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2 Cape Times, Monday, April 1 1991

## Namibia still sanctions victim

WASHINGTON. — The black American rallying cry of sanctions against apartheid is so fervent that many of the cities and states that impose penalties against companies doing business with South Africa have failed to notice that neighbouring Namibia has been free for more than a year and should no longer be on the hit-list.

Of the 85 American cities and 26 states which refuse to award contracts to businesses with South African connections, nearly a third still treat Namibia as part of South Africa.

An indignant leading anti-apartheid activ-

ist in Washington, whose city investment office still penalises Namibia, has refused to accept State Department advice that the fledgling country should be exempt, because, she argues, the two countries "are still closely allied".

"It's quite comical, it really is," says an exasperated Mr Jeffry Flake — an American who does public relations for the Namibian Chamber of Commerce.

"It's the ignorance of the people concerned," Namibian Prime Minister Mr Hage Geingob has said of some of his old anti-apartheid friends. — Daily Telegraph

# Millions lost to US bank over UK-SA link

Stew 3/4/91  
By David Braun  
Star Bureau

280

as the son of Italian immigrants to the United States.

WASHINGTON — A New Jersey local authority has severed a 17-year relationship with a British bank because of the institution's "second-hand" links with South Africa.

Hudson County ordered its pension fund to withdraw \$38 million (about R98 million) from the National Westminster Bank (Natwest) because the bank's British operation has several outstanding loans to South African businesses.

The local authority was evenly divided on the issue, but council chairman Vincent Ascolese cast the deciding vote to terminate the relationship with Natwest because of what he said were his own experiences of discrimination

The Hudson County pension fund board and half the county's elected council had been in favour of retaining the services of Natwest, which were described as excellent.

A motion introduced by one of the county's black representatives was adopted because of the chairman's vote.

The county's action, the latest in a spate of disinvestment measures by local authorities across the US, was adopted as a principle of personal freedom.

Describing apartheid as the black man's holocaust, one of the county representatives said: "Today, we are taking a giant step in the name of freedom and we are sending a message."

# Aussies may soon lift SA flight ban

BLOM 3/4/91

LINDEN BIRNS

BEHIND-the-scenes negotiations on restoring SA-Australian airlinks had already begun, Australia's SA ambassador disclosed yesterday.

Ambassador Colin McDonald said he was optimistic that the links — severed in the mid-1980s — could be restored by Christmas if current political reforms remained on track.

In another development, Satour chairman Piet van Hoven has disclosed that Japan Air Lines (JAL) was negotiating direct airlinks with SA, but that these were subject to the lifting of sanctions.

Van der Hoven told a recent Fedhasa conference that additional airline capacity and an improvement in the international tourism market after the Gulf war could boost foreign tourism to SA by between 15% and 20% this year.

SAA and JAL spokesmen, however, said they did not know of such negotiations.

McDonald confirmed that representatives of Australia's Qantas airline had already held talks with senior SAA officials, but said no formal negotiations had started. He said airline representatives were "scouting things out".

In terms of a February 16 proposal by the Commonwealth monitoring group of

Ministers, Commonwealth countries distant to SA will be allowed to drop airlink embargoes against SA if the SA government meets certain conditions. Commonwealth members close to SA were exempt from the organisation's air embargo.

The conditions relate to the repeal of remaining apartheid and security laws, the granting of indemnity and release of political prisoners and the return of exiles.

"Australia is taking SA at its word on these reforms, but right now it's still premature to talk about proper negotiations. Obviously, when the conditions are met, which it appears they will be, then negotiations will move swiftly," McDonald said.

SAA spokesman Mike Pfeiffer yesterday denied any talks had taken place with Qantas representatives. Qantas's Harare manager Gary Warnock said he had also not been informed of any talks.

Qantas switched its flights from Johannesburg to Harare when Australia decided to sever airlinks with SA in the mid 1980's.

Warnock said the twice a week Harare-Perth-Sydney return flights had become one of the airline's most lucrative routes.

□ To Page 2

## Flight ban

"If there were changes regarding SA, we'd still have to protect and look after the markets we serve through Harare," Warnock said.

Directorate of Civil Aviation (DCA) chief Japie Smit said airlines could initiate airlinks, with diplomats and politicians tying up the "official loose ends".

He said before airlinks between SA and Australia were resumed, a new bilateral air services agreement would have to be drawn up.

"When Australia announced it was cutting ties with SA, it also terminated the bilateral agreement between Qantas and SAA," said Smit.

SAA still held the SA-Australia route

licence, but that would not prevent another SA airline applying for the same licence, although it would be met with stiff opposition from SAA which would legally be entitled to ask for government protection, he added.

McDonald said Canada, Australia, Guyana, Tanzania, Nigeria, Zaire, Zambia and Zimbabwe had agreed to the February proposals drawn up in London.

Smit said the DCA had not been involved in talks with Canada or Japan regarding the establishment of airlinks with SA.

SAA flies to Hong Kong, while Cathay Pacific is due to begin flights between Johannesburg and Hong Kong in July.

□ From Page 1



# Business mission from Japan

6/Day 3/4/91  
TOKYO — Japan's largest business organisation, Keidanren, or Federation of Economic Organisations, will send its first mission to SA this month amid calls by businessmen for Tokyo to lift sanctions.

The federation, which comprises 1 153 major companies, said yesterday it would send the mission to study if and when Japan could phase out sanctions.

Bank of Tokyo vice-president Tamotsu Yamaguchi will lead the nine-member mission on a tour to assess moves toward repealing key apartheid measures.

"Whatever the outcome, it is up to the government to decide on the sanctions in co-ordination with other major industrialised nations," said Hideo Takahashi, a public relations official of the federation.

ZILLA EFRAT reports that SA Cham-

ber of Business (Sacob) deputy director general Ron Haywood said yesterday that the visit represented another step forward for SA being accepted.. (280) (148)

Japanese consul-general Masatoshi Ohta would not comment on whether the visit represented a thawing of Japan's relationship with SA.

