.

In a statement, the Johannesburg-based Co-Operative for Research and Education said a Cosatu/Nactu delegation had met Italian Prime Minister and president of the Council of Ministers of the European Community, Mr Giulio Andreotti, this week.

GROUP AREAS

The statement said the trade unionists recognised that while there had been some changes in South Africa, the main pillars of apartheid — the Population Registration Act, the Land Acts and the Group Areas Act — still remained intact.

They insisted "the much-publicised changes in South Africa have not had a real impact on the lives of black workers".

Mr Andreotti committed himself to convey the trade union message to the summit in Rome today.

The Argus Foreign Service

ROME. — Two crucial days in Rome this week could determine the future of sanctions against South Africa and provide a severe test of the international credibility of the African National Congress.

The heads of state of Italy, Britain, Ireland, Germany, Holland, Luxembourg, Belgium, Spain, Greece, Portugal, Denmark and France will decide tomorrow and Saturday if changes introduced by the De Klerk government so far warrant the easing of international pressure on the Republic.

At their last meeting in Dublin in June, European Community leaders resolved to retain sanctions until profound and "irreversible" change had taken place in South Africa.

Spurred into action

Since Dublin, however, there has been much re-thinking on the subject and speculation that the EC may be on the verge of lifting sanctions.

EC foreign ministers have commissioned a report on the possible relaxation of sanctions.

The prospect of a lifting of sanctions has spurred the anti-apartheid movement into action to try to reverse the changing tide of international opinion, culminating in a direct call to EC leaders by ANC deputy president Mr Nelson Mandela to keep sanctions in place at least until after the opening of parliament next February.

President De Klerk is then expected to change security legislation and repeal the Group Areas and Land Acts.

Mr Mandela's intervention is crucial for two reasons. Firstly, it likely to strengthen the hand of those within the EC who want to maintain the status quo.

Measure of influence

Secondly, the summit's vote will provide a measure of the ANC's influence on the direction and content of the international sanctions campaign.

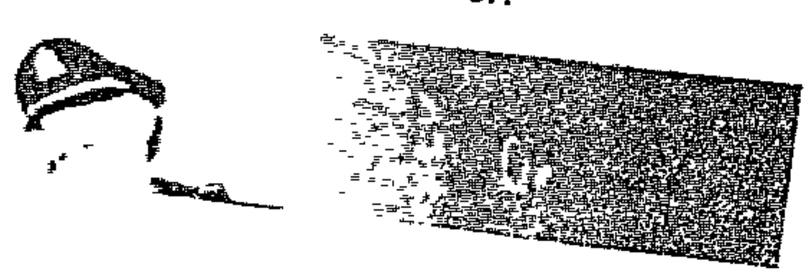
A decision to lift or relax sanctions despite Mr Mandela's call could seriously undermine the ANC's standing on the issue Up to now the ANC has been a major contributor to positions taken by many governments and bodies such as the United Nations and the OAU regarding anti-apartheid sanctions.

Of concern to Mr De Klerk will be the potential effect of township violence on the EC's assessment of whether sufficient progress towards democracy has been achieved



WRECKAGE: The wreck of the Boston bound Amtrak passenger train from Washington lies on its side in a tunnel beneath Boston's Back Bay Station after it collided with a commuter train during morning rush hour.

200 hurt in US train



Sanctions: EC summit pivotal?

Own Correspondent

ROME. — Leaders of 12 European Community countries arrive here late today for what could prove a pivotal summit as far as sanctions against South Africa is concerned.

The general feeling among Whitehall spokesmen has been that sanctions should be allowed to "wither on the vine".

Early analysis suggests that the ban on the import of SA iron, steel and Kruger Rands will remain, while the ban on new investment could go.

The big issue will be whether the bulk of EC countries will be able to persuade Ireland and Denmark to accept a softening of sanctions.

● Sapa reports that SA's largest black labour organisations, Cosatu and Nactu, have urged the EC to maintain sanctions.

According to a statement, the unions recognised that while there had been some changes, the main pillars of apartheid — the Population Registration Act, the Land Acts and the Group Areas Act — still remained intact.

● Meanwhile, a majority of Dutch parliamentarians are urging Mr Hans van den Broek, the Foreign Minister, to call for the end of sanctions.

The ruling Christian Democrats (CDA) and the Conservative Party want a Dutch government to show greater support for President F W de Klerk.

SOWETAN BUSINESS

Rethink on sanctions against South Africa

Sowetan 13/12/90

280

By ALI MPHAKI

AFRICA's drum beat on continued sanctions against South Africa is fast approaching a crescendo - signifying the continent's growing impatience for South Africa's entry into its markets.

There is encouraging realisation that there cannot be any talk of stability and security to Africa unless there is economic integration of South Africa into the continent.

South Africa is seen as a critical part of the development of African markets, and the emergence of new economic changes in the Soviet Union and Eastern Europe has spurred Africa to seek ways of avoiding further retrogression.

While South Africa is politically unacceptable to Africa, unofficially a lot of business has developed between South Africa and a number of African countries.

The invitation of South African black businessmen to the SADCC conference in Zimbabwe last week, underscores Africa's impatience to trade with SA and a need for South African black businessmen to position themselves strategically for a post-sanctions era.

It was not surprising to hear the SADCC's call for SA to be given immediate observer status within the organisation.

As Nafcoc president Dr Sam Motsuenyane, who attended the conference, puts it: "Despite their vehement condemnation of South Africa, practical difficulties make it impossible for African countries not to trade with South Africa. These have forced them to buy under the table with South Africa.

"As far back as last year, we in Nafcoc said the question of bringing an end to sanctions had become imperative. Nafcoc should begin to talk to political organisations about the possibility of lifting sanctions.

"Although this was our position, we cannot as business people unilaterally call for an end of sanctions because we were not the first to talk about them."

The sanctions issue also came under the spotlight during an ANC meeting with 60 top black businessmen in Johannesburg last week. The businesssmen called for the ANC to take the initiative to phase out sanctions because,"having brought the Government to the negotiating table, sanctions no longer had a role".

Significantly, political developments within South Africa have evoked a willy nilly, favourable response from the world over. The release of Nelson Mandela has encouraged hitherto hostile foreign investors to rethink about investing in South Africa.

Stripped

Albeit, there seems to be a semblance of truth in the statement that black political organisations - having been stripped of their militancy - are clinging to the sanctions lobby as their last bargaining chip at the negotiation table.

Simultaneously, the draft ANC discussion document on sanctions indicates the organisation could be on the brink of moderating its uncompromising support for sanctions.

There are proposals of a new look at sporting and cultural sanctions. Diplomatic isolations and trade sanctions, the document proposes, have litle impact any longer.

Motsuenyane addeds: "It has become apparent that the business people are seeking to help the future government of this country to formulate free market policies."

"We believe strongly that the business people should dictate to politicians when it comes to the economy because we have been involved in business and we have the experience".

But former African Bank MD of African Bank and now director of Fabcos, Mr Gaby Magomola, does not believe business has the capacity to dictate to Government.

Optimism

"It has never happened anywhere in the world that business should dictate to government or political organisations. Business can only advise on economic legislation and nothing more."

Magomola, while acceding that Fabcos has not taken an official stand on sanctions, says there is growing optimism that disucussion taking place by political leaders will reach a point where sanctions will no longer be necessary.

"The general notion is that sanctions would be lifted sooner or later - within the next 12 months. People are positioning themselves for a post-sanctions era. The question is to what extent is our readiness to trade with the rest of Africa," he asked.

Magomola also cautioned that while Africa is anxiously looking for over the table trade with South Africa, there is also a fear of South Africa's economic imperialism.

While the sanctions debate continues, the ANC, PAC and Azapo, have unilaterally called for an intensification of sanctions.

An ANC spokesman yesterday said everybody knows that the ANC wants sanctions to be maintained until all apartheid laws have been removed.

"We are not and will not be forced by anybody to change our stand on sanctions," he said.

SA mission is keeping silent over sanctions

Sowetan 13/12/90

LONDON - The South African Embassy in Rome has distanced itself from claims that the Italian Government will move to ensure that all European Community sanctions against South Africa are lifted.

An embassy spokesman said on Tuesday he thought such speculation was "adding two and two together and getting five".

"The embassy cannot speculate on what Italy plans to do. We would prefer not to make any comment at this stage," he said. (280) (SUN)

EC heads of government meet in Rome later this week and there has been considerable debate on what steps would be taken on the sanctions issue.

Rome was initially persuaded to put sanctions on the agenda by Britain. The Italian Government is thought to be one of the majority in the EC who favour an easing of sanctions.

- Sowetan Foreign News Service.

Summit to settle sanctions issue

Star 13/12/90 280

By Mike Siluma
Star Foreign Service

ROME — Two crucial days in Rome this week could determine the future of European sanctions against South Africa and test the international credibility of the ANC.

Heads of government in Italy, Britain, Ireland, Germany, Holland, Luxembourg, Belgium, Spain, Greece, Portugal, Denmark and France will decide tomorrow and Saturday if changes introduced by the De Klerk Government warrant the easing of pressure.

At their last meeting in Dublin in June, EC leaders resolved to retain sanctions until "irreversible" change had taken place in South Africa.

Since Dublin, however, there has been much re-thinking on the subject and speculation that the Commission may be on the verge of lifting sanctions, fuelled by the commissioning of a report on the possible relaxation of sanctions.

ANC deputy president Nelson Mandela has called directly on EC leaders to keep sanctions in place at least until after the opening of Parliament next February. President de Klerk is expected to change security legislation and repeal the Group Areas and Land Acts then.

Mr Mandela's intervention is crucial for two reasons. First, it is likely to strengthen the hand of those within the EC who want to maintain the status quo.

Undermine

Second, depending on how the summit votes, it will provide a measure of the ANC's influence on the future direction and content of the sanctions campaign.

A decision to lift or relax sanctions despite Mr Mandela's call could seriously undermine the ANC's standing on the issue.

Up to now, the ANC has been a major contributor to positions taken by many governments and bodies regarding anti-apartheid sanctions.

The EC foreign Ministers' failure last week in Brussels to reach a consensus after receiving the report suggested deep divisions within the EC, between a majority in favour of a change of policy and those preferring to hold out for more reforms by President de Klerk.

Among those pushing for the easing of sanctions are Britain, Portugal and Italy; Denmark and Ireland are sceptical.

EC economic sanctions include bans on new investments and loans, as well as oil, coal, iron, steel and gold coin imports.

While Britain has recently lifted bans on new investment loans, Denmark has taken the toughest line, maintaining a virtually total ban on economic ties with Pretoria.

● It is reported from London that South African trade union representatives have obtained a commitment from Italian Prime Minister Giulio Andreotti to convey their call for continued sanctions to the meeting.

Sanctions: Europe's Big 12 set to toe the Mandela line

W1Mail 14/12/-19/12/90

280

South Africa will be on the agenda at the European Community's Rome summit, which began yesterday. And the consensus will probably be that sanctions remain.

By **ARTHUR GAVSHON** in London

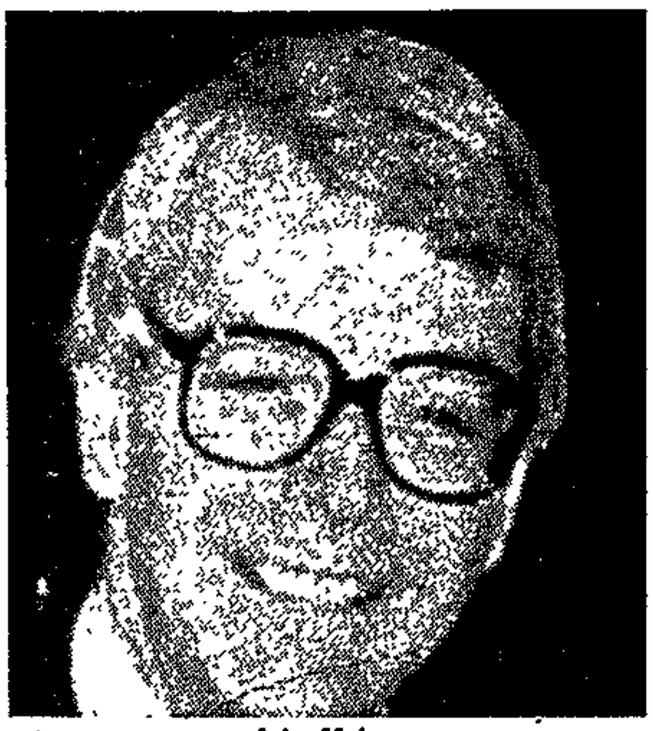
LEADERS of the European Community (EC) were this week reported likely to comply with Nelson Mandela's request for preserving sanctions against South Africa until President FW de Klerk implements all his promised reforms.

But Britain's new Prime Minister John Major intends echoing Margaret Thatcher's insistent calls on the EC to begin easing the economic boycott immediately by unbanning new investment in the Republic. Aides reported that Major shares the view of his ousted predecessor that De Klerk ought to be "rewarded" for launching his avowed policy of dismantling the apartheid system. Besides, these British officials said, Germany and France already are permitting their firms to sink money into South Africa.

Discussion of the emotive issues will take place during the EC's two-day summit meeting which began in Rome yesterday. Although future European economic and monetary integration matters were likely to dominate the talks, the matter of South African sanctions will be decided upon by consensus rather than by a straight vote, which would probably find the EC's biggest member-governments in favour of lifting sanctions at once.

Denmark and Ireland are among the countries opposing what they would regard as a premature ending of the boycott. Their stance has been reinforced by Mandela's plea for a postponement of any action at least until early 1991.

Mandela's request was contained in carefully-argued letters addressed personally to the heads of the Community's 12 member-governments. In it he urged them to recognise the dangers of imperilling the peace process in South Africa by ending sanctions against African National Congress advice. He reminded them that the De Klerk government has yet to fulfill some of the promises it made to the ANC earlier this year. In this context he cited the fact that "the overwhelming majority of political prisoners have not as yet been released". And he added that another obstacle to peace talks has still to be removed when he mentioned that "people continue to be detained without trial".



John Major

Turning to unjust and discriminatory laws which still remain on the statute books, the ANC's deputy president mentioned the Group Areas Act and Land Acts — both pillars of the apartheid system. De Klerk has advised Mandela privately he intends asking parliament to repeal both next February, but Mandela made clear that until the repeal process gets under way sanctions should remain in place.

British officials reported Mandela's letter stressed that the ANC still is in consultation with like-minded organisations inside South Africa on the subject of sanctions and the timing of their removal. For the EC to pre-empt the outcome of those consultations, his letter argued, would be to "undermine the consensus" for which the ANC is working and would thereby introduce "an element of conflict" between the ANC, the trade unions and religious organisations seeking a unified position. In that way their position in the slated negotiations for a new constitution would be undercut.

There are, of course, other factions behind the Mandela intervention. The worldwide campaign of sanctions against South Africa over the years seriously hurt successive apartheid governments and has been widely rated as one of the ANC's major achievements on the political level. For EC and other countries prematurely to call off their boycott before De Klerk has delivered his part of the bargain he concluded with Mandela would undoubtedly affect Mandela's standing at a time of some disenchantment with what is held to be his over-readiness to enter into compromises that benefit the government.

Most important of all, however, is the wish or consideration of the ANC leadership to at least share some of the credit that would be implicit if and when it joins in calling for a universal end of sanctions. If there is to be any question of the international community "rewarding" players on the South African stage, Mandela takes the view that the ANC has earned some of the political benefits that would be going.

Diplomats of several EC countries in this capital, British officials among them, acknowledged privately Mandela's main points were well taken and would undoubtedly influence the course of the Rome discussions. Countries opposing the immediate removal of sanctions, according to these informants, consider their arguments to have been fortified.

British informants meanwhile give this rundown of the likely lineup of opinion at the Rome summit:

- Germany, France and Britain want new investment unbanned formally and favour a complete lifting of sanctions as soon as De Klerk repeals other apartheid laws.
- Denmark, Ireland, Holland, Greece and Turkey feel the green light for the removal of all sanctions should be given by the ANC and its allies.
- Belgium and Luxembourg appear inclined to take their lead from Italy which, as the presiding country, already has begun playing a middle, broker's role in an attempt to produce a consensus.
- Portugal, with interests in southern Africa, would like to side with Britain but without alienating its remaining friends in Mozambique, Angola and in other African territories.

LABOUR BRIEFS

Mail 14/12/-19/12 90

SA union team wants sanctions continued

280

■ A South African union team, including Cosatu's Jay Naidoo and Nactu's Mahlomola Skosana, urged the maintenance of sanctions against South Africa in a meeting in Rome this week with the president of the European Community's council of ministers, Giulio Andreotti.

Andreotti, also Italy's prime minister, pledged to convey the call to an EC heads of government summit in Rome yesterday.

Also present at the talks were the International Confederation of Free Trade Unions (ICFTU), which represents 100-million workers worldwide; the European Trade Union Confederation and Italian unions.

The Cosatu/Nactu team have just attended a meeting of the ICFTU executive in Tokyo, which decided to press for sanctions "until apartheid has been dismantled".

According to an ICFTU statement, the South African unionists told Andreotti that the "much-publicised changes in South Africa have not had a real impact on the lives of black workers".