A Keidanren spokesman said in Tokyo the mission would spend a week from April 21 meeting officials, foreign businessmen and black leaders. He said: "There is an increasing voice among business people for Japan to lift its sanctions."

The Keidanren spokesman said the mission would also monitor how black organisations were using the 320-million yen (\$2,3m) it donated to encourage black students and black firms. — Sapa-Reuter-AP.

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280

## Japan to consider dropping sanctions

TOKYO. — Japan's powerful Federation of Economic Organisations said yesterday that it would send a mission to South Africa on April 20 to study the phasing out of anti-apartheid sanctions.

Mr Tamotsu Yamaguchi, vice-president of the Bank of Tokyo, will lead the nine-member mission on a week-long tour to assess SA's progress in repealing key apartheid laws.

The federation, Japan's largest economic organisation, comprises 1,153 major companies.

Japan joined the United States, EC members and other industrialised countries in imposing sanctions in 1985. — Sapa-AP

# Japanese mission to probe sanctions

Sowetan 3/4/91

280



TOKYO - Japan's biggest business organisation, Keidanren, will send its first mission to South Africa this month amid calls by businessmen for Tokyo to lift economic sanctions.

A spokesman for Keidanren said yesterday the mission, led by Tamotsu Yamaguchi, deputy president of the Bank of Tokyo, would spend a week in South Africa starting on April 21, meeting officials, foreign businessmen and black leaders.

"There is an increasing voice among business people for Japan to lift its sanctions," he said. "But there is no consensus on the issue."

The mission will include representatives from trading companies and probably manufacturers.

In 1987 Japan became South Africa's top trading partner, spurring strong criticism in the West. As a result, Tokyo banned new investment and has issued guidelines that trade should not increase

from the 1987 level.

Japan has welcomed moves by the South African government to dismantle apartheid but has not yet lifted the sanctions. Diplomats say it will not do so before Washington does.

The Keidanren spokesman said the mission would also monitor how black organisations were using the R7 million it donated to encourage black students and small and medium-sized black firms. - Sapa-Reuter

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## Majority rule 'before US can lift sanctions'

Political Staff

280

CAPE TOWN — The US Congress should maintain sanctions until President F.W. de Klerk has declared a date for majority rule, says the new chairman of the congressional Africa subcommittee.

Mervyn Dymally, who is participating in the Aspen Institute conference in Cape Town on the future of SA, yesterday predicted a conflict between President George Bush and other power blocs in the US over the sanctions issue.

The congressman said although Bush would be empowered to lift sanctions once the five major conditions contained in the Comprehensive Anti-Apartheid Act (CAAA) had been met, he believed the Act's intention was the removal of all vestiges of apartheid. *Blom 4/4/91*

During television interview yesterday, Dymally was asked why he and the black caucus in the US did not go for "the big humane leap" and call off sanctions.

He said: "Yes, that sounds like a very attractive proposal. However, I believe the intent of the congressional legislation was the elimination of all vestiges of apartheid."

"In my judgment, clear evidence of that would be some signal that SA was moving towards majority rule."

Asked if he would insist on a one man, one vote Westminster system, Dymally said: "No. The South Africans must make that determination."



# US 'people's sanctions' increase disinvestment

By David Braun  
Star Bureau

WASHINGTON — Even if the US federal government does start lifting its sanctions against South Africa, American businesses are likely to continue divesting from the country until the ANC and other liberation movements request otherwise.

This is because there are two levels of American sanctions against South Africa: The widely publicised federal measures imposed in terms of the 1986 Comprehensive Anti-Apartheid Act (CAAA) and the potentially more damaging "people's sanctions" imposed by scores of state and local authorities throughout the US.

Even now, when officials in Washington are toying with the idea of suspending one or more of the CAAA sanctions in recog-

280  
Star 4/4/91.  
nition of President de Klerk's political initiatives, a sizeable number of American local authorities are considering tightening sanctions.

The impact of these state and local sanctions on American companies doing business with South Africa has been dramatic.

## Selective

The Washington-based Investor Responsibility Research Centre (IRRC) says in its "US Business in South Africa 1991" report that instances of US companies severing their non-equity links — such as licensing and distribution agreements — to South Africa have increased sharply.

A major reason seems to be the existence of selective contracting laws, which penalise companies with ties to South Africa, that are in force in 49 states and counties throughout the US, the IRRC says.

The latest company to an-

nounce the termination of a distribution agreement with a South African company is Rank Xerox, which has told Fin-tech/Xeratech it will no longer supply it with its products as from July 1 this year.

The American Committee on Africa (ACOA), another organisation which monitors disinvestment from South Africa, estimates that "people's sanctions" have caused more than \$20 billion (R54 billion) to be divested from South Africa.

The ACOA is already actively engaged in working with activists and legislators in Colorado, Michigan and New York to get those states to adopt divestment legislation.

A spokesman for the committee predicted that as long as the ANC, Cosatu, the SA Council of Churches and other member organisations of the Mass Democratic Movement continued to call for sanctions this process of "people's sanctions" would continue throughout the US.

# 'Keep sanctions until majority rule'

By ANTHONY JOHNSON

THE US Congress should maintain sanctions against South Africa until President FW de Klerk had declared a date for majority rule, according to the influential new chairman of the Congress's Africa subcommittee, Mr Mervyn Dymally.

Mr Dymally, who is participating in the high-powered Aspen Institute conference in Cape Town on the future of South Africa, yesterday predicted a conflict between President George

*Cape Times 4/4/91*  
Bush and other power blocs in the US over the thorny issue.

The congressman said that although the US President would be empowered to lift sanctions once the five major conditions contained in the Comprehensive Anti-Apartheid Act (CAAA) had been met, he believed the intent of the congressional legislation was the removal of all vestiges of apartheid.

Mr Dymally said this during an interview on the SATV pro-

*280/280*  
gramme. "Good Morning South Africa".

Mr Dymally said later that if President De Klerk continued with his reform programme "as he is doing in a most admirable way", he would then declare a date for majority rule which would then give the appropriate signal for the Congress.