Division in EC over whether to lift sanctions

The Argus Foreign Service

ROME. — President De Klerk has not done enough to earn the total lifting of sanctions by the European Community, is the assessment by Mr Pio Mastrobuoni, a spokesman for the EC presidency.

Confirming that South Africa was one of the thorny issues facing EC heads of state when they meet here today and tomorrow, Mr Mastrobuoni said any appraisal of the South African situation would have to "acknowledge" progress made by Mr De Klerk in dismantling apartheid.

GERMANY

He said Germany's Chancellor Helmut Kohl had indicated that he wanted "a clear message from Rome to support Mr De Klerk in his efforts to bring about democracy".

Mr Mastrobuoni, also a senior official in the Italian foreign ministry, said any judgment of Pretoria's performance would have to take into account the situation as a whole, including the fact that there were still no democracy and human rights in South Africa.

But at the same time, Mr Mastrobuoni said there was a feeling within the community that sanctions should be "modified in the light of steps being taken to liberalise (the situation)".

Mr Mastrobuoni's comments seemed to indicate a division of opinion within the EC between those (including Germany) exerting pressure for a relaxation of at least some of the punitive measures against Pretoria, and those (Danes and Irish) who feel that such action would be premature.

Options open to the EC leaders include the lifting of the ban on new investments by European companies (as Britain has done) and a gradual relaxation of specific sanctions linked to particular reforms (suggested by the Dutch).

Alternatively, the EC could delay making a decision until early next year, as requested by ANC deputy president Mr Nelson Mandela in a letter to the heads of state last week.

This weekend's meeting is the most important on sanctions and apartheid since the last EC meeting in Dublin in June.

German chancellor wants sanctions eased

Back FW, pleads Kohl

Cape Times 14/12/90 (280)

From KIN BENTLEY

ROME. — German Chancellor Mr Helmut Kohl last night called on the European heads-of-government summit here to give a "clear message of support" to President F W de Klerk by easing sanctions.

The most powerful of the 12 EC leaders made his position supporting President De Klerk clear during a meeting with Italian Prime Minister Mr Giulio Andreotti, current president of the European Council.

Mr Pio Mastroblioni, a spokesman for Mr Andreotti, told journalists at a formal briefing that Mr Kohl had emphasised that he wanted the Rome summit to send a "clear message" acknowledging Mr De Klerk's "efforts to abolish apartheid and create a democratic regime in South Africa"

During his meeting with Mr Andreotti, the German leader said he would personally raise the issue of sanctions in this context during the summit today

Asked what steps Mr Kohl envisaged being taken, Mr Mastroblioni said "There are numerous sanctions. And I believe that since there are signs coming from South Africa that there is a liberalisation of the regime, it might require some different sanctions In other words they could be modified"

Expert observers at the summit said they intepreted the word "modified" as Mr Kohl's clearly expressed wish for the prompt lifting of some sanctions, namely the ban on new investment.

Mr Mastroblioni emphasised that the 12 EC states would "hold their judgment" on sanctions in general unless there was a "very sudden change".

Human rights

This means the EC will take its final decision on ending sanctions after President De Klerk's expected speech at the opening of Parliament in February

Whether there was consensus within the EC on "doing something concrete", as Mr Kohl wanted, would emerge later at this summit.

Earlier Mr Mastroblioni indicated that while the EC was in favour of visible acknowledgement of Mr De Klerk's reforms so far, a final decision on sanctions was not possible until there were full human rights and democracy in South Africa

Asked what the impact would be of this week's appeal by Mr Nelson Mandela to the EC 12 to defer any decision on sanctions for two or three months, Mr Mastroblioni said the European Council would certainly acknowledge Mr De Klerk's reform efforts

There was, however, a feeling among the 12 that there was a need to withhold judgment in case there was a change in South African policies.

"It is necessary to abolish apartheid We would like to show our satisfaction (at reforms so far) by doing something more concrete, but this will be discussed and we should wait and see," he said.

The EC's Council of Foreign Ministers decided on October 23 to commission an investigation, in anticipation of this weekend's summit, on how the community should best respond in a positive way to Mr De Klerk's reforms, and it is this document that is expected to form the basis of discussions in Rome

Thousands give Tambo a hero's welcome



TOP: Mr Oliver Tambo, with his family and Mr and Mrs Mandela, waves to the crowd yesterday.
ABOVE: Mr Tambo is embraced on his return On the right is Mr Nelson Mandela.

Cape Times 14/12/90 (119) (330)

JOHANNESBURG. — ANC president Oliver Tambo returned home yesterday, ending three decades of exile, and was met by ecstatic cheers from supporters and embraces from his deputy, Mr Nelson Mandela.

About 5 000 dancing and singing supporters roared their welcome when his chartered plane touched down two hours late at an overcast Jan Smuts Airport.

"Viva Tambo, Viva ANC, Viva Baba (father)," chanted the crowd, held back from the terminal building by dozens of heavily armed police, many with dogs.

Mr Tambo, a symbol of the fight against apartheid, smiled broadly as he descended the steps of the aircraft that brought him from Zambia, via a brief stop-over in Zimbabwe.

The ANC's welcome-home delegation, including

To page 3

● Key ANC congress starts today — Page 5

Michael and Patricia Frayne who were the first people to receive an [illegible]
The couple returned for a post-graduate dinner this week. Picture: ROBERT BOTHA

EC likely to praise FW, but stop short of lifting sanctions

ROME — While a majority of EC leaders agree President F W de Klerk's reforms need visible acknowledgement, a final decision on lifting sanctions cannot be made until further serious issues worrying the EC have been tackled in SA.

This was the message from an Italian government spokesman last night, the eve of the summit of the 12 EC heads of government. Italy currently holds the EC presidency.

Anti-sanctions lobbyists are hoping that the EC will agree to relax some measures, but do not expect the EC's 1986 sanctions package — principally a ban on importing Krugerrands, SA iron and steel — to be lifted yet.

They point out, however, that European trade and investment sanctions are already crumbling.

Italian EC presidency Pio Mastrobuoni last night confirmed in Rome that SA was definitely on the summit agenda, but indicated sanctions were more a sideline issue compared with the Gulf crisis, Soviet famine aid and discussions on European economic, political and monetary union.

Asked what the conclusion on SA was likely to be, he said: "The EC cannot make a judgment (on sanctions) in final and definite terms until there are full human rights and democracy (in SA)."

SA diplomats in Rome declined to comment on a likely outcome, saying they preferred to wait and see.

European diplomats have pointed out that ANC deputy president Nelson Mandela's appeal to the EC this week, to postpone any decision on lifting sanctions for two or three months, had clear merit as a potentially acceptable solution all-round.

If the EC held off for a few months on a definitive stand, a situation could be reached where there would be no "loser" in the sanctions debate when restrictions were finally dropped.

The ANC's Rome representative, Benny Nato de Bruyn, is in SA for his organisation's conference this weekend.

The EC's position is likely to be formulated at the Foreign Minister's meetings today and finalised by the heads of government tomorrow. — Sapa.

● See Page 6

Traders stock up with cordless phones

EC urged 'maintain sanctions pressure'

Sowetan 14/12/90

SOUTH Africa's largest labour organisations, Cosatu and Nactu, have urged the European Community to maintain sanctions despite movement away from apartheid by State President FW de Klerk.

A statement issued on Wednesday by the Johannesburg-based Co-Operative for Research and Education said a Cosatu/Nactu delegation had met Italian premier and current president of the Council of Ministers of the European Community, Mr Giulio Andreotti, earlier this week to discuss the EC's attitude towards sanctions.

Issues

The EC heads of government met in Rome yesterday to discuss wide-ranging issues, including their attitude towards South Africa.

According to the statement, the South Africans

SA PRESS ASSOCIATION

recognised that while there had been some changes in South Africa, the main pillars of apartheid - the Population Registration Act, the Land Acts and the Group Areas Act - still remained intact.

They insisted "the much-publicised changes in South Africa have not had a real impact on the lives of black workers".

Andreotti, the statement said, committed himself to convey the trade union message to the summit participants.

The union leaders had earlier attended an international conference on labour in Tokyo.

14 1990

Times urges end to SA culture ban

280

Star 14/11/90

Star Bureau

LONDON — The Times newspaper has called for an end to the cultural boycott of South Africa in an unprecedented two-part review of the ban, which it says has "starved" the country's longing for freedom.

An article by David Toop is accompanied by a leading article. The conclusion of the latter is that the ANC's readiness to drop the boycott — to be reviewed by the United Nations in February — "will be an excellent test of its democratic credentials".

Toop says the boycott can no longer be enforced.

He adds: "There is no dispute that it has discouraged artistic exchange in all fields. Yet it has also contained within it grey areas and contradictions."

He says the most hotly disputed area is music.

Britain's Musicians' Union (MU) has been among the strictest enforcers of the cultural boycoot, Toop points out.

"Yet the most severe testing of the boycott has arisen from two unexpected seemingly sympathetic sources" — America's Paul Simon and UK-born Johnny Clegg.

Both had threatened the literal interpretation of the boycott to some degree, but both had also helped showcase black South African talent. Yet Clegg had been "consistently obstructed" by the MU.

Toop says another issue facing South African musicians is the staging of exile concerts in South Africa. Many outspokenly critical artists, such as Miriam Makeba and Hugh Masekela, hoped to be able to return to the country to perform.

"But South African musicians are apprehensive: a trickle of homecoming concerts by exiles may turn into a flood of European and American visitors, once their isolation is ended."

The Times leading article questions the credentials of the ANC's "cultural desk", which approves performances abroad. "What about, say, a Zulu theatre group, sponsored by Inkatha?" it says.

It suggests: "Cultural judgments should be made by audiences, by the public, not by political parties or cabals."

Kohl urges leaders to acknowledge FW's efforts

Europe moves to relax sanctions

Star 14/12/90

280

ROME — European Community leaders have signalled willingness to relax sanctions against South Africa, in response to an appeal from Chancellor Helmut Kohl that Europe should acknowledge steps taken by President de Klerk to abolish apartheid.

Mr Kohl told Giulio Andreotti, the Italian Prime Minister and host to the European summit, that he would raise the issue of offering support to South Africa when the 12 leaders gather today.

Another option may be to step up financial aid for the black community.

It seemed last night that setting a timetable for such an initiative had already received the unofficial blessing of all six Christian Democrat leaders of the Community, including Mr Kohl and Mr Andreotti.

There would be some irony in the timing of any decision to ease sanctions, coming so soon after the resignation of Margaret Thatcher.

She had been urging the other EC states for months to ease sanctions, which include a ban on new investment in South Africa and an embargo on trade in iron, steel and gold coins.

The move would also run counter to a public request made to the Community by the African National Congress to postpone any decision until next year.

An Italian spokesman said the Twelve might consider "different types of sanctions to indicate satisfaction at the signs coming out of South Africa".

A somewhat different assessment was given yesterday by the spokesman for the EC presidency, Pio Mastrobuoni.

He told a press briefing that in spite of his recent reforms, President de Klerk had not done enough to earn the total lifting of sanctions.

He added: "There are still issues to be tackled in South Africa which are viewed seriously by European governments."

Mr Mastrobuoni said any judgment of Pretoria's performance would have to take into account the fact that there was still no democracy or human rights in South Africa. — The Independent News Service and Star Foreign Service.

● A great adventure — Page 11.



Back home . . . Under the watchful eyes of the world media, police and security officials, prepare to venture into South Africa after 30 years in exile. The Tambos received probably

Tambo jets in for indaba

Star 14/12/90

118

Political Staff

More than 1 600 ANC delegates today gathered at Nasrec outside Johannesburg for the first national consultative congress since being unbanned in February.

High on the agenda of the three-day congress will be the party's attitude to continuing negotiations, the armed struggle, the intensification or relaxation of sanctions, the party's internal organisation, and the return of exiles and release of political prisoners.

Much of the congress proceedings are being held behind closed doors, but the approved direction of the party is expected to become clear at a rally in Soweto on Sun-

Ailing Mr Tambo returned to a tumultuous welcome from thousands of supporters in what airport officials described as probably the biggest reception seen at Jan Smuts Airport.

An elated Mr Tambo acknowledged the rousing welcome with continued clenched-fist salutes. He did not address the crowd

Mr Tambo and his lifelong friend Mr Mandela, stood side-by-side, waving and smiling at the ecstatic crowd from a balcony.

Police and ANC marshals jostled well-wishers and journalists who crowded around the Mercedes-Benz transporting the two leaders.

When Mr Tambo was helped out of the car — aides

Catching the first glimpse of the legendary leader, the crowd responded with a thunderous "Viva!" and chants of "Oliver, Oliver"

Addressing the crowd, Mr Mandela described Mr Tambo as "one of Africa's greatest heroes".

Mr Tambo's plane touched down shortly before 1.30 pm. He was met by ANC executive members, diplomats and resistance leaders No Government representative attended the reception.

Asked how he felt, the ANC president answered: "Fine, fine, fine."

He spoke slowly and deliberately and one side of his mouth drooped slightly when he smiled. He walked with a limp and used a stick.

SANCTIONS RETHINK

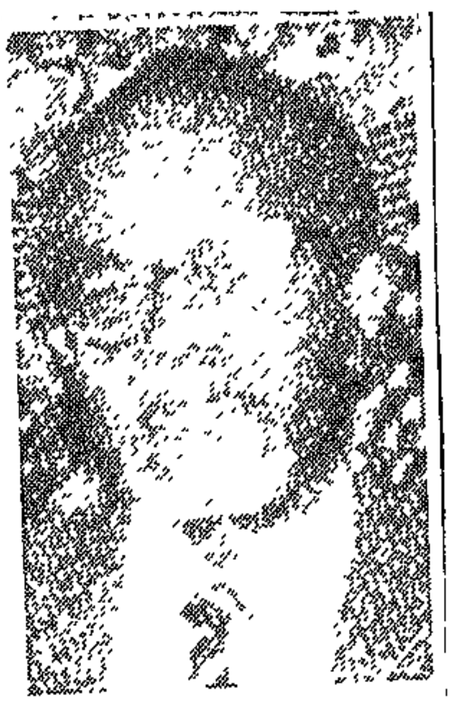
Two-front campaign grows against punitive measures

Weekend Argus Correspondents and Sapa

SANCTIONS against South Africa came under strong scrutiny on two fronts today amid growing signs that the campaign for lifting at least some of the punitive measures is gathering momentum.

In Johannesburg, ANC president Mr Oliver Tambo, in his first speech in South Africa for 31 years, yesterday astounded delegates at the opening of the organisation's crucial consultative conference by proposing a major rethink on sanctions.

After telling the more than 1 600 official delegates that the Harare Declaration "should not be undermined", he dropped his bombshell.



Oliver Tambo



John Major

'Trite slogans not enough'

"However, in defending this document it is no longer enough for us to repeat trite slogans. We should therefore carefully re-evaluate the advisability of insisting on the retention of sanctions, given the new developments in this country and abroad."

His surprise approach to sanctions was given support by the ANC's frank draft document on sanctions — "Managing the period of transition".

It argues that sanctions need to be "rediscussed", as the ANC has done in the past when, for instance, it decided to call for the maintenance of the status quo rather than for an intensification of the sanctions campaign.

"Clearly, the time has not arrived when we should call for the lifting of all sanctions.

"It is, however, also clear that we cannot continue to call for the maintenance of existing measures without running the risk of placing ourselves in a position in which we will be seen to have suffered a major defeat as the international community acts in a manner which erodes sanctions," the document said.

At a special briefing today on the general mood and direction of the congress, ANC spokesman Mr Saki Macozoma told reporters there had been "robust and intense discussions" in many of yesterday's debates.

'Make people shift'

He said there had, from the conference's point of view, been far too much emphasis placed on Mr Tambo's brief comment on a re-evaluation of sanctions.

"Sanctions is certainly not the only issue being discussed here," he said, adding that perhaps the Rome European Community conference justified the prominence given to these statements for some parties.

Meanwhile, Sapa correspondent Mark van der Velden reports from Rome that a definite EC decision to relax sanctions by lifting the ban on new investments hung in the air at the Summit in Rome today.

After dinner discussions yesterday by the EC 12 and their foriegn ministers, overnight negotiations on the formulation of final communiques, which would include the sanctions issue, were still not word-perfect.

Still divided

At a midnight briefing, British government sources cautioned that there was still some division among the EC on the matter.

Denmark particularly, as well as Ireland, were identified earlier at the Summit as being hesitant about lifting any of the sanctions measures now.

The British sources said Premier John Major and Foreign Secretary Douglas Hurd were "still pushing firmly for a relaxation of sanctions ... We're talking about investments. (But) at the moment the countries are still somewhat divided.

The EC's official communique is expected later today.

Paper warns of Govt victory on sanctions

Star 15/12/90 280

SANCTIONS are beginning to "erode over a wide front" and there is a danger of President F W de Klerk scoring a stunning propaganda triumph over the African National Congress unless it modifies its position on sanctions.

These points are contained in a discussion paper circulated at the ANC's consultative conference yesterday.

The eight-page draft document forms the immediate background to — and explanation of — yesterday's call by ANC president, Oliver Tambo, on delegates to "re-evaluate the advisability of insisting on the retention of sanctions".

The paper warns bluntly that "the perception will be created that the Government has scored a major victory over the ANC" unless the ANC changes its stance on sanctions.

It urges the ANC to provide the international community with a "well-considered programme for the de-escalation of the sanctions campaign" in order "re-establish its authority over relations

PATRICK LAURENCE

between South Africa and the rest of the world".

To set the tone for a revision of policy on sanctions, the discussion paper notes the ANC's stand has in fact changed over the years.

Whereas until 1987 the objective was to "isolate South Africa", after a special conference that year at Arusha, Tanzania, ANC policy aimed instead at the "isolation of apartheid forces and structures", thus opening the way for "interaction between the anti-apartheid movement inside the country and the rest of the world".

Right now, the ANC favoured the maintenance of sanctions rather than their intensification.

The paper is careful to add that there are limits beyond which the programme to ease sanctions should not go as long as power remains in the hands of the white minority — the arms embargo should stay and so should the oil embargo.

The paper notes that an "important section" of the international community believes that the changes introduced by President de Klerk since February 2 are profound and irreversible and that the time has come to relax sanctions.

It then goes on to list some of the "factual elements" in the present situation.

They include:

- The ineffectiveness of trade sanctions, with South Africa still recording trade surpluses.
- The prospect, for the first time in decades, of an small net inflow of capital during the current financial year.
- The growth of economic links with African countries, manifested by the conclusion of trade agreements between South Africa and Madagascar, Mauritius and Senegal.
- Weakening of South Africa's diplomatic isolation, as shown in President de Klerk's visits abroad and the decision by the Soviet Union to open an "interest section" in the Austrian Embassy in Pretoria.

The paper addresses the plight of poor, particularly in the black community, implicitly acknowledging that they are in part victims of the international sanctions campaign.

Reflecting on the socio-economic problems afflicting the poor, the papers says: "The movement should be seen by the masses to be addressing both their political and socio-economic aspirations."

The time has come to appeal for international aid, with the proviso that the aid should go to interim structures in which the ANC is represented, and not to the Government.

The paper effectively calls for an end to disinvestment, saying potential investors should support "black empowerment" as a means of redistributing wealth in South Africa.

Rethink sanctions — Tambo

Star 15/12/90 (280)

No black Christmas this year — UDF

Star 15/12/90

THAMI MKHWANAZI

THE United Democratic Front in the southern Transvaal has scotched rumours of a planned "black Christmas" this year.

And sources close to the ANC, PAC and Azapo also say there have been no plans for such a campaign.

"As far as the UDF is concerned, there is no black Christmas this year," the organiser of the UDF's Southern Transvaal region, Obed Nkosi, said yesterday.

The black Christmas rumour began to circulate as scores of black shoppers started streaming into city shops in preparation for festive season celebrations — a practice forbidden during the observance of a black Christmas.

"Certainly there's nothing to celebrate, considering the escalating death toll in the recent violence in Reef townships, but there's no campaign requiring people to abstain from spending the festive season in the normal way," said Mr Nkosi.

Confirmation that there were no plans for a black Christmas could not be obtained from official spokesmen of the ANC, Azapo and PAC yesterday, but sources close to the organisations knew of no plans for such a Christmas.

See Speak Out — PAGE 2

A call was made to the nation not to celebrate Christmas when the Government imposed the state of emergency in the winter of 1985, resulting in the detention of thousands under emergency regulations.

The call was renewed with the re-imposition of the state of emergency the following year



SHAUN JOHNSON

ANC President Oliver Tambo, in his first speech in South Africa for 31 years, yesterday stunned into silence delegates at the opening of the organisation's crucial Consultative Conference by proposing a major rethink on sanctions.

After telling the more than 1 600 official delegates — who were joined at the Nasrec conference centre near Soweto by a large contingent of observers and reporters — that the provisions of the Harare Declaration "should not be undermined", Mr Tambo dropped his bombshell.

He said: "However, in defending this document it is no longer enough for us to repeat trite slogans. We should therefore carefully re-evaluate the advisability of insisting on the retention of sanctions, given the new developments in this country and abroad."

Surprise speech stuns delegates

The proposal, which clearly astounded delegates in the conference hall, is sure to be the subject of heated debate before final resolutions are drafted tomorrow.

Mr Tambo's statement is the clearest indication yet of a major strategic change in ANC thinking on sanctions, and certainly the most authoritative.

While technically his speech merely set down markers for consideration at the conference — and in theory his suggestions could be overruled — it carries tremendous weight and was certainly canvassed before delivery.

Mr Tambo's surprise approach to the previously immutable sanctions question received strong support in the ANC's remarkably frank draft discussion document on sanctions, "Managing the Period of Transition".

In this the authors argue that sanctions need to be "rediscussed", as the ANC "has done in the past when, for instance, it decided to call for the maintenance of the status quo rather than for an intensification of the sanctions campaign.

"Clearly, the time has not arrived when we should call for the lifting of all existing sanctions.

"It is, however, also clear that we cannot continue to call for the maintenance of existing measures without running the risk of placing ourselves in a position in which we will be seen to have suffered a major defeat, as the international community in fact acts in a manner which results in the erosion of sanctions.

"The critical objective should be that we take charge [illegible] the process of

Europe set to ease pressure

MIKE SILUMA

ROME — The European Community is set to relax investment sanctions against South Africa today as a result of strong pressure from Germany and Britain.

Late last night it emerged from diplomatic sources that the 12-member Community was divided 9-3 in favour of lifting some sanctions in recognition of reforms which have taken place in South Africa.

According to diplomats here, only Denmark, Holland and Ireland stood between the partial lifting of sanctions becoming a reality.

Ranged against them are Germany, Britain, Belgium, Luxembourg, France, Portugal, Greece, Italy and Spain.

British government sources said Britain would stick to its position that it was necessary for the Community to make "a gesture to President de Klerk".

"We are also putting forward our view — which is well-known — that sanctions against South Africa have, in any case, already begun to crumble," said a British source.

Germany's Chancellor Helmut Kohl has already let it be known that he believes that, when they disperse from Rome today, EC leaders should have sent an unequivocal message to President de Klerk "acknowledging" political changes which have taken place over the past year.

With Chancellor Kohl having emerged as the EC's most powerful politician, the German stance is regarded as crucial in tilting the debate in favour of a relaxation of sanctions.

But the Dutch were still adamant yesterday that any major change in the EC's sanctions policy should be linked to spe-

● TO PAGE 2.

THE LIGHT CIGARETTE THAT REALLY SATISFIES

Rothmans lights



HOME: Oliver and Adelaide Tambo relax at a friend's house in Diepkloof Extension, Soweto after arriving in South on Thursday.
● Photograph: Alf Kumalo.

Mixing and fixing in Middelburg

Star 15/12/90 (285) (266)

THERESE ANDERS

... executives, the unemployed, ... clergy and steelworkers in the ...vative Party stronghold of Mid... have created a unique initiative ... the town's problems.

... community-based Middelburg ... which has been running now for ... has been set up to solve ... and improve life for all the ... communities.

... it has the blessing of Arch... Desmond Tutu, the ANC and even local CP councillors.

... Transvaal towns presently experiencing services crises are looking at the Middelburg Forum experiment as a possible solution.

One of the most important features of the forum is that it gives the black community access to structures, services and resources.

Says the forum's facilitator Brian Wegerle: "This is different from initiatives in other towns because it is a co-operative effort of organisations that normally wouldn't become involved in these issues.

"The other difference is that this forum is not just crisis-focused. We are here to solve crises but actually we are weakened by crisis.

"The forum has been set up to create jobs, build houses, change the education profile, look at health services, poverty and hunger.

"And we would like to facilitate a better relationship between the police and the community."

— PAGE 8.

...nce to catch up with clocks

to within a billionth of a second a day, according to the US Naval Observatory, the government office in charge of keeping track of what time it is.

The good old earth, on the other hand, isn't nearly that consistent.

Speed

It speeds up a bit sometimes, slows down other times. The earth is consistent to only about one-thousandth of a second a day, reports the National Institute of Standards and Technology, the agency in charge of measuring units of time.

It used to be that slight irregularities in the earth's rotation didn't matter. But modern clocks get out of time with the slightly wobbly world. Because the planet can't be adjusted, the clocks must be. Since the Earth has slowed a bit, the clocks have been gaining time and must be slowed to keep them on accurate.

This year's leap second will occur at 23:59:59 universal co-ordinated time. Universal co-ordinated time, is the international time standard. The extra second is added at 23:59:59 so it will occur just before midnight and the start of the new year.

Agreement

The international agreement calling for the insertion of a leap second when needed was signed in 1972 This will be the 16th leap second since then. — Sapa-AP.

... after telling the more than ... gates — who were joined at t... ence centre near Soweto by ... of observers and reporters — ... of the Harare Declaration "sh... mined", Mr Tambo dropped hi...

He said: "However, in defendin... no longer enough for us to repe... should therefore carefully re-eva... ty of insisting on the retention of... new developments in this country...

Surprise speech stuns delegates

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"The critical objective should be that we take charge of the process of de-escalation of the sanctions campaign by working out a comprehensive programme of action aimed at attaching such de-escalation to the advancement of the objectives of the process of democratic and non-racial transformation."

More reports — PAGE 2

This signals a highly sophisticated and pre-emptive pragmatic intervention by the ANC, whereby a "de-escalation" of the sanctions campaign will be tied to increasingly militancy in other areas over which the organisation has complete control, such as "mass action".

In this way the ANC will be able to argue that it is on the offensive rather than in retreat, but is merely emphasising areas and modes of action appropriate to rapidly changing conditions.

The sanctions "rethink" is of historic significance in that it effectively sounds the death knell of economic isolation, even if the process takes some time to run

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Europe set to ease pressure

(280)

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● TO PAGE 2.

P.T.O

Sanctions

● FROM PAGE 1.

cific reforms.

These were the repeal of the Group Areas and Land Acts — something President de Klerk is widely expected to do early next year.

They also want all political prisoners freed.

"We are against the immediate lifting of sanctions," said a Dutch source.

"A lot of people, including our government, are also taking seriously (ANC deputy president) Nelson Mandela's call to delay the lifting of sanctions for a few months."

Speculation yesterday was that if the summit decides to relax sanctions, the bans on new investments, as well as importation of gold coins and iron and steel would be the first to go.

The carrot for President de Klerk would be a promise that the lifting of more sanctions would follow further reforms next year.

The question of sanctions was due to be discussed by EC foreign Ministers over a working dinner last night, with a decision expected today.

Diplomats said the lifting of the ban on new investments was the most likely course of action.

This would give encouragement to President de Klerk, without alienating the ANC, whose deputy president, Nelson Mandela, has pleaded for a delay in the relaxation of sanctions.

Moreover, allowing new investments in South Africa would help provide jobs.

This would help stablise South Africa during the period of transition.

"Mr Mandela's argument was very convncing, but we know that there is a strong section within the ANC wanting the ban on investment lifted," said one diplomat.

Reserve Bank: It's great news

STTimes 16/12/90

By MARION DUNCAN

THE European Community's decision to lift investment "sanctions" was "exciting", Reserve Bank deputy governor Professor Jan Lombard said last night.

"This is very good news indeed," he said.

"What I think will happen now is that investors, such as financial houses and brokers, will probably feel free to make a market for South African issues.

"This is also the time when the reputation South Africa has built up for itself as an honourable debtor nation will stand us in very good stead.

"We have carried out our obligations under the Interim Debt Arrangement in such a way that our creditors are most impressed.

"We have built up, under investment constraints, a name for South Africa as a country that meets its obligations, even to the detriment of its domestic activity, and that is going to be very important to us in the years ahead."

Professor Lombard added: "At this point, the lifting of the ban is more symbolic than anything else — it is a matter of principle rather than practice.

"But it will certainly free international financial institutions to deal more openly with us.

"The importance of the development cannot be underestimated."

Europe snubs ANC plea in historic decision to lift sanctions, starting now

COMING IN FROM THE COLD



BRITISH Premier John Major: 'We recognise the huge changes President de Klerk has brought about'

SA is back from the cold

From Page 280

Mbeki, has been lobbying for three weeks in the UN and EC for them to hold the line.

The move is likely to lead to recriminations. An official discussion document — said to be drawn up by a senior member of the movement's national executive — emphasised that the sanctions campaign was crumbling and advised that the ANC should move swiftly to claim the credit for the lifting of the ban.

It stated that there was a growing feeling that sanctions should be eased to support the "irreversibility" of the government's reform programme.

If the ANC insisted that the pressure should be kept up and the opposite happened, "the perception will be created that the government had scored a major victory over the ANC".

This would result in the "international marginalisation of the ANC".

The document emphasised that the ANC should "take charge of the process of de-escalation".

Opening the congress on Thursday, Mr Tambo appeared to support the recommendations of the document.

But congress delegates chose to ignore the call. Senior ANC sources indicated the document and Mr Tambo's speech caused much unhappiness among rank-and-file delegates.

In the discussion on sanctions, there was an almost unanimous insistence on the retention of hardline sanctions.

This mood prompted the national executive to reconvene. It came up with the final resolution which was presented to the conference.



husband was risking his life by keeping the dogs

Sunday Times Reporters

EUROPE yesterday lifted investment sanctions against South Africa and promised to dump the rest — handing President F W de Klerk the biggest accolade yet for his reform programme.

The decision, announced in Rome, was the first reversal of SA's deepening economic isolation in decades. It was also a massive snub to the ANC, which only hours before issued an urgent plea to the world not to relent.

The investment ban is lifted "with immediate effect". Other sanctions — on imports of iron, coal and Krugerrands — could fall away in the next few months provided the government keeps to promises already given. The EC decision was received with disappointment at the ANC's consultative conference, which yesterday voted unanimously for the retention of sanctions.

A hardline ANC resolution accused the government of using violence to suppress legitimate political actions. It said the security forces were involved in orchestrated violence against defenceless citizens and noted that security laws were still vigorously implemented.

"It is unfortunate," conceded ANC director of information Pallo Jordan yesterday. "The EC decision shows it is not convinced by our arguments."

The EC move has, meanwhile, been widely welcomed by business and political figures who see it as laying the ground for an economic resurgence (see accompanying reports).

Reacting on behalf of the SA government, Foreign Minister Pik Botha said the EC decision reflected the government's view that sanctions were crumbling.

Caution greets lifting of ban

Sunday Times Reporters

BUSINESSMEN yesterday welcomed the lifting of the EC's ban on new investment.

But they cautioned that the prevailing violence in South Africa could act as a deterrent to potential investors.

Said Standard Bank senior general manager Jimmy McKenzie, who recently returned to South Africa after meetings with several European bankers:

"I believe that banking and financial institutions will now jump at the opportunity ... report us

Recognition

It was pleasing that recognition for President De Klerk's reforms had been so unambiguously expressed, he said.

"The decision must also be seen as encouragement to all South African leaders who eschew violence as a means to political goals to work together to get the negotiating process going."

In their final communique, the 12 EC nations said they had looked with satisfaction at the initiatives of the past year aimed at achieving the abolition of apartheid and the creation of a united, non-racial and



BEAUTY QUEEN Jolita Hanekom aged 21 was looking forward to marrying pop musician Leon Eckard next year. Instead both died this week — victims of a guitarist with a grudge. See ANATOMY OF A MASSACRE on Page 3

Tertius Myburgh Fund: the cash rolls in

NEARLY R50 000 was raised in the first week of the Tertius Myburgh Memorial Hospicare Fund aimed at helping the National Cancer Association avert widespread cut-backs.

To assist people who wish to donate, the NCA has opened an account in the name of the Myburgh fund with First National Bank.

Deposits can be made at ANY First National Bank branch into account No 4000025496, Hospital Hill.

Postal donations, made out in the name of the Tertius Myburgh Memorial Fund, can be sent to the National Cancer Association, P O Box 2 000, Johannesburg 2 000.

● Angels of Mercy: See Page 6

Caution on EC move

□ From Page 1

dence of economic progress and stability before they begin to invest."

Anglo American director Bobby Godsell went a step further. While welcoming the lifting of the ban as a move towards the growth needed by South Africa, he said it removed only a "political bar" to investment.

"But I don't think many foreign or domestic investors are going to commit funds until we can address the problem of widespread violence. If it's not stopped soon, foreign investors might start to see South Africa as a second Beirut — and nobody wants to invest in Beirut."

Clem Sunter, head of Anglo's gold division and well-known political forecaster, said he was "bowled over".

"It's fantastic — moves such as this can help. But South Africa is now required to put itself in an attractive position against all the other countries around the world that require capital.

"At the moment I fear there is still a lot of uncertainty about this country, particularly in view of the on-going violence.

"It is going to need clear leadership from all political movements over the next year or two to satisfy investors that we are a stable, productive society."

Caution greets lifting of ban

Sunday Times Reporters

BUSINESSMEN yesterday welcomed the lifting of the EC's ban on new investment

But they cautioned that the prevailing violence in South Africa could act as a deterrent to potential investors

Said Standard Bank senior general manager Jimmy McKenzie, who recently returned to South Africa after meetings with several European bankers

"I believe that banking and financial institutions will now jump at the opportunity to support us openly, and to help us finance major projects which will not only foster growth, but also create the new jobs we so desperately need"

Stability

Sadek Vahed of the South African Foreign Trade Organisation said the development was "hopeful", but stressed that "economic and political stability was urgently needed"

Warren Clewlow, vice-chairman and chief executive of Barlow Rand, echoed the warning, but said the lifting of the ban showed "a positive response to the State President's reform initiatives".