Mr De Klerk and the Minister of Constitutional Development, Dr Gerrit Viljoen, will address the Aspen Institute conference today.



ARGUS 4/4/91

# Mandela pays surprise visit to conference

280

By PETER FABRICIUS, Political Staff

AFRICAN National Congress deputy president Mr Nelson Mandela has made a surprise appearance at the high-powered Aspen Institute conference on South Africa in Cape Town.

Mr Mandela flew from Johannesburg yesterday to speak to the 17 top United States Congressmen at the conference, and flew back immediately afterwards.

He had been scheduled to address the conference earlier this week but cancelled because of other engagements.

National Union of Mineworkers leader Mr Cyril Ramaphosa also addressed the conference yesterday and President De Klerk, Constitutional Development Minister Dr Gerrit Viljoen and Democratic Party leader Dr Zac de Beer will speak today, the last day of the conference.

The Aspen conference is focusing on the issue of when to lift United States sanctions. To encourage the frank exchange of views, it is closed to the media.

Members of the black Democratic Party caucus in Congress have made it clear that they do not believe sanctions should be lifted when South Africa has met the five conditions for lifting sanctions specified in the Comprehensive Anti-Apartheid Act (CAAA).

## Political prisoners

They believe that, in effect, the United States should wait for the ANC and other "pro-democracy" parties to give the go-ahead when they believe that majority rule is inevitable.

President George Bush has promised, however, that he will not "shift the goalposts" if South Africa meets the CAAA conditions, which it is aiming to do by the end of June.

One problem area is race classification which will remain in place after the Population Registration Act has been repealed.

Members of the black caucus attending the Aspen conference believe that the Bush government has already decided to lift sanctions once the remaining apartheid laws have been scrapped and political prisoners released.

US Assistant Secretary of State for Africa Mr Herman Cohen told the conference yesterday that if the five CAAA conditions were met, sanctions would automatically fall away without further debate with Congress.

But he apparently did not disclose whether or not the US Administration believed that President De Klerk's announced reform moves would meet the conditions adequately.



US nears 'moment of decision'

# Tutu calls for review of need for sanctions

B1/pan 5/4/91. (280)

TWO central figures in the sanctions debate — Archbishop Desmond Tutu and US Assistant Secretary of State for African Affairs Hank Cohen — yesterday signalled that a major sanctions review was imminent.

Tutu, one of SA's most outspoken sanctions campaigners, urged anti-apartheid leaders to review the need for sanctions.

Our political staff reports from Cape Town that Cohen said the "moment of decision" on the lifting of US sanctions against SA was arriving.

Cohen signalled that US President George Bush's decision immediately to begin consultations with Congress on suspending or modifying sanctions meant that he intended to act.

"Clearly he would not begin consultations with Congress unless he wants to exercise his authority," said Cohen.

In an expanded version of an interview with Reuters and international TV agency Visnews, Tutu said he was not yet calling for the lifting of sanctions, because there had to be prior consultation with the "leaders of the oppressed".

However he said there was a clear need to revive the economy and that sanctions were an important factor.

Sanctions were not requested "for the sheer heck of it, but because we were looking for a non-violent strategy to end

TIM COHEN

apartheid", Tutu said.

"I think it will be admitted on all (sides) that the sanctions campaign has succeeded," he said.

Tutu said whenever he spoke of sanctions, he made it clear that the call was conditional and that he would call for their lifting when certain conditions were met.

His own conditions were the repeal of the Land, Group Areas and Population Registration Acts, general amnesty for political prisoners and exiles, the establishment of a single education department and the start of genuine negotiations.

The acts would apparently be repealed and despite "hiccoughs", the indemnity issue appeared to be close to resolution.

It also appeared that one education department would be established "down the line somewhere" and all parties were talking about the fact that negotiations should begin, he said.

"I would now want to discuss with fellow church leaders, discuss with the liberations movements where we go from here."

Cohen pointed out that the SA government had met three of the five conditions of the Comprehensive Anti-Apartheid Act (CAAA) — which determines when US sanctions will be lifted.

To Page 2

## Sanctions

B1/pan 5/4/91. (280)

From Page 1

"The (SA) government has tabled legislation to repeal the laws that are of interest to us — the Group Areas and Population Registration Acts — and there is agreement with the ANC that political prisoners will be released by April 30.

"These are the two remaining conditions so it looks like we are arriving at the moment of decision," he said.

Cohen and Foreign Minister Pik Botha indicated relations between SA and the US were particularly warm. Botha described the relationship as "good" while Cohen said they were "in an excellent state right now".

However Mervyn Dymally, chairman of the Congressional Africa subcommittee, indicated there would be strong resistance from some influential Congressmen.

Both US officials are in Cape Town for the Aspen Institute conference on the future of SA.

Dymally, speaking before meeting Botha, said he thought majority rule was "implied in the legislation" (the CAAA). Earlier Dymally said Congress should maintain sanctions until De Klerk had declared a date for majority rule.

Meanwhile Sapa reports a visiting delegation representing the West European Parliamentarians for Action against Apartheid (Awepaa) said yesterday the time had not yet come for sanctions to be lifted.

Awepaa president, Dutch parliamentarian Jan Nico Scholtenas, said changes in SA were neither irreversible nor profound.

Comment: Page 6



## 'Black caucus is shifting goalposts'

THE INFLUENTIAL black caucus in the US Congress is clearly "shifting the goalposts" on the conditions for lifting US sanctions against South Africa. *Stew 5/4/71*

As a result, Congress and President Bush may be heading for a bruising clash when he makes his expected move in a few months to lift the statutory sanctions measures.

The black caucus — and other congressmen — are in effect bypassing the specific conditions for lifting sanctions written into the Comprehensive Anti-Apartheid Act (CAAA).

Instead they have laid down the new condition that sanctions should be lifted only when "consensus" is reached in SA that majority rule is imminent.

This in effect means sanctions should be lifted only when the ANC gives the nod.

The black caucus position was spelt out by one of its members, Mervyn Dymally, chairman of the important Congress sub-committee on Africa.