Ian Sims, chairman of BP Southern Africa, saw the move as an "important step on the road back to international acceptance for South Africa".

"But foreign investors will want to see more evi-

□ To Page 2

The investment ban is lifted "with immediate effect". Other sanctions — on imports of iron, coal and Krugerrands — could fall away in the next few months provided the government keeps to promises already given. The EC decision was received with disappointment at the ANC's consultative conference, which yesterday voted unanimously for the retention of sanctions.

A hardline ANC resolution accused the government of using violence to suppress legitimate political actions. It said the security forces were involved in orchestrated violence against defenceless citizens and noted that security laws were still vigorously implemented

"It is unfortunate," conceded ANC director of information Pallo Jordan yesterday "The EC decision shows it is not convinced by our arguments."

The EC move has, meanwhile, been widely welcomed by business and political figures who see it as laying the ground for an economic resurgence (see accompanying reports)

Reacting on behalf of the SA government, Foreign Minister Pik Botha said the EC decision reflected the government's view that sanctions were crumbling.

Recognition

It was pleasing that recognition for President De Klerk's reforms had been so unambiguously expressed, he said

"The decision must also be seen as encouragement to all South African leaders who eschew violence as a means to political goals to work together to get the negotiating process going"

In their final communique, the 12 EC nations said they had looked with satisfaction at the initiatives of the past year aimed at achieving the abolition of apartheid and the creation of a united, non-racial and democratic South Africa

They were particularly pleased with the outcome of the meetings between the government and the ANC, and in particular the August 6 meeting in Pretoria which "opened the road to negotiations"

The process of change that had begun, they said, followed the path urged by the EC at its meeting in Strasbourg late last year

"Therefore, the EC and its 12 member states are determined to encourage this process even more and in a concrete way

"In this context, the EC has decided that as soon as the South African government takes the legislative steps to abolish the Group Areas Act and the Land Act, it will proceed to recall all the measures of 1986.

"Starting now, in order to contribute to the fight against unemployment and in order to improve the economic and social situation in South Africa, and in order to encourage the present developments towards the complete abolition of apartheid, the EC has decided to recall with immediate effect the prohibition on new investments in South Africa."

The statement added that, at the same time, in order to "send a message of political support to the victims of apartheid" and to assist in their contribution to the establishment of a new constitution, the EC had "decided to strengthen and update the programme of positive measures, including those concerning the return and repatriation of exiles"

Deserved

The leaders concluded by expressing the hope that such steps would contribute to the acceleration of the process of change by "sending to all the parties involved a concrete signal of support".

A united, non-racial and democratic South Africa would "be able once again to take the place it deserves in the international community".

British Prime Minister John Major announced the lifting of the ban in Rome yesterday and said it was in recognition of the "huge changes" brought about by President De Klerk.

West German Chancellor Helmut Kohl said the declaration expressly honoured the progress made in talks between the ANC and the government.

The final EC position on sanctions was thrashed out yesterday after a handful of countries had taken a tough stance against any relaxation of sanctions

The decision comes as a major setback to the ANC which has campaigned hard for the retention of sanctions.

Mr Mandela personally wrote to the EC asking member nations to retain sanctions until advised by the ANC to drop them The ANC's director of external affairs, Thabo

□ To Page 2

e Bank: eat news

By MARION DUNCAN

impressed

"We have built up, under investment constraints, a name for South Africa as a country that meets its obligations, even to the detriment of its domestic activity, and that is going to be very important to us in the years ahead"

Professor Lombard added: "At this point, the lifting of the ban is more symbolic than anything else — it is a matter of principle rather than practice

"But it will certainly free international financial institutions to deal more openly with us.

"The importance of the development cannot be underestimated"

BLOW FOR ANC'S SANCTIONS PLAN

Kaizer arrested over coup attempt

FORMER Transkei president Kaizer Matanzima was arrested on Thursday morning and is being detained under the Transkei Security Act.

Transkei Police spokesman Gen LR Mankahla said Matanzima was detained when his name featured prominently in investigations following the abortive coup by Lt-Col Craig Duli three weeks ago.

Mankahla revealed that so far 17 people have been detained in connection with the coup attempt.

Matanzima's arrest came soon after he claimed he had asked the South African Government to re-incorporate western Transkei into South Africa because he



Dismay as EC lifts investment ban

By SEKOLA SELLO and SAPA

THE ANC's sanctions campaign was dealt a severe blow yesterday when the European Community (EC) announced it would lift its ban on new investments in South Africa immediately.

However, at an ANC conference in Johannesburg yesterday which included most members of the National Executive Committee delegates voted unanimously in favour of the sanctions package which existed before the EC made yesterday's controversial decision.

ANC information chief Pallo Jordan said it took his organisation 20 years to convince the EC to impose sanctions and should the EC decide to reverse this decision, the ANC will fight, if needs be, for another 20 years to have sanctions imposed again.

After the 12 EC leaders announced their decision, British Prime Minister John Major said in Rome: "We recognise the huge changes President FW de Klerk has brought about and the Community has agreed to immediately lift the investment ban imposed in 1986."

German Chancellor Helmut Kohl said the EC would lift all sanctions against South Africa when Pretoria released all political prisoners and repealed key legislation on racial segregation.

Jordan described the EC decision as "unfortunate". "It shows the EC is not convinced by our arguments."

ANC president Oliver Tambo said earlier this week his organisation should reconsider its stance on sanctions. "We must re-evaluate the role of sanctions in the light of new developments."

This was interpreted in some political and business circles as an indication that the organisation was shifting from its firm stance on sanctions.

Yesterday Jordan clarified Tambo's statement, saying it did not mean the organisation had changed its position. He said "re-examining a position did not necessarily mean changing".



...to all ..., but the ANC yesterday decided to stick to the original sanctions package which was drawn up in 1986.

...farmer set me alight' – boy



...Bungeni Makwatie, 15, was allegedly set ... by a Messina farmer who accused him of having stolen a gun. ■ Pic EVANS MBOWENI

By ELIAS MALULEKE

A 15-year-old farm labourer, Frank Bungeni Makwatie, was turned into a human torch this week when a Messina farmer allegedly doused him with petrol and set him alight.

And, instead of his attacker being arrested, the boy is now under police guard in Messina's Limpopo Hospital where he is being treated for first and second degree burns.

According to a doctor he has been burnt from the waist to his face, back and hands.

Talking to *City Press* from his hospital bed, the boy told how flames ate up his flesh while his wrists were manacled and welded to a huge steel table while the khaki-clad farmer watched.

The gruesome incident took place last Saturday at Hayoma Farm on the banks of the Njelele River near Messina.

Makwatie says his ex-boss, Jan van der Westhuizen, who also employs his mother, set him alight after accusing him of having stolen his gun.

He was saved by another farmworker, Jerry Maphela, who stepped in to douse the flames with water.

He then collapsed, writhing in pain, while another worker, Johannes Baloyi Makhubela, used a hacksaw to cut the round steel bars that had been welded "tightly" around his wrists on to the table.

"I did not care what baas Jan was going to do to me, I used a hacksaw to cut the steel from his wrists," Makhubela said.

Makwatie said Van der Westhuizen refused to take him to hospital. He had to wait in agony for police to take him.

When approached for comment, Van der Westhuizen was aggressive and threatened to call the police and charge *City Press* with trespassing.

"If a man steals your gun and threatens to shoot your workers, what must you do with him when you find him? Please do not confront me. If you want information go to the police," he said.

The blonde and bearded Van der Westhuizen claimed he was a policeman and "knew what he was doing".

A police liaison officer for the Northern Transvaal, Lt Werner Voigt, said Makwatie was "a prime suspect" in several theft charges which included stolen cars and housebreaking.

Makwatie denied these claims.

He said the farmer found him on Saturday morning on the farm Hayoma

■ To Page 2

...and staff of *CITY* offer their Season's ... of goodwill with this ...om a young reader. ... to JOHN ...NE of Mkhuhlu.

...ristmas ... all ... right

May we convey a message
Of love and reconciliation
In the name of our people

May we all live to say
Have a peaceful Christmas
And a happy New Year

26 Islanders out, 205 still held

TWENTY-SIX Robben Island prisoners were released yesterday, leaving 205 still held in the notorious political prison.

The surprise releases appeared to have caught friends and relatives unawares because not more than a handful of people arrived to greet the ex-prisoners when they stepped off the Prison Services ferry shortly before noon in Table Bay harbour yesterday.

But there was some happiness in the air as Barry Pule and Diana Mlimi were married at Pollsmoor Prison yesterday morning

After the ceremony the groom remained in detention while his wife celebrated their wedding with friends and the freed prisoners at Cowley House in Woodstock

At the time of going to press the names of the 26 were not available.

■ Meanwhile, a Crossroads man, convicted of terrorism for being in possession of a limpet mine near Minister of Law and Order Adriaan Vlok, was released from Robben Island on Friday.

Nana Robert Maliti served one year of a two-year sentence imposed after an appeal against a five-year sentence for terrorism and possession of a banned publication.

He was arrested in October 1988 while carrying a primed limpet mine 150m from where Vlok was opening a police station in New Crossroads. – Sapa

...invest...

By SEKOLA SELLO and SAI

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However, at an ANC con... included most members ... delegates voted unanimously ... existed before the EC mad...

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ANC President Oliver Ta... tion should reconsider its sta... the role of sanctions in the ...

This was interpreted in sc... indication that the organisati... sanctions

Yesterday Jordan clarifie... mean the organisation had ch... ing a position did not nec... essarily mean changing". Jordan went on to state the ANC was still committed to sanctions.

He said only democratic formations in the country could decide whether sanctions should be lifted or not.

ANC delegates at the conference unanimously approved a draft document which appealed to the EC, US Congress, the European Free Trade Area group and all international bodies to postpone debate on the sanctions issue until the ANC and all democratic groups in South Africa had initiated discussions with them.

Conference delegates said it was necessary to "counteract the growing perception that De Klerk and his government should be rewarded for recent reforms and to be aware that the basic institutions of apartheid were still firmly in place".

"The SA government continues to use violence and police repression to suppress legitimate political and civic actions."

It also expressed alarm over "orchestrated violence" against defenceless citizens, especially in townships. Elements within the SA security establishment, the conference charged, were implicated in the violence.

Foreign Affairs Minister Pik Botha said yesterday: "The government's viewpoint that the process of change is irreversible is beginning to enjoy wider recognition.

"This also means the President's initiatives have started a dramatic reversal in South Africa's foreign relations."

The EC decision was also welcomed by the Democratic Party's leader, Zac de Beer.



Picture: HORACE POTTER

the move as an "important step on the road back to international acceptance for South Africa".

"But foreign investors will want to see more evi-

□ To Page 2

Reserve Bank: It's great news

THE European Community's decision to lift investment sanctions was "exciting", Reserve Bank deputy governor Professor Jan Lombard said last night.

"This is very good news indeed," he said.

"What I think will happen now is that investors, such as financial houses and brokers, will probably feel free to make a market for South African issues.

"This is also the time when the reputation South Africa has built up for itself as an honourable debtor nation will stand us in very good stead.

"We have carried out our obligations under the Interim Debt Arrangement in such a way that our creditors are most

By MARION DUNCAN

impressed.

"We have built up, under investment constraints, a name for South Africa as a country that meets its obligations, even to the detriment of its domestic activity, and that is going to be very important to us in the years ahead."

Professor Lombard added: "At this point, the lifting of the ban is more symbolic than anything else — it is a matter of principle rather than practice.

"But it will certainly free international financial institutions to deal more openly with us.

"The importance of the development cannot be underestimated."

EC ignores ANC, rewards De Klerk

ROME — EC leaders have welcomed Britain back into the fold, granted $1,5bn in aid to the Soviet Union, and eased sanctions against SA.

At a harmonious two-day Rome summit that ended on Saturday, the 12 leaders also launched programmes of economic and political union that will occupy the community for the rest of the century.

In deciding to lift its five-year ban on new investment in SA, the EC went against the ANC's recommendations, rewarding President F W de Klerk for his moves to dismantle apartheid.

A summit statement said: "With the aim of contributing to fighting unemployment and improving the economic and social situation in SA and encouraging the current move towards the total abolition of apartheid, the EC has decided to end the ban on new investments."

The EC also held out the prospect of an end to the ban on imports of gold coins, iron, and steel once SA removed the remaining pillars of apartheid. B Day 17/12/90

Co-operation

In a closing statement the EC demanded that Iraq withdraw from Kuwait by the UN deadline of January 15 and called anew for an international peace conference on the Middle East "at the appropriate time".

Italian Prime Minister Giulio Andreotti said: "There was a climate of great co-operation and an immediate desire to reach agreements."

Many attributed the spirit of goodwill at the summit to the absence of Margaret Thatcher and her strident "no, no, no" to a united Europe for the first time in more than 11 years. Her successor as British prime minister, John Major, made no secret of his aversion to handing too much power to Europe, but won high marks for promising to be constructive.

Italian Foreign Minister Gianni de Michelis said: "This summit marks Britain's return to a position in which it plays a positive role and no longer just seeks to create obstacles."

However, the compliments could not mask deep divisions between Britain and the rest of Europe over the goal of a single currency administered by a European central bank.

EC Commission President Jacques Delors, architect of the plan for economic and monetary union, bluntly told Major to close ranks with the rest of Europe or risk the consequences.

"If Great Britain accepts the final goal of a single currency and of a single central bank, then we can work as 12," Delors said.

If Major's ideas for a "hard ecu" currency to circulate alongside existing national money were meant as a delaying tactic, Delors wanted nothing of it.

"That would just be a distraction, and if we have to provoke a political crisis, then so be it," he said.

Finance ministers formally began work on Saturday on EC treaty revisions required for monetary union.

A parallel conference, called to thrash out a common EC security and foreign policy, was also convened.

Both debates involve fundamental questions of sovereignty and national identity. But on Saturday the leaders glided over their differences, simply laying down broad guidelines for their ministers for the months of talks that lie ahead.

Fearful that the fall of President Mikhail Gorbachev would end the move to free markets and democracy in the Soviet Union, the community approved $1bn in food aid — a third of it in grants, the rest as loans — and more than $500m in technical help in 1991 for the Soviet economy.

The leaders also granted $140m in emergency food and medical aid for Bulgaria and Romania and promised to help Czechoslovakia make the transition to a market economy.

However, they baulked at opening their own farm economies to market forces, refusing to offer the deeper cut in EC agricultural subsidies that the US says is the key to restarting stalled world trade talks. — Sapa-Reuter.

Easing of EC sanctions expected to hasten the end of the finrand

BDay 17/12/90 280

THE EC's decision to lift investment sanctions against SA would contribute to the process of abolishing the dual exchange rate system, Reserve Bank Deputy Governor Jan Lombard said yesterday.

And a leading economist predicted the decision would immediately benefit SA by facilitating the easier rollover of foreign debt and improving trade credit terms.

Lombard said it was difficult to estimate to what extent the EC's announcement would hasten the demise of the financial rand which, he said, would be done in stages.

He added an improvement in the capital account would have to be realised before the finrand was abolished.

The greater interest in SA assets by non-residents who no longer had legal constraints on investment in SA could provide greater support for the financial rand, Lombard said.

Nedbank chief economist Edward Osborn said the EC decision meant SA would be able to roll over its foreign debt with considerable ease, and it was likely that the country's trade credit terms would also be improved.

Osborn said this debt rollover was important because SA was facing a reduced

EDYTH BULBRING

balance of payments surplus next year and without the easier terms there would have been pressure on the rand and the likelihood of a renewed bout of inflation.

If the announcement led to increased

● See Page 3
● Comment: Page 6

foreign investment, it would also hasten the demise of the financial rand, he said.

Standard Bank international division GM Rocco Rossouw said yesterday the EC's decision could remove pressures for the maintenance of a dual exchange rate.

He said this was another step in the normalisation process which could lead to the withdrawal of the financial rand system, which was introduced to protect SA's balance of payments.

The move was significant for SA's balance of payments and could provide the authorities with greater monetary freedom.

SA Chamber of Business deputy director-general Ron Haywood welcomed the pragmatic realism shown by the leaders of the EC in realising the need to promote economic growth in SA.

He said it would certainly offer encouragement to local multinational companies in SA to expand their local operations and would also focus SA companies on the possibility of forming joint ventures with overseas companies.

Sapa reports that Foreign Minister Pik Botha said SA had entered a new era with the EC's decision.

"It is clear that the government's viewpoint that the process of change is irreversible is beginning to enjoy wider recognition," he said.

"The decision of the 12 EC countries

□ To Page 2

Finrand

BDay 17/12/90 280

□ From Page 1

must also be seen as an encouragement to all South African leaders, who swear off violence to reach their political goals, to work together closely to get the negotiations on the road towards a new constitution," he said.

ANC publicity secretary Pallo Jordan said: "If and when outside countries reconsider the issue of sanctions, they should do that in conjunction with the democratic forces in this country.

"In other words, it should be on our initiative that sanctions are dropped. We will say when they are no longer necessary."

Inkatha Freedom Party president Mangosuthu Buthelezi said he was overjoyed. There was hope that new jobs could be created.

Buthelezi lauds lifting of sanctions

Sowetan 17/12/90

280

Inkatha Freedom Party leader Chief Mangosuthu Buthelezi yesterday applauded the European Community's decision to lift immediately its investment ban on South Africa.

In a statement from Ulundi, Buthelezi said he was overjoyed that there was now a glimmer of hope of new jobs being created and that the flagging South African economy was being given the boost it so desperately needed.

"One only has to pick up a paper or listen to a news broadcast in South Africa to gauge the extent to which sanctions have cruelly affected all black communities in South Africa today.

"The ripple effects of the suffering they have caused are now spilling over into white communities. The upsurge of violence, the robberies, the battering to death of old men and women is happening because there is unemployment, hunger and despair."

Pushed

Sanctions and apartheid, he added, had pushed many people beyond human endurance.

"They have dehumanised children of God with legislature that, each in its own way here and abroad, has had evil repercussions. Two wrongs have not made anything right.

"I point an accusing finger at the architects of both hideous policies for the harm they have done.

"The EEC has made a realistic assessment of the positive and irreversible political changes taking place in this country and it has quite correctly rewarded the State President, Mr FW de Klerk, for his bold initiatives.

"This move away from punitive sanctions will, I think, constructively facilitate the forthcoming negotiation process because we haven't got a hope in hell of negotiating a new and decent future for this country while jobs are dwindling and unemployed bandits terrorise our neighbourhoods," the KwaZulu leader said. - *Sapa.*

Widespread praise for sanctions move

Star 17/12/90 280

By Helen Grange
and Star Foreign Service

Business and political commentators — locally and abroad — have greeted the European Community's easing of sanctions with relief and gratitude.

However, some reservations have been expressed over whether investment will flow in under the current circumstances in South Africa.

The ban on new investment in South Africa has been lifted since the weekend, when EC leaders held a summit in Rome.

In addition, the EC declared it was ready to revoke all punitive measures if State President F W de Klerk repeals the Group Areas and Land Acts.

The remaining sanctions now include the ban on the importation of iron, steel and Krugerrands.

EC member-countries also prohibit the exportation of crude oil and the provision of computers to the South African Defence Force and SA Police.

The United States Ambassador to South Africa, William Swing, said yesterday that even with the departure of sanctions, investment would still not return to South Africa in significant amounts unless a culture of dialogue and understanding was developed.

He said at a function held for a group of black South African businessmen, who have returned from a visit to the US, that the American Embassy was developing an investment trade and aid policy.

The president of the Inkatha Freedom Party, Chief Mangosutho Buthelezi, praised the EC for its decision and slated the United Nations for not following suit.

Complimented

"The EC has made a realistic assessment of the positive and irreversible political changes and it has quite correctly rewarded Mr de Klerk for his bold initiatives," he said.

Ron Haywood, deputy director general of the SA Chamber of Business, said the leaders of the EC "are to be complimented" on having recognised the need to promote economic growth in South Africa, and their pragmatic boldness in placing economic realism ahead of political ideology.

"However, the fact that the EC have committed themselves to the relaxation of further sanctions which will take place as the reform process proceeds is perhaps even more positive and significant," he said.

Warren Clewlow, managing director of Barlow Rand Corporation, called the EC's decision "very good news indeed".

"This shows a positive and responsible response to the State President's reform initiatives. The people who should be the most pleased would be those who have been most disadvantaged by the sanctions, namely the poor," he said.

London's Observer newspaper yesterday welcomed the news, adding: "To the extent that sanctions have been effective — and they have been far more effective in one sense than their critics have given them credit for — they have symbo lised South Africa's isolation."

"If sanctions are to continue to serve any purpose, they must now be used as a carrot as well as a stick."

Although the ANC wanted sanctions to continue, the Community could not have held back, the paper said.

"De Klerk deserves a gesture of international approval for what he has done and encouragement to do more."

ANC to take embargo fight to Europe

Political Reporter Star 17/12/90

The ANC will take up the EC's decision to lift some restrictions with individual European governments to seek support for the maintenance of sanctions, ANC foreign affairs director Thabo Mbeki said yesterday.

At a press conference after the ANC's three-day Consultative Conference, he said: "The struggle for the isolation of the apartheid regime continues."

Aware 280

Aware of the world's changing attitude on punitive measures against South Africa, the ANC would also hold discussions with the US government, the international anti-apartheid movement and the democratic movement inside South Africa to push for sanctions.

In a resolution on international isolation, adopted at the conference, the ANC said it would organise an international summit to devise and consult on new strategies on sanctions.

The document said the ANC would tie the lifting of trade restrictions to the removal of discriminatory practices in the export sector.

EC decision galvanises gilts market

B Day 8/12/90

GRETA STEYN

THE easing of EC investment sanctions fuelled bullish sentiment in the gilts and financial rand markets yesterday.

But optimism was tempered by the ANC's "hardline resolutions" at its conference over the weekend, dealers said, and the release of SA's trade figures which showed a decline in November's surplus.

The financial rand was marginally firmer at R3,46 to the dollar from Friday's R3,49 on reports that the Reserve Bank saw the easing of investment sanctions as contributing to the process of abolishing the dual exchange rate. A dealer said positive sentiment was checked by the ANC's call for defence units and its April 30 1991 deadline for removing obstacles to negotiations.

In a volatile day in the gilts market, the benchmark Eskom Loan E168 shed 10 points in early trading to touch a low of 15,61% before the release of the November trade surplus pushed rates back up to close at 15,69%. Although the price of gold was $4 higher yesterday, an increase in the oil price combined with the weaker trade surplus to dampen bullish sentiment. (280)

Foreign investors have remained net buyers of gilts and the easing of EC sanctions could heighten demand. Dealers report foreign investors appear to be switching out of E168 stock into government's long-term stock.

● Comment: Page 3

FW in for rough ride over repeal of Acts

Cape Times 18/12/90

Own Correspondent

LONDON. — President F W de Klerk could be in for a rough ride over the next few months in the crucial process of selling the repeal of the Group Areas and Land Acts.

Senior officials involved in sanctions discussions between South Africa and the EC states said yesterday opposition was likely not only from the Conservative Party, but from within the National Party itself.

Because land-based apartheid was so entrenched among many whites, the officials said, Mr De Klerk would "need all the support of EC heads of state he can get to strengthen his hand".

In talks with European leaders this year, Mr De Klerk had "indicated" his intention to announce the repeal of the acts when he opened Parliament in February. He had admitted then that he would be "in for a bit of a rough ride to get them through Parliament".

It would be particularly difficult persuading white rural communities to change the attitudes of a lifetime.

With the US Congress only likely to start repealing the stringent Comprehensive Anti-Apartheid Act once the EC had made substantive moves, the sources said, much would depend on Europe demonstrating to white South Africans the benefits of the EC's new "carrot and stick" sanctions policy.

Difficult task

And EC foreign ministers could start delivering further carrots in a matter of months — should Mr De Klerk stick by his promise to lift the two Acts.

The initial phase of EC support for Mr De Klerk's difficult task of selling reform to the right wing came last Saturday when the European Council meeting in Rome agreed unanimously to lift the 1986 ban on new investments.

The 12 EC leaders also decided that "as soon as legislative action is taken by the South African government to repeal the Group Areas Act and the Land Acts, the Community and its member states will proceed to an easing of the set of measures adopted in 1986".

These mandatory measures, adopted by the EC in September 1986, include the ban on imports of "certain South African iron and steel and certain gold coins".

But diplomatic sources pointed out that the EC adopted other measures in September 1985, including the restriction on oil exports to South Africa and the arms embargo.

For these to go, they said, the EC — and other bodies which impose them, such as the Commonwealth and United Nations — would expect nothing less than the complete and irreversible dismantling of apartheid and the establishment of a united, nonracial and democratic South Africa.

SA gold is still target of AAM

Star 18/12/90 (280)

Star Foreign Service

LONDON — Britain's Anti-Apartheid Movement (AAM) has focused on two of the country's leading jewellers in its new campaign against the sale of South African gold jewellery.

Letters have been delivered to Argos and Easthope, asking them to follow the example of Ratners and phase out jewellery made from South African gold.

The letter to Argos is accompanied by details of the methods by which the origin of gold can be identified, after statements to the press by Argos that it was impossible to distinguish the origin of one piece of gold from another.

This weekend AAM campaigners will demonstrate outside jewellers throughout the country, urging them to support the campaign.

The End Loans to South Africa organisation is joining the AAM in the campaign, and is alerting jewellers to the more than 60 sources of gold other than South Africa — including Zimbabwe.

It also applauds the success of the campaign so far in encouraging Ratners to wind down its sale of South African gold jewellery.

the council. ... it's the bees.".

PAC warns on sanctions

WINDHOEK - The Pan Africanist Congress has warned Western countries that any relaxation of sanctions now against South Africa would constitute a "recipe for increased violence" in the country, PAC secretary for foreign affairs Mr Gora Ibrahim said yesterday.

"Any relaxation of sanctions now will not help propel the struggle in our country but rather it will constitute a recipe for increased violence.

"The Western countries will be reponsible for the increased violence caused by the premature relaxation of pressures and sanctions against the apartheid regime," he told a media briefing in Windhoek.

Ibrahim, who is based in Dar es Salaam, Tanzania, attended the Africa Fund meeting in the Namibian capital last week after taking part in the PAC congress in South Africa.

He said the decision by the European Community this week not to prohibit new investments in South Africa was a violation of the United Nations concensus resolution adopted last December, "because the UN concensus resolution categorically states that all forms of pressure against the apartheid regime, particularly sanctions, must remain in place until apartheid is eradicated". - *Sapa.*

SA needs to make a decent case for any new investment

8/w 19/12/90 (280)

Star Bureau

LONDON — The decision by the European Community to lift its ban on new investment in South Africa is unlikely to generate a massive injection of European capital into the Republic.

These were the indications in London and Paris.

A senior official of the United Kingdom-South Africa Trade Association, Nick Mitchell, said the EC move would not make much difference in the patterns of British investment in South Africa because the British had lifted the ban in February.

"The difference is that the South Africans need to present a decent case in favour of new investment and the lifting of the EC ban means they can, from now on, do it more openly."

Ignored it

He believed the same applied to the situation in France and Italy. "The Italians lifted the investment ban in 1989 while the French have ignored it."

In Paris, a French diplomatic source said: "The decision, for Pretoria, means that there is light at the end of the tunnel.

"Although France voted for the EC measure, President Francois Mitterrand and his socialist government have no intention at this stage of honouring it.'

"There is too much instability, violence and general uncertainty in South Africa at the moment to attract investment."

But trade sources here said a new contract for South African coal imports might well be signed soon.

At present coal imports, honouring old contracts, stand at about 1,3 million tons annually. This could well be tripled within the next year.

A French banker said: "The French business scene is not about to budge from its wait-and-see attitude."

But business circles said things might change for the better after Le Monde publishes a special supplement on South Africa this week. It is said to be "crammed with advertisements and publicity."

Affect SA

Unfortunately, the EC decision coincides with a media campaign that "Africa is finished so far as foreign investments are concerned," which could also affect South Africa.

The drying up of incentives, such as those for the border-industries within the homelands, is also likely to add to French businessmen's reluctance to invest in South Africa.

Major defends EC move on SA sanctions

280

Star 19/12/90

Star Bureau

LONDON — Britain's Prime Minister John Major has defended the European Community's decision to lift the ban on new investment in South Africa and yesterday called on other countries to follow suit.

In reply to a question from Labour MP Bob Hughes, he told the Commons that President F W de Klerk had been fulfilling his promises for months. "Does he (Mr Hughes) want to put such a block on future events that we cannot move forward?"

He denied the EC decision had been a "rebuff" to Nelson Mandela, adding: "I underline the importance of this move by the EC, which will encourage further reform and political progress in South Africa. I hope Europe's example will rapidly be followed by others."

Mr Major was congratulated by Tory MP Roger King, who claimed the only people who wanted to maintain comprehensive sanctions were "extreme elements" of the ANC and British Labour Party.

Mr Major told him: "The agreement by the European Council to lift the ban on new investment was a positive step forward and one for which the British government has been arguing for some time.

"The great changes in South Africa have been very welcome and I hope we shall be able to welcome South Africa back into the African and the world community."

Year the cultural boycott almost went

THE CULTURAL BOYCOTT

PAUL ALEXANDER

IN just over a month California will be abuzz with "cultural activists" and the local glitterati as they gather in what may be the last international indaba on South African culture.

The boycott debate has been an on again, off again issue throughout 1990, and the Los Angeles meeting could put the cap on it. There is strong speculation it will be lifted next year. But there is controversy over whose decision that will be. W1Mail 20/12/90 - 10/1/90

The foremost policy-makers have been the cultural activists, in conjunction with members of international human rights organisations such as the United Nations, meeting overseas.

The Federation of South African Cultural Organisations (Fosaco — formerly National Interim Cultural Coordinating Conference) launched earlier this month at the Durban Cultural Consultative Conference agreed unanimously to convene a national workshop to look at the cultural boycott.

But the possibility of a local indaba before the Los Angeles date seems unlikely, especially with the secondary role political organisations have given the cultural boycott.

The key player in the relaunching of the cultural boycott in the late 1970s was the Azanian People's Organisation. Its officials are among those who feel a local cultural symposium is essential to the ongoing debate.

Commenting on a local cultural indaba, Azapo representative Strini Moodley agreed that national discussion should be held. "People engaged in arts (referred to as cultural workers) are the people best able to make the decisions for themselves."

He added that "ways of working towards a cultural symposium" will be discussed at the Azapo national congress this weekend. Azapo intends also to look at the meaning of the cultural boycott.

Azapo hopes to have the fullest, widest representation at its proposed cultural indaba. Moodley said his organisation is to canvass support from all the liberation movements for the symposium.

Rashid Lanie of the South African Musicians' Alliance (Sama) also sees a need for a pre-Los Angeles local cultural gathering whose aim would be to solve some of the differences between cultural workers.

Lanie was one of the delegates who attended a meeting in New York last month called by the UN in preparation for the Los Angeles symposium. He feels some of the political objectives demanded before the boycott is lifted have been met by the government.

Speaking after Sama gave the French lambada group Kaoma the green light to perform here, he said: "We can't be radical any more on the cultural boycott. Many of the of the preconditions given for the lifting of the cultural boycott are no longer valid."

A cultural symposium inside South Africa would give observers, critics and interested people a chance to voice their needed — and often unheard — opinions.

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By attending a local cultural indaba, should there be one, anti-apartheid forces working overseas would observe first-hand the contradictions of the state in its moves in the eradication of apartheid. For instance, Western Cape cultural activist Omar Badsha said the then-NICCC believed the state was moving rapidly to privatise the performing arts councils so it could tie this issue to negotiations.

With the introduction of the "selective" cultural boycott, and how this selection works, no one could be more confused than the South African on the street.

Three years ago at a Culture Against Apartheid symposium in Athens the British Anti-Apartheid Movement opposed the introduction of the "selective" boycott, preferring a blanket ban — but a speech by ANC president Oliver Tambo had set the selective boycott as policy.

The selective boycott tended to be a splitting,

1990 was the year the cultural boycott almost went, but not yet

WI mail 20/12/90 – 10/1/91 · 842 280

rather than a unifying force, among liberation movements. Says Moodley: "The selective boycott tended to demonstrate a political intolerance. There is no need to declare an allegiance to any party. No one has a right to do this."

Much resentment built up over the years as various often self-appointed cultural commissars administered the boycott, often making decisions that seemed petty and unjustified.

The main reason put forward in Athens for a selective boycott was that it would stimulate the growth of progressive culture within South Africa — which it has, to some degree, done. But three years later cultural workers still differ on how selective this boycott should be. Exceptions were meant to cover artists accredited by "liberation movements" and those whose work was seen to "reflect and advance the anti-apartheid cause".

Members of the United Nations Special Committee Against Apartheid and the Anti Apartheid Movements (particularly Britain and Holland), declared a reluctance to lift the ban, but deferred to cultural organisations inside South Africa.

The role of foreign-based anti-apartheid movements tends to follow the liberation movements on culture. British AAM's Karen Talbot told *The Weekly Mail* that they could not comment on the boycott until they heard the results of last week's ANC consultative conference.

Three areas of the cultural sphere hold the final decision on lifting the boycott: the average South African, cultural workers, and the political leadership. But there is insufficient communication between these groups.

Symposia in exotic locations like LA or Athens will not cool the heated debate, though regular report-back meetings are important to boycott supporters.

At least the issue is under discussion, and interventions like that of Congress of South African Writers general secretary Junaid Ahmed are valuable: "As progressive cultural organisations we are increasingly finding ourselves not knowing how best to continue from here," he says. "We have seriously and critically to evaluate the validity of the boycott's implementation."

Did you know they were on the blacklist?

W\Mail 20/12/90 - 10/1/91 (280)

THESE are some people on the United Nations register of people who have performed in South Africa. The list is currently in the process of being updated.