Mr Dymally is in Cape Town for the Aspen Institute conference on SA, where 17 members of US Congress are hearing the views of the major South African parties on US-SA relations.

Mr Dymally believes President Bush is likely to lift the CAAA by the end of June, when the Land Acts, Group Areas Act and Population Registration Act have been repealed and all political prisoners have been released.

But Mr Dymally warned that if Mr Bush did move as expected, he would jeopardise plans to provide reconstruction aid to post-apartheid SA.

Asked how Congress could deny reconstruction aid to blacks, he said black South Africans had already decided to make sacrifices for the sake of majority rule. He denied that his views represented a shifting of the sanctions goalposts.

Informed sources say that although Mr Bush would like to lift sanctions as soon as the five conditions have been met, it is not clear if he is ready for a head-on clash with Congress.

Political Correspondent. □

# Hard-nosed PW led Brandt to support sanctions

Star Africa Service

280

HARARE — Former West German chancellor Willy Brandt was opposed to economic sanctions against South Africa until he had a meeting with the then South African president, P W Botha.

That convinced him that sanctions were necessary.

This story is told by Mr

Brandt in his memoirs, published recently in the Soviet Union.

A report distributed in Harare by the Soviet news agency Novosti says Mr Brandt recalls that as chairman of the Socialist International, he paid special attention to three areas: South Africa, Central America and the Middle East.

For a long time he doubted that international eco-

nomie sanctions on Pretoria were necessary. But when he met Mr Botha in 1986 he became convinced that apartheid could not be reformed and that sanctions were in fact necessary.

Mr Brandt says Mr Botha turned down his request for a meeting with Nelson Mandela, who was then still jailed on Robben Island. Mr Botha said Mr Mandela was a criminal.

Mr Botha also told Mr Brandt that the position taken by the Socialist International on South Africa amounted to interference in South Africa's internal affairs. *Star 5/4/91*

He also said the Namibian problem had arisen because the Soviet Union and the former East Germany wanted to extend their sphere of influence in Africa.

# Politicians blamed

By MOKGADI PELA

POLITICIANS, trade unionists and all those who called for sanctions were to blame for the imminent retrenchment of about 2.500 workers at Genmin's Stilfontein gold mine, callers who phoned disc jockey Tim Modise during the Sowetan/Radio Talkback show said yesterday.

Chico from Industria said people should think before they leapt.

"In fact the worst is still to come with more companies following the example set by the Stilfontein mine.

## Workers' wages

"But the blame should be laid at the door of politicians."

Babes from Orlando East, Soweto, said if sanctions were to be lifted, black people's economic problems would be solved.

Patrick from Soweto suggested that instead of miners being retrenched, they should be transferred to other mines which were still operational even if it

SOWETAN RADIO METRO

TALKBACK

Sowetan 5/4/91  
meant reducing the workers' wages.

He added that nationalisation of the mining industry could be another remedy.

George from Sebokeng blamed sanctions, adding that hundreds of black workers had already lost their jobs.

He said a national work stoppage would force the mine owners to retain those workers faced with retrenchment.

George felt that rather than being economically inspired, the move to retrench workers was racially-inspired.

2064 4/5/94 (28)

# Aspen meeting was 'all-party conference'

By GLYNIS UNDERHILL

THE elite Aspen Institute conference in Cape Town resembled an all-party conference with all major political groupings — except the Conservative Party — present throughout the four-day discussion, a delegate from the ANC's international department, Mr Yusuf Saloojee, disclosed yesterday.

The Conservative Party snubbed an invitation to attend the confidential conference, because it refused to talk to the ANC.

CP information chief Mr Koos Van der Merwe said that Dr Andries Treurnicht, leader of the Opposition, had declined the invitation when he heard that the "radical parties", including the ANC, were to be present.

"Dr Treurnicht decided that because of the presence of the ANC, we will not attend. We did not find it possible to enter into discussion on the same platform as the ANC," said Mr Van Der Merwe.

The Cape Times is able — for the first time since the conference began four days ago — to reveal details of proceedings at the closely guarded event.

Mr Saloojee said the following points were made at the discussions:

- The ANC, PAC and Azapo were united in demanding that sanctions be maintained until there was an agreement in constitutional negotiations. Inkatha and the government pressed for sanctions to be lifted.

- Significant conditions would have to be met before the US would consider removing sanctions. "The Americans are in no great hurry to lift sanctions," said Mr Saloojee.

- The violence in this country has become the main source of tension between Mr Nelson Mandela and the government, according to the ANC. Mr Mandela said that the government had not taken sufficient measures to curb violence — and cited examples to illustrate his point.

- President F W de Klerk "absolved" himself of responsibility for the violence in his presentation yesterday. "flexible" on the idea

- The government is "flexible" on the idea of a constituent assembly and is beginning to

show "some degree of flexibility" toward the call for an interim government.

The ANC, Inkatha, Azapo, the PAC, the NP and the Democratic Party all made contributions at the conference.

The US was represented by the Assistant Secretary of State for African Affairs, Mr Herman Cohen, and senior senators and congressmen from both the Republican and Democratic parties.

A senior Soviet foreign affairs official and British and German parliamentarians also attended the conference.

Mr Saloojee said the American representatives were "powerful decision-makers", and would have a significant influence on decisions about sanctions and aid to South Africa.



From page 1.

## Sanctions

tion" of when sanctions should be lifted.

He said a "large sector" on Capitol Hill agreed with his views.

In an expanded version of an interview with Reuters and international TV agency Visnews, Archbishop Tutu said he was not yet calling for the lifting of sanctions, because there had to be prior consultation with the "leaders of the oppressed".

However, he said, there was a clear need to revive the economy and sanctions were an important factor.

Sanctions were not requested "for the sheer heck of it, but because we were looking for a non-violent strategy to end apartheid", Archbishop Tutu said.

"I think it will be admitted on all (sides) that the sanctions campaign has succeeded," he said.

The archbishop said that whenever he spoke of sanctions he made it clear that the call was conditional and that he would call for their lifting when certain conditions were met.