Pierre Cardin, French fashion designer
Ick Coo Moon, Canadian pianist
Goombay Dance Band
Anthony Caro, British sculptor
Nicholas Clay, British actor
Shirley Conran, writer
Ray Davies, singer (The Kinks)
Sue Staples, Scottish country dance instructor
Milos Forman, film director
Patrick Swayze (since deleted)
Goldie Hawn
Alan J Pakula, film director
The Village People, disco band
Telly Savalas (since deleted)
Cher (since deleted)
69 Welsh choristers who performed in South Africa in 1981, all of whom registered in South African hotels under the name Jones
Richard Loring-

UN cautiously accepts reforms

Sowetan 20/12/90

UNITED NATIONS - The UN General Assembly, shedding years of strident rhetoric, yesterday cautiously welcomed political reform in South Africa but insisted that current economic sanctions be maintained.

After the annual anti-apartheid resolution was introduced with speeches, adoption abruptly was postponed until tomorrow when more speakers could be heard.

The omnibus political resolution against apartheid will be the first-ever sweeping anti-apartheid document in the annual session to be adopted by consensus and without a divisive vote in the 159-nation body. Narrow

SA PRESS ASSOCIATION

resolutions have been adopted by consensus in the past.

The measure was the result of arduous negotiations and compromise between Western countries and African states. The annual package of other anti-apartheid resolutions, ranging from military collaboration to an oil and sports embargo, were expected to be adopted tomorrow by overwhelming votes.

Statement

The South African Foreign Ministry issued a statement saying that the United Nations has no jurisdiction over internal affairs, but saying it was "nevertheless encouraged by the strong stand of a positive nature taken by a number of member states ...

"It is clear that the U.N. General Assembly accepts that a new South Africa is on the way.

UN takes less hostile line on SA

Star 29/12/90

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UNITED NATIONS — The United Nations General Assembly yesterday adopted a consensus resolution against apartheid in South Africa that showed an unprecedented degree of unity on a subject bitterly debated for decades.

The omnibus resolution, the result of long negotiations between Western nations and African states, insists that current economic measures be maintained against Pretoria but does not call for new sanctions.

Contrary to many past measures, the resolution avoids words like "regime" and instead talks about the South African authorities.

Dropped

Phrases such as "condemn" and "demand" are also dropped in recognition of President de Klerk's efforts to scrap apartheid.

The resolution is not the first consensus document on apartheid, but UN spokesman Fred Eckhard said it incorporated a number of items that had eluded full support for decades.

South Africa was expelled from the General Assembly in 1974. It said at the time that the Assembly had no jusrisdiction to interfere in its affairs.

General Assembly resolutions are not binding although they reflect international opinion. However, an arms embargo imposed by the Security Council against South Africa is considered mandatory while economic and financial sanctions adopted by the Assembly are voluntary.

Last weekend the European Community voted to drop its ban on new investments in South Africa in recognition of President de Klerk's reforms for social change.

On economic sanctions, the omnibus resolution, supported by all Assembly members, called on governments to use "concerned and effective measures, particularly in the areas of economic and financial relations", aimed at applying pressure to ensure a speedy end to apartheid.

The resolution calls Mr de Klerk's reforms "significant measures in the right direction" but says that efforts are needed to "facilitate free political activity and foster a climate fully conducive to negotiations.

The document also calls on South Africa to repeal all repressive legislation, end detentions without trial, permit the return of political exiles without restrictions and fully implement all agreements reached with the ANC.

On the continuing violence in the country, the resolution urges South Africa to ensure action is taken against all those responsible, "including vigilante groups" and calls on all parties to contribute to an atmosphere "free of violence".

The resolution also notes the contining effects of "acts of aggression and destabilisation" committed by South Africa against neighbouring states, particularly Mozambique.

In addition to the main resolution, the Assembly adopted five other substantive resolutions on South Africa, with the United States casting the only negative vote against all.

Abstained

The Soviet Union voted in support and most European nations abstained or voted against some of them.

Britain, which has lifted most sanctions against SA, joined the United States in casting the second negative vote against the oil embargo and military col laboration with Pretoria.

Australia was singled out by Nigerian ambassador Ibrahim Gambari, head of the Special Committee Against Apartheid, for supporting three resolutions and abstaining on a fourth. — Sapa-Reuter.

Time to plan for when apartheid is no longer an issue

B|Day 21|12|90

WAYNE MITCHELL

SEVERAL remarkable events took place during 1990 which saw SA do a political somersault. As a result of the turnabout, a question has arisen — when sanctions are abolished, particularly US sanctions, will foreign investors show an interest in SA?

The events which have led to the opening of this debate are the release of political prisoners, the unbanning of political organisations, the negotiations of "talks about talks" and the lifting of the state of emergency — all of which have led to the possibility of fundamental change.

For this, President F W de Klerk and his government must be applauded. However, the political scenario has yet to unfold, and business is as a result showing a reluctance to dive into the proverbial economic deep end.

The situation is now opportune for SA's future leaders to speak to foreign corporations about investment in a post-apartheid SA.

The considerations which arise from these encounters should be built into the medium and long term economic plans of all the major political actors.

The American business sector in SA, despite 154 corporations disinvesting, still has an asset base of about $2bn. At this point there is no rush by US companies to enter the SA market, although several scouting missions have taken place over the past six months.

Numerous reasons limiting serious consideration of investment include:

1) The Comprehensive Anti-Apartheid Act which makes new US investment in SA illegal.

2) The more serious Rangels Amendment, which is a back-breaking piece of legislation that forces US companies operating in SA to pay double tax.

3) SA has never been a major market for American investors, with seldom more than 1% of both income and assets of a US corporation being invested here.

4) The crisis and violence in the townships suggest the end of apartheid is not synonomous with the ending of violence and the instability.

5) Given the political changes, foreign investors are adopting a "wait and see" attitude as to how a new government will treat local companies, and to analyse what political and social conditions will prevail in the post-apartheid era.

A post-apartheid SA could be attractive to new foreign investors, particularly from the US, as the East European market has been flooded by West European investors, leaving the American investor to look for new pastures.

Unlike Eastern Europe, SA has a tradition of market economies, a stock market, legal structures, bidding and trading practices, a developed banking system and a modern communications and transportation infrastructure, all of which are incomparable on the continent.

It is estimated that an annual $2bn "post-apartheid dividend" in trade and investment could be added to the gross domestic product through the elimination of sanctions.

This would also add to a more stable economy to which foreign investors could be attracted.

There are investment bargains in SA. While influenced by external variables such as gold, the productive capital of SA, mining and tourism are undervalued in terms of productive capability. Another strong motivating factor for the foreign investor is the under-served southern African market of 120-million people.

Although capitalism has been synonomous with apartheid, it is essential that foreign investors are encouraged through dialogue.

The objective should not be to reduce the pressure to scrap apartheid, but to lay plans and foundations for the time when apartheid is no longer the issue. These discussions could include the role of the business sector and specifically the foreign investor in the restructuring of a post-apartheid economy.

This debate is very fluid, but there are indications that the economy could become more open and competitive if anti-trust laws similar to those in the US were used.

Such laws would lead to the breaking up of monopolies, and the encouragement of competition. This in turn would democratise the economy, weaken the dominant role of conglomerates and unleash more productive and competitive forces.

It can also be envisaged that a post-apartheid economy would hold foreign investors accountable to wider societal interests.

Investors would have to regard themselves as full participants in SA's economic life and thus identify with the developmental and planning aspirations of any future government. Corporate philanthropy, manpower development programmes, community development projects and corporate-community relationship programmes would inevitably become the norm.

The relationship between worker and management is another important issue for the foreign investor.

One of the walls which has separated management and labour in SA has been apartheid, with the trade unions focusing on political issues which have diverted their attention away from direct worker interests. When apartheid has gone we will find the unions in an extremely visible role, as they refocus their attention on bargaining for wages and benefits, but most importantly, participate in actual company planning and management.

This should lead to improved trust and collaboration between labour and management, creating a more stable workforce through self-interest, in order to maintain investor confidence and create jobs.

The government of the day will in all probability actively encourage any resolution of conflict between labour and management in order to stimulate the economy so that they can deliver on political promises of the past.

Few corporations have slammed the door on SA, but few of those which have disinvested will rush back with significant investments. But there are short-term exceptions.

Much of the early investment in mining and tourism, and in high priority areas such as food, clothing, basic consumer goods, small appliances and housing, may be led by African-American entrepreneurs.

Nearly half the US firms which no longer have direct investment have retained licensing, distribution, franchise or buyback agreements which would facilitate their re-entry into the SA market. These companies have maintained visibility and positive linkages through non-commercial activities such as support of black education and community development trusts.

Continued and accepted use of this non-equity mechanism can be expected until the foreign corporate community is confident that direct investment is warranted.

On the positive side for US corporations, the process of investing in a new SA could be less painful than predicted by the pessimists.

US corporations have a wealth of experience with integration at the workplace, coupled with a direct affirmative action programme in community development. Because of this experience, any future SA leadership might openly encourage US companies to enter into joint ventures so that SA companies can learn from their experience.

It will be hoped that many of the forces which exerted influence through corporate disinvestment and sanctions will be just as vocal in their encouragement of corporate reinvestment, but reinvestment will have to be vigorously pursued.

It cannot be based only upon a clear economic risk analysis done by foreign companies searching for new markets.

SA alone can provide the conditions conducive to foreign investment. The opportunity is about to present itself, and if it is not grasped it could be lost forever.

☐ **Mitchell is executive director of the American Chamber of Commerce in SA.**

has been to preach the isolation of the apartheid regime.

Azapo congress to discuss sanctions

21/12/90 – 3/1/91 New Nation

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New Nation 21/12/90

THE international community will receive a clear message that democratic formations in the country want the continued isolation of South Africa when the Azanian People's Organisation (Azapo) adds its call for the maintenance of sanctions.

Azapo holds its tenth annual congress in Cape Town this weekend on the theme "Defend the People, Reject Neo-colonialism, Advance Socialism".

Azapo publicity secretary Strini Moodley told NEW NATION that the critical issues on the congress agenda would be a program for united action; sanctions and other strategies of isolating South Africa; and the consultative conference of liberation movements.

Recent conferences of both the ANC and PAC have called for the maintenance of sanctions.

Azapo wants liberation movements to develop a strategy for a common assault on the government.

The apparent shift towards lifting sanctions should be attacked and exposed for the opportunism it represents, Moodley said.

"Azapo will seek ways and means by which the international community can be confronted on its decision to give further credibility to the nationalist regime in the light of continued exploitation and oppression," he said.

The government had done "nothing" for the oppressed people, he said. The international community's collusion with the nationalist "regime" was therefore a betrayal of the people of South Africa inspired by selfish motives.

Moodley said Azapo felt that the liberation movements and their armed wings should not only continue the armed struggle but seek ways to work out a strategy for unified action.

This need for a common assault on the government has inspired Azapo to motivate for a consultative conference for the liberation movements.

The idea has gained great currency, with ANC deputy president Nelson Mandela calling for "a patriotic liberation front" at last week's ANC consultative conference. The PAC has also called for a united front.

So far, Azapo has secured an agreement in principle for the organisations to come together.

Azapo intends to draw together those organisations determined to change the status quo. This, according to Moodley, would include the ANC, PAC, SA Communist Party, New Unity Movement and Workers Organisation of South Africa.

However, homeland and other government-created structures would not be invited, which would exclude the Inkatha Freedom Party (IFP), he said.

● The keynote address at the Azapo congress will delivered by Sri Lanka-born activist Anbavaler Sivanandan, the director of the Institute for Race Relations in London and an analyst on racism, socialism and related issues.

N Tvl boycott still on

New Nation 21/12/90 – 3/1/90

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THE ANC Youth League and (ANC YL) the Consumer Boycott Committee

ANC role on SA culture is attacked

Sowetan 21/12/90

THE ANC's department of art and culture was "causing a great deal of concern and confusion" on the cultural front, the director of the South African National Gallery, Miss Marilyn Martin, said on Wednesday.

Speaking at a cultural convention in Cape Town that was hosted by World Vision and Pen International, she said the ANC's cultural boycott had "profoundly affected the scope and quality of the productions and exhibitions offered in South Africa".

"The national culture towards which this country is striving, and which contains the very process of nation-building and of national unity, will be poor and desperately lacking in substance if we have to fall back on our own undernourished and depleted resources alone.

Education

"And yet we should have enough faith in our own cultural production and potentialities to welcome outside influences," Martin said.

South Africans had been deprived by an education system that did not provide adequate access to either Western or African cultural influences.

In addition, the efforts of the masses to express themselves culturally had been negated or actively opposed.

"We must remember the wealth of culture which we have lost, which has been destroyed and banned and we must prepare ourselves for the cultural enrichment which the returning exiles are bringing," she said. - *Sapa*.

R180 000 gold bar arrest

A CARLETONVILLE miner was arrested on the road between the town and Johannesburg on Wednesday after police found a R180 000 gold bar strapped to his waist.

Captain Braam Wiid, of the Gold Unit in Randfontein, said the man was

He is a miner at Western Deep Levels Gold Mine.

Wiid said it was unusual to catch someone stealing a gold bar although miners were

Australia to move on end to sanctions?

CANBERRA. — Australia could expect "early movement" on reintroducing sporting and cultural ties with South Africa as soon as the federal government was satisfied the republic's reforms were solid, Foreign Minister Mr Gareth Evans said yesterday.

Mr Evans said Australia would be prepared to consider the phased reduction of sanctions against South Africa as momentum to reform the apartheid system increased.

But he said Australia would still seek the advice of black South Africans and other Commonwealth nations before making any decision on sanctions. — Sapa-AP

Americans in a hurry to return to the 'new SA'

ST Times, 23/12/90 (280)

By IAN SMITH and DIRK TIEMANN

MAJOR American corporations have sent scouting missions to South Africa to look at potential investments — in spite of the fact the sanctions legislation is still in place.

In contrast to European business, which has shown no sign of a rush to SA after last week's decision to lift EEC sanctions, many US companies are examining opportunities.

In the wings, there is a "post-apartheid dividend" of $2-billion a year for SA from investment and exports once trade with the US is normalised, says Wayne Mitchell, executive director of the American Chamber of Commerce in SA.

Although 154 corporations have quit SA, the US business sector still has an asset base here of about $2-billion.

Licensing

Mr Mitchell says several companies which disinvested are among those investigating opportunities. Exploratory teams from at least two investors have been back to take stock of the new situation in the past six months.

Nearly half of the US companies which no longer have direct investment in SA have retained licensing, distribution, franchise or buy-back agreements which would facilitate their re-entry.

"These companies have maintained visibility and positive links through non-commercial activities such as support for black education and community development trusts," says Mr Mitchell.

"Continued use of this non-equity mechanism can be expected until the foreign corporate community is confident that direct investment is warranted."

A post-apartheid SA could be particularly attractive to new investors from the US because the East European market has been flooded by West Europeans, leaving Americans in the cold.

Unlike Eastern Europe, SA has a tradition of market economics, a stock market, legal structures, bidding and trading practices, a developed banking system and a modern communications and transport infrastructure which cannot be found elsewhere in Africa.

Mr Mitchell says SA offers investment bargains. A strong incentive for foreign investors is the fact that SA looks set to play a leading role in the under-served southern African market of more than 120-million people.

"The situation is now opportune for SA's future leaders to talk to foreign corporations about investment in a post-apartheid South Africa.

"The considerations arising from these encounters should be built into the medium- and long-term economic plans of the major political actors."

He says the biggest hurdle to investment is not the Comprehensive Anti-Apartheid Act, which is likely to be scrapped as soon as SA meets all requirements.

The Rangels Double Taxation Amendment, which effectively forces US companies to pay double taxation, is the "back-breaker", says Mr Mitchell "But this need not be a permanent problem"

There is global support for economic success in a post-apartheid SA. "One hopes that the many forces which exerted pressure for corporate disinvestment and sanctions will be as vocal in their encouragement for corporate re-investment."

SACOB deputy director general Ron Haywood says businessmen are looking for the best return at least risk.

"South Africa is now on the shopping list of foreign investors, but it would be naive to believe that the floodgates will open.

"Multinationals in SA are more likely to consider investment. Joint ventures are more likely because SA companies have international experience, making them good partners."

Overblown

First National Bank chief economist Cees Bruggemans says recent capital inflows must be seen against the R30-billion capital outflows, including debt repayments, in the past five years.

Dr Bruggemans says the whole matter is hopelessly overblown.

"The lifting of sanctions is a political signal. Foreign investment will not come back overnight because the political and economic fundamentals are not right. We are in a recesssion and the economy is not performing.

"Trade finance has never been a problem, but direct loans will only receive tentative interest. The main players are frozen in place.

"The capital account will be more accommodative in the next two to four years, but capital will come back only slowly"

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AT CAMP DAVID . . . British Prime Minister Mr John Major (left) and President George Bush address the press at Camp David yesterday. Picture REUTER

Major urges Bush to start lifting sanctions

From SIMON BARBER

WASHINGTON. — The United States should move quickly to start rolling back sanctions, Britain's Prime Minister Mr John Major told President George Bush at their first meeting here.

At the end of talks at Mr Bush's Camp David retreat on Saturday, Mr Major made it clear he intended to follow the South African policy set by his predecessor Mrs Margaret Thatcher.

He said he and Mr Bush had discussed the "remarkable changes" taking place in SA and that he had urged the president to follow the European Community's lead in beginning to lift sanctions.

"I told the president about the EC's decision to lift its investment ban and expressed the hope that the US will soon feel able to lift some of the restrictive measures that they have in place"

The US administration hopes to seek congressional approval to begin lifting sanctions early next year. The law's only condition which must still be met is the release of political prisoners.

There is debate within the administration about how stringently that condition should be construed and what constitutes a political prisoner in terms of the law.

The talks between Mr Bush and Mr Major were chiefly devoted to the crisis in the Gulf and developments in the Soviet Union, on both of which the the leaders declared themselves in full agreement.



PRINCE IN GULF . . . Prince Charles in a Challenger tank during a visit to the Queen's Royal Irish Hussars regiment in the Saudi desert. Picture REUTER

Alert in the Gulf

Allies ready to attack immediately, Bush warns Iraq

RIYADH. — United States forces in the Gulf have been put on high alert in case Iraq tries a surprise attack over Christmas.

And at Camp David in Maryland, President George Bush said allied forces were prepared to launch a heavy offensive if necessary against Iraq.

This threat was underlined by US Defence Secretary Mr Dick Cheney when he said yesterday· "The clock is ticking" quickly toward the possibility of war.

The military is apparently worried about a possible strike similar to one by Egypt and Syria on Israel during Yom Kippur in October 1973.

A senior US military official said troops would be on special alert for about a week.

A British military spokesman said· "We're aware something could happen The troops will have an enjoyable Christmas But rest assured we will not lower our guard over the holidays."

British armed forces minister Mr Archie Hamilton told the "Desert Rats" armoured brigade last week they should prepare for a sudden attack.

Iraqi President Saddam Hussein, he said, might stage a pre-emptive strike as he increasingly felt the pressure of a United Nations deadline authorising use of force unless he withdrew from Kuwait by January 15.

"I think possibly as he gets more desperate then that danger might increase," he said. "We've got to be alert all the time"

At least two US military units in the Gulf were put on red alert for a few minutes last Friday. The reason was not disclosed but a US spokesman said it was not an exercise.

HAIFA. — American sailors wept at a memorial service here yesterday for 21 shipmates who drowned after a ferry returning them from Christmas leave in Israel capsized in the Mediterranean.

Israeli investigators said the sailors surged to the stern of the ferry, thinking they were about to board the aircraft carrier USS Saratoga, anchored two kilometres off Haifa.

A strong wind or large wave then apparently rocked the vessel, causing it to sink.

● At least 77 American military personnel have died since Operation Desert Shield began on August 7, most of them in air crashes and accidents. Two were suicides. Five other Western personnel in the Gulf region have also been killed in accidents. — Sapa-Reuter

In a press conference at the end of his meeting with British Prime Minister Mr John Major, President Bush said: "If there was some clear provocation 10 minutes from now (by Saddam), the allied forces are ready to respond vigorously."

He made the comment in response to recent public confusion, some of it fuelled by a top military officer, about the readiness of US forces.

General Calvin Waller, deputy commander of the US Gulf troops, said last Wednesday that the US would not be fully ready to fight Iraq by the UN deadline of January 15 for Iraqi withdrawal from Kuwait.

President Bush said he would hold a meeting today with Defence Secretary Mr Dick Cheney and General Colin Powell, who have been conducting their own assessment of troops in the Gulf region.

He and Mr Major said it was up to Mr Hussein to withdraw from Kuwait by the middle of January to avoid the clear possibility of war

"If he doesn't, he knows what the consequences may be," Mr Major said.

They expressed disappointment at the resignation of reform-minded Soviet foreign minister Mr Eduard Shevardnadze, but they said they expected that the Soviet Union would continue its stand against Iraq.

They had also discussed the stalled GATT free-trade talks and South Africa.

In Qatar, meanwhile, six leaders of the Gulf Co-operation Council, an Arab mini-state alliance arrayed against Iraq, repeated its resolve not to negotiate with President Hussein until his troops withdraw from Kuwait.

Leaders of Qatar, Kuwait, Oman, the United Arab Emirates and Saudi Arabia, and the prime minister of Bahrain, were present.

Prince Charles yesterday visited British troops in the Gulf, and the BBC reported that Germany and the Netherlands had·promised to supply ammunition for British forces in the Gulf.

By mid-January, the US is expected to have 420 000 troops in the Gulf region, plus 100 000 from other nations. Iraq has more than 500 000 troops in southern Iraq and Kuwait

In Iraq, Defence Minister Lieut-General Saadi Tuma Abbas said· "The US defence minister and those who support him will see how the earth will be burned under their feet not only in Iraq but also in Saudi Arabia and other Arab Gulf countries." — Sapa-Reuter

Cape companies could benefit if Suez closed

TABLE BAY harbour may see an increase in shipping and shipping companies could benefit from increased business in repair and bunker services should the Suez Canal be closed to shipping if war breaks out in the Gulf.

A spokesman for the Port Captain's office said the closure of the canal would mean a definite increase in ships rounding the Cape, with an increase in business for local companies.

Egypt has already tightened security at the Suez Canal after learning of plots to block it if a Gulf war breaks out, security sources there said yesterday

They said they had received warnings that ships carrying cement from the Gulf and Far East might scuttle themselves or dump their cargo in the waterway if war broke out in the Gulf.

The aim would be to prevent reinforcements and supplies reaching US-led multi-national forces deployed in Saudi Arabia.

The security sources said ships in the waterway — one of Egypt's main foreign currency earners — were being boarded, searched and kept under surveillance.

Egypt, which has sent more than 20 000 troops to Saudi Arabia and the United Arab Emirates since the invasion of Kuwait, has stepped up security throughout the country in case of Iraqi retaliation. — Staff Reporter and Sapa-Reuter

SOWETAN BUSIN
Building the Nation

Sanctions major poser for SA

Sowetan 27/12/90

Wayne Mitchell, executive director of the American Chamber of Commerce reviews the past year and the prospects of foreign investment in the country, and argues that the country's future leaders must now talk to overseas corporations.

SEVERAL remarkable events took place during 1990 which saw South Africa do a political somersault.

As a result of the turnabout, a question has arisen: When sanctions are abolished, particularly US sanctions, will foreign investors show an interest in South Africa?

The events, which have led to the opening of this debate, are the release of political prisoners, the unbanning of political organisations, the negotiations of "talks about talks", the lifting of the state of emergency, all of which have led to the possibility of fundamental change in South Africa.

For this President De Klerk and his Government must be applauded, however, the political scenario has yet to unfold and business is, as a result showing a reluctance to dive into the proverbial economic deep end.

The situation is now opportune for South Africa's future leaders to engage foreign corporations in dialogue about investment in a post-apartheid South Africa.

The consideration arising from these encounter should be built into the medium and long term economic plans of the major political actors.

The American business sector in South Africa, despite 154 corporations disinvesting, still has an asset base of approximately 2 billion US dollars.

At this point there is no rush by American companies to enter the South African market, although several scouting missions by US companies to South Africa have taken place over the past six months.

Numerous reasons that limit serious consideration by possible American investors are:

1. The Comprehensive Anti-Apartheid Act which makes new US investment in South Africa illegal.

2. The Rangels Double Taxation Amendment, which is a back-breaking piece of legislation, that forces American companies operating in South Africa to pay double tax.

3. South Africa has never been a major market for American investors, with seldom more than one percent both income and assets of a US corporation being invested in South Africa.

4. The crisis and violence in the townships is suggesting to the foreign investor that the end of apartheid is not synonomous with the ending of violence and the instability.

5. Given the political changes, foreign investors are adopting a "wait and see" attitude as to how a new South African government will treat local companies and to analyse what political and social conditions will prevail in the post apartheid era.

A post-apartheid South Africa could be attractive to new foreign investors, particularly from the USA, as the East European market has been flooded by West European investors leaving the American investor to seek new pastures. Unlike Eastern Europe, South Africa has a tradition of market economies, a stock market, legal structures, bidding and trading practices, a developed banking system and a modern communications and transportation infrastructure, all of which are incomparable on the African continent.

South Africa has a "post-apartheid dividend" of 2 billion dollars per year, which could be added to the gross domestic product through the elimination of sanctions. This would also add to a more stable economy to which foreign investors could be attracted.

Investor

In South Africa there are investment bargains while influenced by external variables such as gold, the productive capital of South Africa, mining and tourism are undervalued in terms of its productive capability.

Another strong motivating factor for the foreign investor looking at South Africa as a possible investor, is the under-served Southern African market consisting of 120-million people.

Although to date, capitalism has been synonymous with apartheid, it is essential that foreign investors are encouraged through dialogue. The objective of such dialogue is not to reduce the pressure to scrap apartheid, but to lay plans and foundations for when apartheid is no longer the issue.

These discussions could play in the restructuring of a post-apartheid economy. This debate is presently very fluid, but there are indicators that the economy could become more open and competitive than it is now if anti-trust laws were used similar to those in effect in the United States.

Such laws would lead to the breaking up of monopolies, which will lead to the encouragement of competition which in turn will democratise the economy, weaken the dominant role of conglomerates and unleash more productive and competitive forces.

It can also be envisaged that a post-apartheid economy would hold foreign investors accountable to wider societal interests and investors would have to regard themselves as full participants in South Africa's economic life and thus identify with the developmental and planning aspirations of any future government.

Corporate philanthropy, manpower development programmes, community development projects and corporate-community relationship programmes, will inevitably become the norm.

The question which is also of concern to the foreign investor is that of the relationship between worker and management.

One of the key walls which has separated management and labour in South Africa to date has been apartheid, with the trade unions focusing on political issues, which have diverted their attention away from their relationship with management pertaining to direct worker interests.

Without apartheid we will find the unions in an extremely visible role. This will be through the re-focusing of their attention to the bargaining for wages and benefits, but most importantly, participating in actual company planning and management.

This will lead to improved trust and collaboration between labour and management, hence creating a more stable workforce, through self-interest, in order to maintain investor confidence and create jobs.

The Government of the day will in all probability encourage any resolution of conflict between labour and management in order to stimulate the economy so that they may deliver political promises which have been made in the past by key political leaders and organisations.

Few corporations have slammed the door on South Africa, however, few disinvested corporations will rush back with significant investments.

Sanctions being 'eroded'

ADDIS ABABA — An OAU official yesterday expressed deep concern over what he termed the "gradual erosion" of the international consensus on sanctions against SA.

"In the recent past, we have witnessed actions by countries, both within and outside Africa, that tend to undermine the collective position decided upon by the international community and the OAU," said OAU secretary general Salim Ahmed Salim.

In a New Year message, Salim said until there was evidence of an irreversible move to dismantle apartheid, sanctions against SA should be maintained.

Salim did not cite any country he claimed had undermined the international consensus.

He said the violence in which hundreds had been killed this year undermined the fight against apartheid and the unity of liberation movements in SA.

"I would therefore like to renew my urgent appeal to all the anti-apartheid forces and to all the oppressed peoples of SA to put an end to this bloody and fratricidal violence," he said. — Sapa-AP-Reuter.

US won't jump sanctions gun on IMF loans

By David Braun
Star Bureau Star 28/12/90

WASHINGTON — The US would be unlikely to support a South African application for a loan from the International Monetary Fund until after other American sanctions against the country had been lifted.

US Assistant Secretary of State Mr Hank Cohen said this in an interview with The Star this week.

Mr Cohen said that while it would be juridically possible to support an IMF loan for South Africa, it would be a political contradiction to do so until requirements stipulated by the 1986 Comprehensive Anti-Apartheid Act (CAAA) for the lifting of other sanctions had been met.

It also made sense to first deal with CAAA sanctions because it would then be easier to interpret legal requirements governing support for an IMF loan in favour of an application by South Africa, he said.

Mr Cohen said the US Administration had already decided that South Africa will have met four out of five of the CAAA requirements for the modifying or suspending of sanctions once all political prisoners had been released.

The administration believed the repeal of security legislation was not a CAAA requirement. 280

He was upbeat about the progress South Africa had made in 1990, saying the country had become the most open society in Africa. 1546

He said he would be disappointed if, by the end of 1991, negotiations for a new constitution had not aready begun and if the black leaders had not on their own initiative resolved the violence in the country.

Sanctions are being eroded but investors need stability

By COLIN LEGUM

ALTHOUGH sanctions against South Africa have not yet been finally lifted, they are crumbling at a rate that already casts doubt on their credibility and effectiveness This development is an undoubted triumph for President F W de Klerk whose promise of "a new South Africa" has carried more weight than the anti-apartheid movement's warning that the liquidation of apartheid is not yet irreversible.

In fact, as has been openly admitted by ANC leaders, De Klerk has succeeded in wresting the initiative in the opening phase of the negotiating process over a democratic non-racial constitution from his opponents

This goes not only for the success he has had in the international arena, but also at home One reason for this is the difficulty the ANC has had in establishing itself as a disciplined and coherent political party with a proven mass following To date, it has succeeded in recruiting only 200 000 members in its initial campaign to secure one million members Moreover, it has failed to produce an effective organisation to service even its 200 000 members

Building a party

Yet, as public opinion polls show, over 57% of all South Africans give their vote to the ANC Its failure, so far, has been to convert this massive sympathy vote into an organised political party.

Those who criticise the ANC's failure — and the critics are to be found inside the ANC as well as mong its opponents — underestimate the very real difficulties of building an organised party in the short period of 10 months since the ANC was made legal

It is likely to take at least another year before the ANC is able to create the infrastructure needed to establish its position

Apart from the inevitable difficulties of planting itself firmly on the ground, the ANC's most notable defeat, thus far, has been the crumbling of sanctions

If the ANC had read the signs correctly it could have gained greater international credibility by taking the initiative in advocating a policy of selectively lifting sanctions instead of persisting in the hardline advocacy of keeping up economic pressures

In fact, many of the ANC's leaders — notably Oliver Tambo and Nelson Mandela — correctly foresaw the irreversible crumbling of sanctions and sought to change the party's hard line. But they failed to persuade key elements in the movement to accept the political wisdom of placing less reliance on international pressures and more on national pressures The rejection of their advice was overwhelmingly demonstrated by last week's decision of the ANC's advisory conference to pursue the largely lost cause of pro-sanctions policy

Much of the blame for eroding sanctions is now laid by the ANC at the door of the European Community's decision to begin phasing out sanctions by lifting the ban on foreign investment in South Africa

But while the West Europeans are a convenient scapegoat, the reality is that the East Europeans, including the Soviet Union, and especially African governments, have done more to erode sanctions over the last six months than the European Community

African governments

Hungary, Czechoslovakia and Rumania were among the first to breach the trade ban

The Soviet Union sent a trade delegation to South Africa on an exploratory visit which resulted immediately in the placing of an order for prefabricated housing for victims of the Chernobyl disaster, and in inviting South African experts to come and advise on measures of containing the effects of the nuclear fallout.

Far more telling than any of these breaches of sanctions has been the role of African governments. In the last nine months South Africa's trade with the rest of Africa has increased by 40% A growing number of African governments has openly defied the boycott policy of the Organisation of African Unity by inviting the South African government for talks to develop trade relations.