### 'No problem'

"I would now want to discuss with fellow church leaders, discuss with the liberation movements where we go from here."

Mr Cohen and Mr Botha indicated relations between South Africa and the US were particularly warm. Mr Botha described the relationship as "good" and Mr Cohen said they were "in an excellent state right now".

Meanwhile a visiting delegation representing the West European Parliamentarians for Action Against Apartheid said yesterday the time had not yet come for sanctions to be lifted.

The group's president, Dutch parliamentarian Mr Jan Nico Scholtenas, said changes in South Africa were neither irreversible nor profound.

Last night the ANC said it had "no problem" with Archbishop Tutu's call to review the need for sanctions, but believed the government had "not done enough" to warrant lifting the measures. — Political Correspondent, Own Correspondent and Sapa

# Sanctions row

## As Tutu calls for major policy review

**TWO central figures in the sanctions debate — Archbishop Desmond Tutu and US Assistant Secretary of State for African Affairs Mr Hank Cohen — yesterday signalled that a major sanctions review was imminent.**

The archbishop, one of South Africa's most outspoken sanctions campaigners, urged anti-apartheid leaders to review the need for sanctions.

And Mr Cohen said the "moment of decision" on the lifting of US sanctions against South Africa was approaching.

Mr Cohen indicated that President George Bush's decision immediately to begin consultations with Congress on suspending or modifying sanctions meant that he intended to act — regardless of major conflict on the issue.

"Clearly he would not begin consultations with Congress unless he wanted to exercise his authority," said Mr Cohen. However, there could still be a clash between the White House and Congress on lifting sanctions.

Divergent views on the issue were adopted yesterday by Mr Cohen and leading black congressman Mr Mervyn Dymally, participants in the Aspen Institute's conference on the future of South Africa, being held in Cape Town.

Both men spoke briefly with reporters during separate visits to Foreign Minister Mr Pik Botha.

Mr Cohen said that once South Africa had met the five conditions stipulated by the Comprehensive Anti-Apartheid Act (CAAA), the Bush administration was bound by law to begin immediately, in consultation with Congress, the process of modifying or suspending sanctions.

Mr Cohen pointed out that the South African government had met three of the five conditions.

"The (SA) government has tabled legislation to repeal the laws that are of interest to us — the Group Areas and Population Registration Acts — and there is agreement with the ANC that political prisoners will be released by April 30."

He said: "It looks like we are arriving at the moment of decision."

Mr Dymally, however, chairman of the influential congressional Africa subcommittee, indicated there would be strong resistance from some influential congressmen.

He said the CAAA legislation "implied" that sanctions against South Africa could not be lifted until apartheid had been totally eliminated "and that seems to me to involve majority rule".

Mr Dymally said he did not believe in "shifting the goalposts" on the sanctions issue but said the intent of the supporters of the original act was that "majority rule would be included in the approved definition."

To page 2



**MEET THE PRESS...** Mr Herman Cohen, US Assistant Secretary of State for African Affairs, addresses reporters with Foreign Affairs Minister, Mr Pik Botha, and SA's new ambassador to Washington, Mr Harry Schwarz.



# Have sanctions really worked?

Sanctions have worked, but not to the extent often supposed and with in some cases unintended consequences. This suggests they should be handled with care, according to a seminal paper by the economist Merle Lipton.

By REG RUMNEY

**W**ITH President FW de Klerk's reform, should sanctions now be intensified, dropped, or maintained?

Eminent academic Merle Lipton — in a well-researched and persuasive document published by the London School of Economics Centre for the Study of The South African Economy and International Finance — argues other forces in the South African economy and in the world at large have been equally or even more important. Hence care should be taken in handling sanctions not to impede those all-important internal forces for change.

On the claim by pro-sanctioners that sanctions are behind all change in South Africa, including the swing towards more labour-intensive growth paths such as "inward industrialisation", she says "This is a striking instance of the tendency both to downgrade the importance of the internal dynamics shaping South African development and of the almost total neglect of the non-coercive aspects of foreign influence."

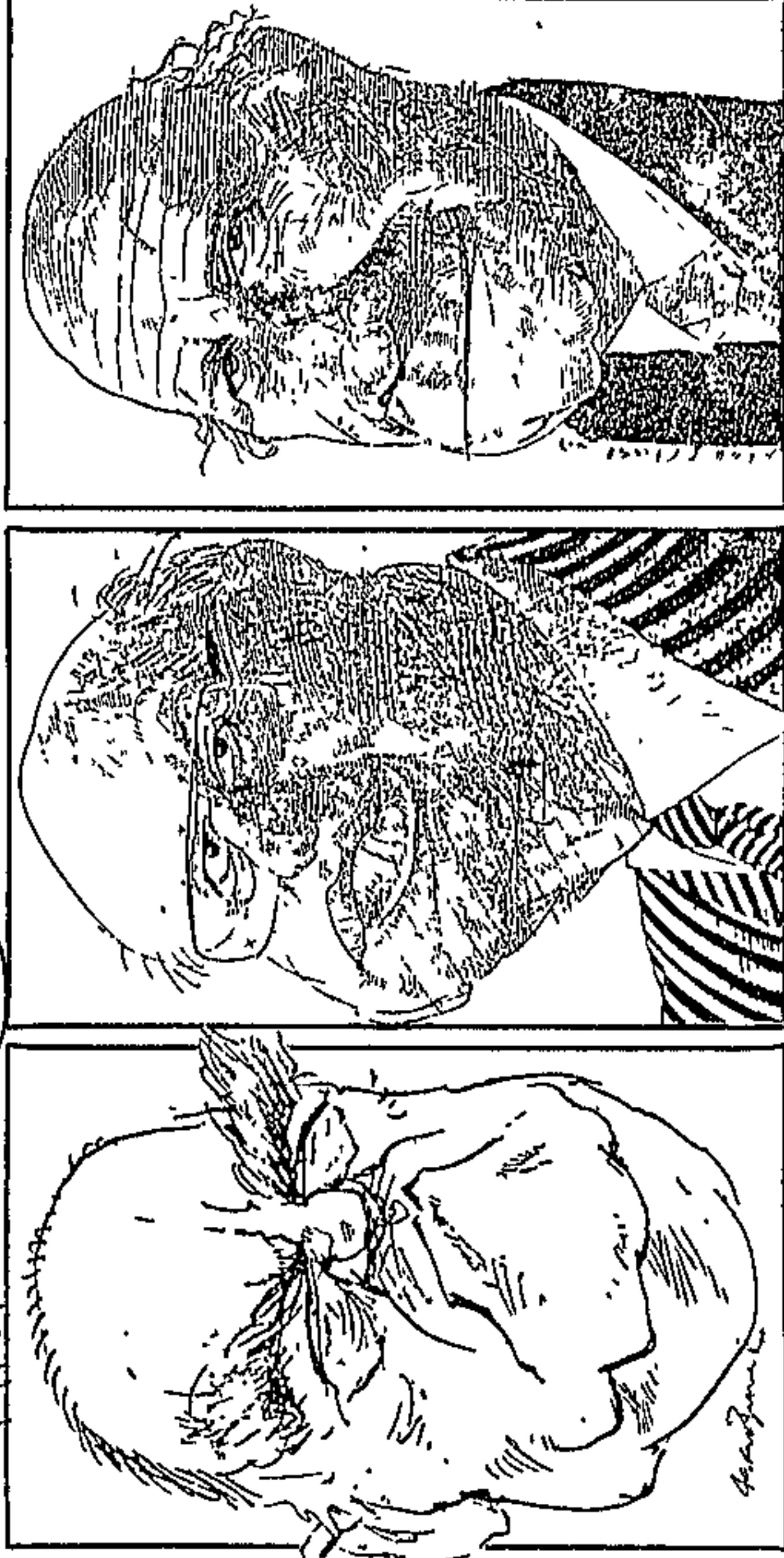
Lipton reckons so-called "financial sanctions" are not the targeted weapon they are made out to be.

She notes sanctions have been most effective in ensuring capital outflows. "Although sanctions 'worked' in the sense of stimulating significant disinvestment from South Africa, the effects have been ambiguous."

"Disinvestment has not noticeably impeded the functioning of the South African economy; it has produced windfall gains for some rich whites, disadvantages for some blacks, and losses for foreign investors — although it has also been a blow for business confidence."

"The tightening of financial sanctions could precipitate a similarly ambiguous result, with a default resulting in windfall gains for South Africa and losses for foreign creditors."

"Moreover, if financial sanctions succeed in slowing the overall growth rate, their impact would not be 'targeted and



Step by step ... BJ Vorster reluctantly started a move away from apartheid; PW Botha dipped his toes in the Rubicon; and FW de Klerk finally got reform moving

## FOREIGN AGENCIES KEEP UP PRESSURE ON PRETORIA

By REG RUMNEY  
ORGANISATIONS monitoring and maintaining sanctions against South Africa show no sign yet of winding down their activities.

For example, the Amsterdam-based Shipping Monitoring Bureau still puts out regular reports detailing the numerous cases of ships breaching the UN oil embargo, South African coal exporters' successes in overcoming sanctions, and questioning the viability of the Mosses fuel-from-gas project.

Separately, a newsletter by the International Campaign Against Bank-

selective' but pervasive, contributing more surely to unemployment than other more specific and limited sanctions."

Lipton also argues that South Africa's debt problem is not unique. Nor is it due primarily to sanctions, but caused by market forces reacting to a bleak view of South Africa's political and economic problems.

"Sanctions have, however, imposed extra costs and difficulties on South Africa's handling of its debt problem. Nevertheless, despite sanctions, the country appears to be coping better with its debt problem, and with the long-term restructuring of its econo-

ing on Apartheid (Icaba) argues in an editorial, "Now is not the Time to Lend."

"International sanctions must remain to supplement the struggle in South Africa. They brought the government thus far and the pressure must be maintained until the democratic movement considers its work done."

Notable in its linking of South Africa to domestic issues is the Citywide Responsible Banking Alliance: Manufacturers Hanover Trust. In a recent press release it indignantly points to the dearth of investment by Manufac-

my, than many similarly placed countries."

South Africa, Lipton observes, coped with its debt problem both by slowing growth and so decreasing imports, and by increasing exports. Exports have hit record levels, in the face of sanctions — but may have done even better without sanctions, unless disadvantaged by a rand foreign exchange value which might have been stronger without sanctions. "Nevertheless, thus far, both in relation to capital flows and to trade, market forces seem to have been more potent than sanctions."

The heavy capital outflow, to which sanctions have contributed, restrains

The tough economic policies South Africa has had to adopt have created problems of macroeconomic management for the government, but have also hurt unemployed blacks and less well-off whites, with some unintended political effects.

"This raises the question of what is meant by sanctions 'working'. While they might work in the technocratic sense of getting companies to withdraw and loans to be refused, these victories often have undesirable socioeconomic effects, due to the difficulty of targeting sanctions."

"This has led to a confusing and contradictory debate about reducing the impact on black unemployment by encouraging labour intensive industries less dependent on foreign inputs. But if this worked, it would simply reduce South Africa's vulnerability to sanctions."

The aims of sanctions are confused because if sanctions work, though targeted at the white minority, they are likely to hurt weaker groups less able to protect their interests. Thus, Lipton remarks, is justifiable in the eyes of those who believe sanctions secure the political aims of hastening the end of apartheid.

This is the nub of the sanctions debate, and Lipton notes it has been paid little attention. Lipton dismisses as simplistic the claim that sanctions have caused the present fluidity and ferment in white politics. It overlooks the "socio-economic transformation that has been taking place over the last decades." The political developments in which this has culminated have been strengthened, says Lipton, by international forces opposed not only to discriminatory and authoritarian states but also to armed struggles, one-party states and radical programmes of nationalisation.