This includes such formerly hardline opponents of Pretoria as Madagascar and the Seychelles, while Kenya broke the ban on air connections by licensing South African Airways to begin a regular weekly service to Nairobi to facilitate both tourism and trade. At least 14 African governments now maintain open trade and other links with South Africa

There have also been other significant improvements in relations beteen South Africa and its neighbours The Southern African Development Cooperation Conference (SADCC) — which was formed to lessen the dependency of South Africa's neighbours on Pretoria — invited Pretoria to send an observer to its lasting meeting, as did the 14 members of the Preferential Trade Area (PTA)

Even more important is the agreement by SADCC members to begin integrating their national power grid systems with the Electricity Supply Commission of SA (Eskom) The first stage of this development, which will be financed by the World Bank, will link Eskom with Zimbabwe The second stage will extend the grid to Zaire and, potentially, as far north as Tanzania The cost is estimated at tens of millions of rands

Pretext for West

The opening of links between South Africa and the rest of the continent are potentially far more important than the putative ending of sanctions with Europe

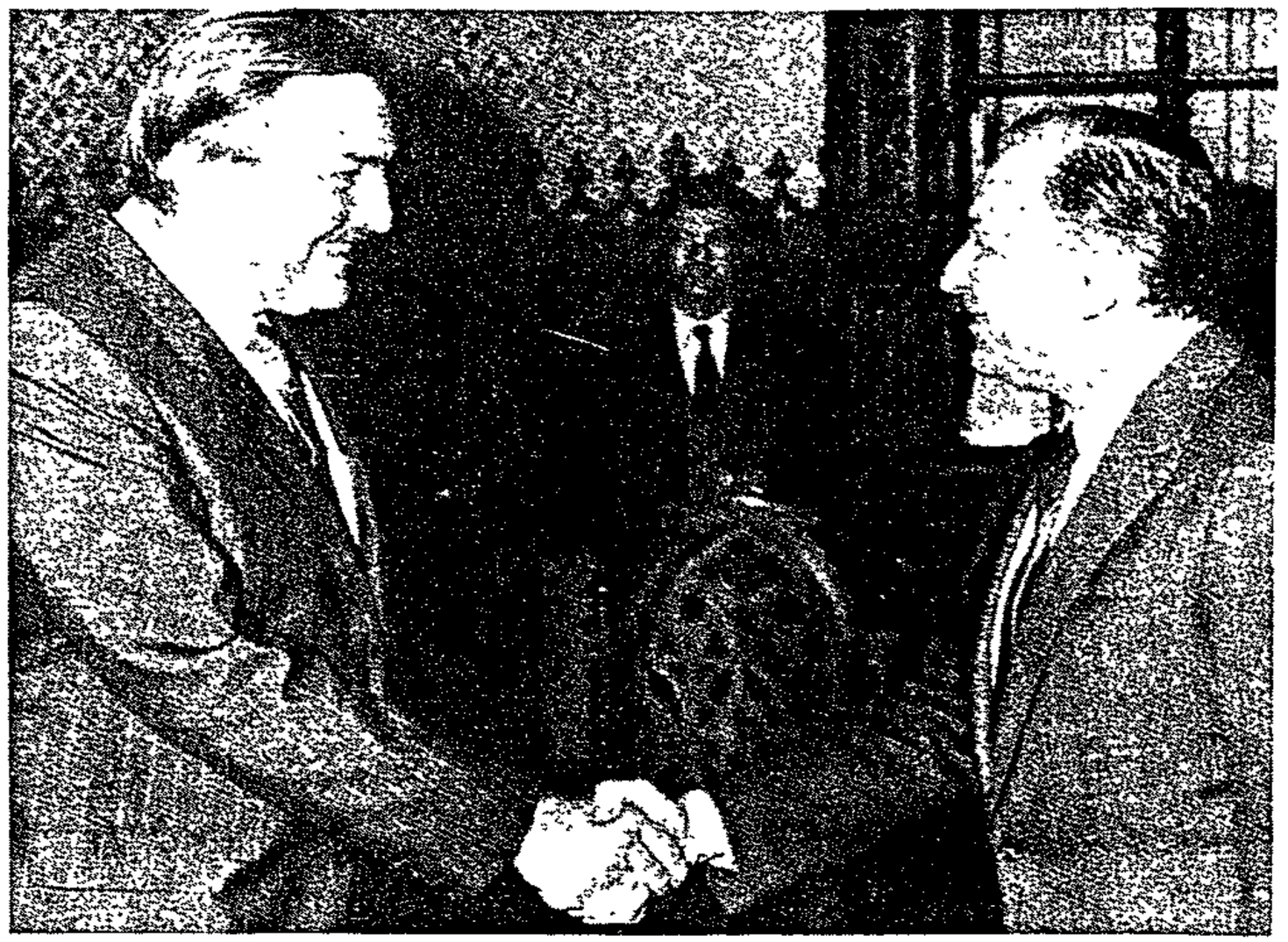
In a very real sense, therefore, it can be argued that the most serious breach in sanctions has been the result of the changing policies of African governments It would hardly be surprising, therefore, if Europeans and North Americans were to use as their prextext for phasing out sanctions the example set by Africans themselves

Since the ANC has been unable to dissuade members of the Organisation of African Unity to observe sanctions until the political process is adjudged to be irreversible, it seems unlikely to have more success in preventing the Europeans and North Americans from abandoning sanctions

However, the steady crumbling of sanctions is unlikely to help South Africa's straitened economy in the near future It is unlikely that the European Community's decision to lift the ban on foreign investment will result in any meaningful new investment pouring into South Africa What deters foreign investors is the country's political uncertainty. This will persist so long as there is no positive outcome over the negotiations for new democratic constitution

This still gives the ANC the whip-hand in the negotiating process The bottom line is that there can be no meaningful progress towards achieving stability in South Africa without agreement between the government, the ANC and other opponents of apartheid

□ *Colin Legum is a specialist writer on Africa*



EASTERN BLOC LINKS . . . South African Foreign Minister Mr Pik Botha met Rumanian President Mr Ion Iliescu in November. Rumania, Hungary and Czechoslovakia were the first countries to breach the trade ban.

Sanctions 'erosion' slated

Star 29/12/90

ADDIS ABABA — An Organization of African Unity official this week expressed deep concern over what he termed the "gradual erosion" of the international consensus on sanctions as a weapon against South Africa.

"In the recent past, we have witnessed actions by countries, both within and outside Africa, that tend to undermine the collective position decided upon by the international community and the Organisation of African Unity," said OAU secretary general Salim Ahmed Salim.

In a New Year message, Salim said that until there was evidence of an irreversible move to dismantle the apartheid system of racial segregation, sanctions against South Africa should be maintained.

Salim did not name any country or cite the actions he claimed had undermined the previous international consensus.

280

South Africa says it now trades with every state on the continent except one, despite the ongoing calls for sanctions.

Besides this the European Community has lifted a voluntary ban on new investment.

Recent events in South Africa have generated a "mood of optimism hardly imaginable a few years ago," conceded Salim.

He expressed deep concern and regret at the continued township violence and urged the anti-apartheid forces "to put an end to the bloody fratricidal conflict". — Sapa-Associated Press.

Trade drive to Africa

MANY black African countries are already responding enthusiastically to economic advances from South Africa, the former apartheid pariah.

Despite black Africa's ideological suspicions, almost every country is ready to welcome full economic co-operation the moment apartheid is ended.

Perhaps the most concrete example of the new economic trend can be seen in the relationship between South Africa and Madagascar. President FW de Klerk paid a state visit there in August, with a retinue of businessmen in tow, and returned after signing a tourism and air links agreement.

SOUTH Africa has launched a full scale economic drive in black Africa, proclaiming apartheid has ended. It says sanctions should end too and wants to cash in on African markets as soon as it can. Its initiatives are succeeding.

South Africa's Sun International Leisure group is considering building a luxury hotel in Antananarivo, the Malagasy capital. Johannesburg mining companies have also expressed interest in nickel, chrome, bauxite, graphite and marble deposits in Malagasy.

Mozambique is another country that has long been the target of South African economic penetration. A South African trade mission is already well established in Maputo. South Africa, former backer of Renamo rebels, has suddenly changed into the rich neighbour keen to invest.

The trade mission reports there are over 100 applications a month from South African businessmen eager to find investment opportunities in the born-again economy.

South Africa, one of the main sponsors of the Cabora Bassa dam when it was first built in 1977, hoped it would supply power to its industry. But its backing of Renamo resulted in continual disruption of the supply. Now South Africa has sufficient confidence in the new entente to spend R50-million in the dam's reconstruction.

Ultimately it hopes Mozambique will be able to supply 10 percent of its electrical power from the dam. South African troops are now actually guarding the dam while reconstruction goes ahead. Already, as Mozambique privatises, South African firms are arriving to buy rich land for plantation projects. Other businessmen are moving fast into hotels and tourism.

Trade is already increasing under the bilateral agreement signed in 1989. Traditional Mozambican exports of prawns, fish and furniture are being supplemented by synthetic and cotton textiles, blankets, clothes, cashew nuts, nut-oil, asbestos sheets, tyres and inner tubes.

Even Zambia, once the target of armed strikes and economic strangulation by its powerful southern neighbour, is now developing new relations.

In August the Zambian government announced that traders could start using routes through South African ports to import and export essentials. The move was welcomed by the business community, which knows South Africa provides cheaper and more efficient transport and looks forward to the day when trade can be liberalised too.

The Zambian government has also lifted restrictions on a number of manufactured and agricultural goods that can be exported to South Africa. This is seen as a covert way of lifting sanctions without doing so officially.

South Africa is now so confident in its new economic drive in black Africa that it almost ensnared Kenya. A deal between Kenya Airways and South African Airways that would have been profitable to both companies and countries was actually signed.

Flights were advertised and due to start on December 1 and some tickets were sold.

Under the agreement the airlines were to co-operate in joint maintenance, catering, security, ground handling, and the recruitment and training of staff.

But when ANC leader Nelson Mandela stopped over in Kenya on his way to Japan, he persuaded President Daniel Arap Moi to stop the deal. Mandela insisted the ANC had not been contacted and wanted sanctions against South Africa to be maintained.

Moi recognised the political issue at stake and ordered that the air link should be cancelled "until apartheid is dismantled".

Everyone knows both economies would benefit from a fast lifting of the ban, as will other African economies when South African co-operation becomes a reality. – NEW AFRICAN

YEAR OF HC

As we

(Sep 12 280) clipped 30/12/90.

AS we wave the year goodbye and indulge in a little hindsight, we find that the cultural boycott remains, SABC gave M-Net licence to broadcast news on condition it's a late-night show, and local boxers dominated the field of international sporting achievement

Exiled musicians appeared briefly like ghosts from the past with maestros Abdullah Ibrahim (Dollar Brand) and Hugh Masekela raising the roof for the *Weekly Mail* film festival A few minor bomb attacks jolted the festival.

Miriam Makeba came home to take a peek at the "new South Africa" She was allegedly most displeased when tour organisers took her to a venue where she was unexpectedly requested to sing – no-one had told Sis Miriam about the new "arrangement"



Hugh Masekela ... short visit to his home.

MarcAlex and Mango Groove attracted interest from American backers and flew over for recordings good luck to 'em

The international howler of the year must surely be the tale of the somewhat embarrassed superstar pop duo Milli Vanilli, who didn't sing a word on any of their albums but nevertheless won a Grammy Award which they were told to return The mime "artists" say they now want to sing (What a cheek!)

On the 1990s sports front, highlights must be boxing hero Welcome Ncita's IBF world junior featherweight title and Dingaan "Rose of Soweto" Thobela's WBO world lightweight title – watch these two!

Brian Mitchell successfully defended his WBA world junior lightweight title for the 11th time

Mamelodi Sundowns obliterated the opposition to win the league championship and two knockout titles

Coach Stanley "Screamer" Tshabalala won the Coach of the Year award (The Krok brothers will be backing 'Downs again next year.)



Songbird in exile ... Miriam "Mother of Soul" Makeba, who jetted in to complete a whistle-stop tour of South Africa this year.



Abdullah Ibrahim ... returned for a festival.



VICTORY! Mamelodi Sundowns on the way to being league champs and to grabbing two knockout titles this year.

As we wave goodbye

(280) c/press 30/12/90.

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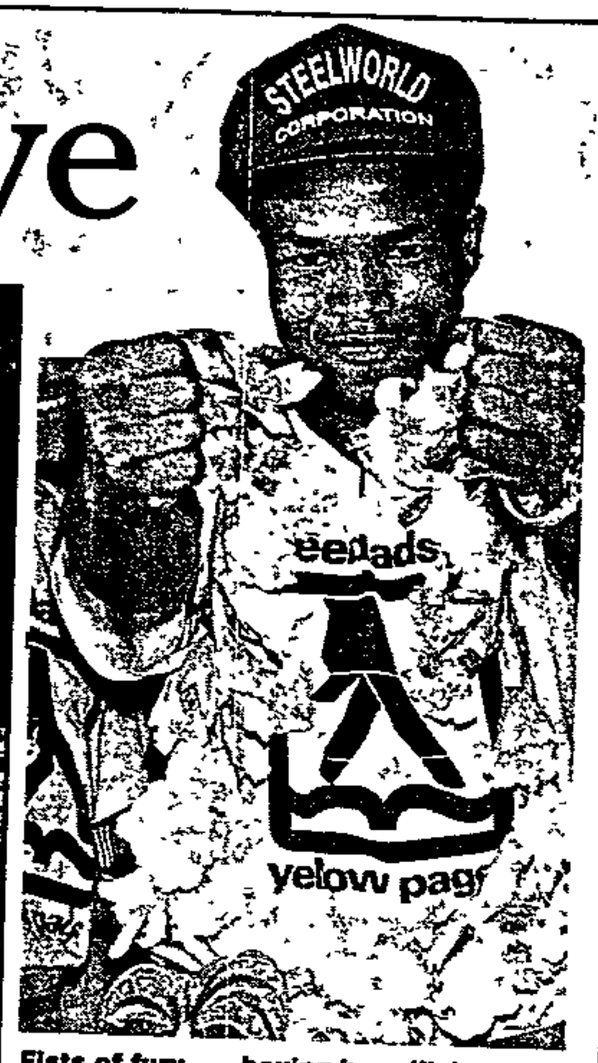
Surrounded by fans ... Dingaan "Rose of Soweto" Thobela lifted the WBO world lightweight title from Mauricio Aceves in September.



Fists of fury ... boxing hero Welcome Ncita, who battered his way to become the IBF world junior featherweight champion.

WE'RE TALKING EDUCATION

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Herman Cohen has mixed feelings about SA, writes **David Braun**

1991 – a year of clouded hope

Star 31/12/90 (280)

SOUTH Africa became the most open society in Africa during 1990, according to US Assistant Secretary of State Herman Cohen.

That was the good news from South Africa during the past year, from the US perspective.

The bad news, according to Mr Cohen, was that the people who were in a position to make things happen seemed to be losing sight of the main objective, which was negotiations leading to a new political system.

In a wide-ranging end-of-year interview with The Star, Mr Cohen discussed a number of topical issues concerning South Africa's relations with the US. This was how he saw them:

● **On the events of 1990:**

"There was good news and bad news. The good news was that as the result of the decisions by both the South African Government and the black political leadership, South Africa has now become what I have called the most open society in Africa.

It is a place where people can say and print whatever they want to and engage in all sorts of political activities which to my knowledge do not exist anywhere else in Africa.

It seems to me that this, more than anything else, symbolises the irreversibility of the ending of the apartheid system.

The disturbing news and area of concern is that the people who are in a position to make things happen seem to be losing sight of the main objective, which is negotiations leading to a new political system.

On the one hand, the side of the black majority, you have internal power struggles and intolerance to opposition which are diverting attention from the main objective. On the other hand, from the side of the Government, there is a sort of over-concern for legality and juridical details which tend to be delaying the normalisation of full political life in South Africa."

● **On the slowing of momentum for change in South Africa:**

"I think that it is inevitable it would have slowed down because you could not expect the black community to switch overnight from total repression of political activity to fully functioning political organisation. It takes time and people have to build and get an infrastructure functioning.

The Government also needs to make sure its constituency maintains its support so they cannot go too fast. They have to explain every step ...

I'm not surprised there has been a slowdown. But that does not bother me so much as the diversion of attention from the main objective, which should be negotiations, not manipulating for power even before the system has changed."

● **On the hopes for 1991:**

"We are always looking for maximum advancement towards the main objective, which is the transfer of South Africa into a democratic society.



Herman Cohen ... saw good and bad in 1991.

I would be quite disappointed if by the end of 1991 we did not have a negotiations structure in place, which is to say if we do not know who would do the negotiations and who would represent the various communities.

Secondly, I would be disappointed if actual negotiations on a new constitution had not already begun. Finally, I would be disappointed if the black community had not through its own efforts found a solution to the question of violence ..

I do not expect a total solution to be achieved by the end of 1991."

● **On when the US will be ready to modify or suspend sanctions:**

"I think the key statement was made by President Bush when he met President de Klerk, when he said our sanctions policy was governed by legislation. We intend to implement the legislation fully and we will not move the goalposts.

As soon as the requirements of our legislation are fulfilled we will immediately commence consultations with Congress with a view towards modifying or suspending sanctions ..."

● **On whether the decision by the European Community to lift the sanction on new investment has influenced the US:**

"There are two aspects to this issue. Juridically, we have to decide when the requirements to lift sanctions have been met. We have already decided that four out of five requirements will have been met when the political prisoners have been released.

Secondly, the law authorises the Administration to suspend or modify sanctions but does not require it to do that. The law also gives Congress the right to disagree with the Administration within 30 days of being notified.

So where the European action has an impact is on the decision whether or not to proceed. I think the President expressed an intention to proceed during Mr de Klerk's visit so the EC action only reinforces that."

● **On whether the ANC's demand that security legislation be repealed by the end of April will affect the US approach to lifting sanctions:**

"We have already decided that this is not a requirement of the Comprehensive Anti-Apartheid Act (CAAA). But some members of Congress could argue that the President should not be allowed to exercise his authority in terms of the CAAA because of this issue.

Congress' action on this is also subject to the President's veto, but it is not our intention to allow the South African issue to become a major divisive issue between the Administration and the Congress."

● **On US support for an application by South Africa to the International Monetary Fund:**

"The law which governs our voting in the IMF on South Africa requires us to consider every loan application on a case-by-case basis and sets up its own guidelines.

If we look at the CAAA, it prohibits us on lending to South Africa, whether to Government or private institutions. We have a tradition in this country of not supporting international organisations' activities which US institutions are themselves prohibited from doing.

The CAAA says it is prohibited for US banks to lend money to any South African recipient, so if we in the IMF say it is alright for them to do it then it is a political contradiction, although not a juridical one.

The key thing here is sequencing. The CAAA should come first. That would make it easier for everyone. If we look at the law which governs our voting in the IMF on South Africa then the reqirements listed there are subject to very political interpretation. It would be a lot easier to make that analysis in favour of a loan after the CAAA reqirements are met."

● **On the status of the $10 million the US government has earmarked for assisting SA's emerging black political parties:**

"We have completed a couple of phases. We have received all the proposals from US and South African organisations which have wanted to take advantage of that money. We have screened them and have come up with a final list of possible recipients.

We are now in the phase of consulting with Congressional committees. Once that has been completed the next step is to proceed with the execution of the programme, which should be within the next month or two.

We hope to be giving the money to organisations like the National Endowment for Democracy to award contracts for specific projects."