Finally FW de Klerk replaced the ailing and irascible PW Botha and crossed the Rubicon, a move which Lipton considers cannot be attributed to sanctions alone but to a logical continuation of the retreat from apartheid begun reluctantly by Botha and BJ Vorster.

So it is vital to recognise the importance of the internal dynamics in producing change in South Africa. Lipton contends, and to reinforce these forces rather than to damage them, as happened during the backlash against international pressure during 1985 to 1987



# Time to review sanctions, Tutu urges black leaders

By BRENDAN BOYLE: Cape Town  
ARCHBISHOP Desmond Tutu yesterday urged anti-apartheid leaders to review the need for sanctions against Pretoria.

"Is there now cause for us to be looking at when we should be the ones to take the initiative to determine whether (sanctions) should be lifted or not?" said Tutu, long a vocal supporter of sanctions.

He also appealed for greater efforts to defuse the country's "culture of violence" and said foreign business would not invest in South Africa while blacks continued to kill each other.

Tutu said anti-apartheid leaders and clergymen should discuss whether to ask the world to begin lifting curbs imposed since 1975 on trade and investment as well as sports, academic and cultural links.

South African blacks, not foreign governments, should decide when sanctions should be lifted, Tutu said.

The European Community has started to relax some investment restrictions and the United States is expected to review its sanctions this year in response to the gradual repeal of apartheid.

Tutu said President FW de Klerk's promise to repeal bedrock apartheid laws by June and his agreement to free political prisoners and allow exiles home went a long way towards

meeting his own conditions for ending sanctions.

Referring to township violence that has claimed more than 1 200 lives around Johannesburg since August, Tutu said an end to sanctions would have little effect without peace.

"We can call for reinvestment until we are blue in our faces, if the situation on the ground is such as to scare people away then investment will not come.

"Consequently, it is important that we do something and that we do it pretty quickly about the violence."

Visibly thin after hospital treatment for a urinary infection, Tutu (59) expanded on a watershed sermon last week urging blacks to take responsibility for ending the violence.

"We have to turn the spotlight on ourselves and ask what is in fact happening to us as a people, as a black community. One has to say that, clearly, we are beginning to be the victims of a culture of violence."

He said blacks had learned under decades of apartheid that the way to deal with enemies was by liquidation, not persuasion.

Joint calls for peace by African National Congress deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi after their two meetings this year had not been effective partly because of the difficulty in getting the message to the grassroots. — Sapa-Reuter

# New forum plans to set up super city

THE "super forum" which could help mould the future of local government starts business in Johannesburg on Tuesday.

The first meeting of the Central Witwatersrand Metropolitan Chamber will be held to vote on its proposed constitution and thereby decide whether to go ahead with a forum whose brief covers the entire ambit of local government issues in Johannesburg, Soweto, Randburg, Alexandra, Sandton, Roodepoort and the city's coloured and Indian areas.

Delegates will be drawn from all the white and black town and city councils in the area, the black civic organisations, the Transvaal Provincial Administration, while others such as the Tembisa and Midrand councils, Eskom, the Development Bank and the regional services council will have observer status.

The establishment of the chamber follows the ground-breaking Greater Soweto Accord last September, and State President FW de Klerk's February 2 1991 speech.

While the chamber will have no formal executive powers, it is expected to evolve into a body which oversees the death of the unpopular black town councils and which sets the building blocks for non-racial local government in the region.

# Blacks start to make own coffins

By JOSHUA RABOROKO

THE National Association of Co-operative Societies of South Africa which represents hundreds of burial, *moholisano* and women's clubs, has decided to start its own coffin manufacturing factory and funeral parlours.

The clubs have pledged to invest a minimum of R5 000 each to the Letsema Investment Corporation, an offshoot of Nacssa, towards the two projects.

At a meeting of the clubs in Soweto at the weekend, the chairman of the corporation, Dr Nthato Motlana, said



MUOFHE

blacks had depended on whites for too.

He said the coffins would be sold to members at "reasonable prices", thereby creating wealth and building the black nation that had been destroyed by apartheid.

"Death is regarded as very important by the black community. This is reason why we want to



MOTLANA

build our own coffins and run our own funeral parlours," he said.

He said: "Let us get out of the dependency syndrome and learn to do things for ourselves.

"This is important if we are to create a more equitable economy in the new South Africa."

Motlana said more than 600 new members

had joined the Nacssa's funeral scheme since it was launched in January.

Nacssa's executive director, Mr Sam Muofhe, said the scheme was the key to "our economic revolution."

He said due to apartheid, blacks had not acquired and developed the necessary business acumen and expertise to prosper in a private enterprise system.

"Black business has remained in the Third World sector of the South African dual economy, while the predominant First World segment has been, for all interests and purposes, the preserve of white business," he said.

Those interested in joining the schemes can contact Muofhe at (011) 648-2303.



# Sanctions: Tutu calls for rethink

280

Sowetan 5/4/91.

ANGLICAN Archbishop of Cape Town Desmond Tutu yesterday urged anti-apartheid leaders to review their stand on sanctions against South Africa.

"Is there now cause for us to be looking at when we should be the ones to take the initiative to determine whether sanctions should be lifted or not?" Tutu said.

He also appealed for greater efforts to defuse the country's "culture of violence" and said foreign businesses would not invest in South Africa while blacks continued to kill each other.

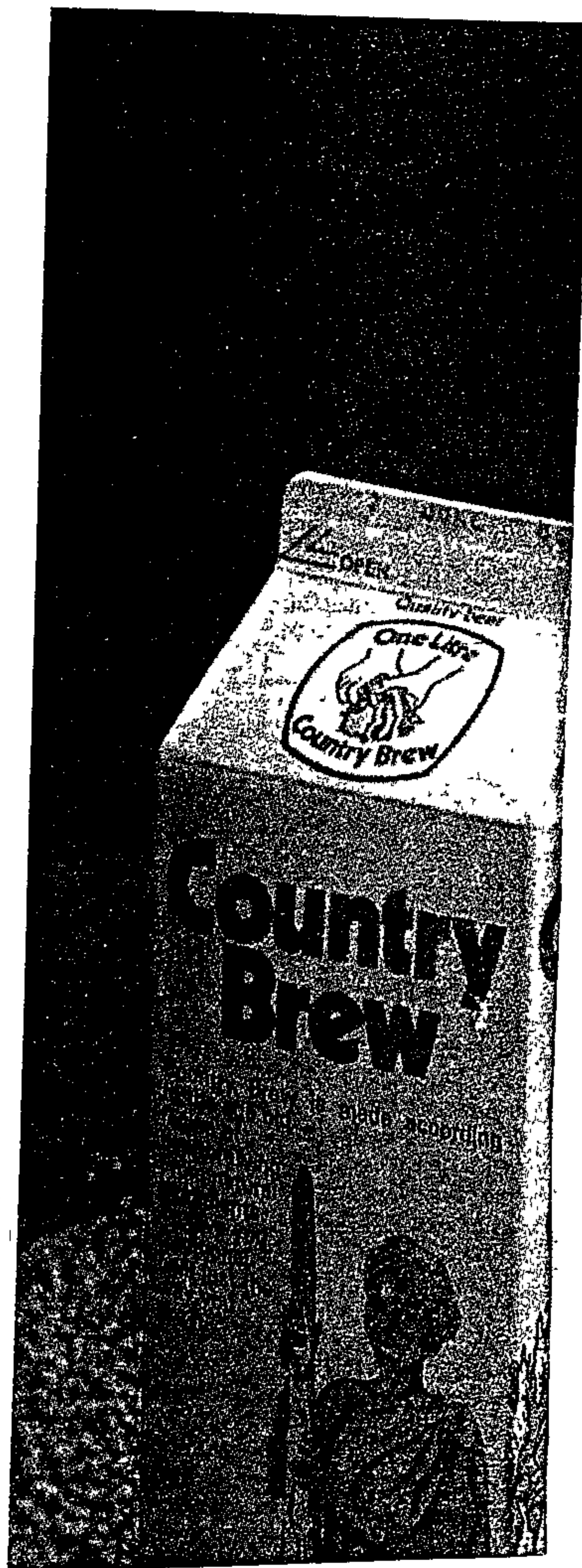
In an interview, the 1985 Nobel Peace laureate said anti-apartheid leaders and clergymen should discuss whether to ask the world to begin lifting curbs imposed since 1975 on trade and investment as well as sports, academic and cultural links.

South African blacks, not foreign governments, should decide when sanc-

SOWETAN RADIO METRO



Is Anglican Archbishop Desmond Tutu correct in calling for a rethink of sanctions against South Africa? Telephone popular Radio Metro DJ Tim Modise and air your opinion to the nation. Phone today between 4.30 and 5pm. The hotline number is 714-8063. Listen to the new Sowetan talkback programme on Radio Metro on medium wave 576 KhZ.





# Tutu's plea frowned on by ANC, PAC

Political Staff

JOHANNESBURG. — Anglican Archbishop Desmond Tutu's call for a review of sanctions by extra-parliamentary groups was given a cool reception today by most of those organisations which maintained change was not yet far-reaching enough.

In an interview with Reuters and Visnews on Wednesday, Archbishop Tutu said it was now time for church leaders and the liberation movements to look "at when we should... take the initiative to determine when they (sanctions) should be lifted or not".

He said sanctions were not asked "for the sheer heck of it", but he and those who called for such punitive measures were looking for a non-violent strategy to end apartheid.

He now believed it was "very crucial" that there was consultation on the matter "with the oppressed and the leadership of the oppressed".

## Not sufficient progress

ANC spokesman Gill Marcus said today she did not think "sufficient progress" had been made to merit either a lifting or a review of sanctions.

"We cannot have sanctions lifted on the basis of hope and prayer, but we will do so on the basis of what is happening on the ground. All political prisoners were supposed to have been released by the end of December last year, but even that process has not yet been finalised."

"The world should know by now that word and deed are quite far apart. We want a flourishing country more than anyone else, and that is what we have been fighting for, but we do not believe now is the time to lift sanctions."

## Inconsistent with demands

Pan Africanist Congress deputy president Mr Dikgang Moseneke said the PAC had made its position clear at its last annual congress in Johannesburg in December: it wanted all pressures against South Africa maintained.

"We find Archbishop Tutu's statement completely inconsistent with the demands of our struggle at the moment," Mr Moseneke said.

The deputy president of the Azanian People's Organisation, Dr Nchaupe Mokoape, said Archbishop Tutu was "mistaken". The conditions which had led to the imposition of sanctions were still there.

"The fabric of this society still remains unchanged and therefore we can't even begin to talk about the lifting of sanctions," Dr Mokoape said.

The only voice supporting the call was the Inkatha Freedom Party.

Spokesman Suzanne Vos said the party was never in favour of sanctions and would therefore welcome their immediate lifting.

It was a "tragedy" that sanctions had been allowed to do so much damage, she said.



# ANC threat to the lifting of sanctions

AKG 9/4/91 280

From DAVID BRAUN  
The Argus Foreign Service

WASHINGTON. — The African National Congress threat to break negotiations with the government unless specific action is taken to halt the violence may delay the lifting of American sanctions.

The US administration, Congress and Washington think-tanks are concerned at the possible unravelling of the negotiation process.

Observers believe that unless the ANC and the government reconcile their differences it would be difficult for President George Bush to say the time had arrived for the suspension of some sanctions.

## Specific conditions

In terms of US law, sanctions may be suspended or changed once political prisoners have been released and three out of four other conditions have been met.

The administration believes all the conditions have been met or are close to being met.

However, a vociferous group on Capitol Hill is opposed to lifting sanctions until either the ANC says it is all right or blacks have the vote and there is a majority government.

## Hold hearings

The US House of Representatives foreign relations sub-committee on Africa is to hold hearings on the issue on April 30.

But if at that date the negotiation process between the government and the ANC appears to have broken down, it would be difficult for the administration to say it was a favourable time to start lifting sanctions, a source said.

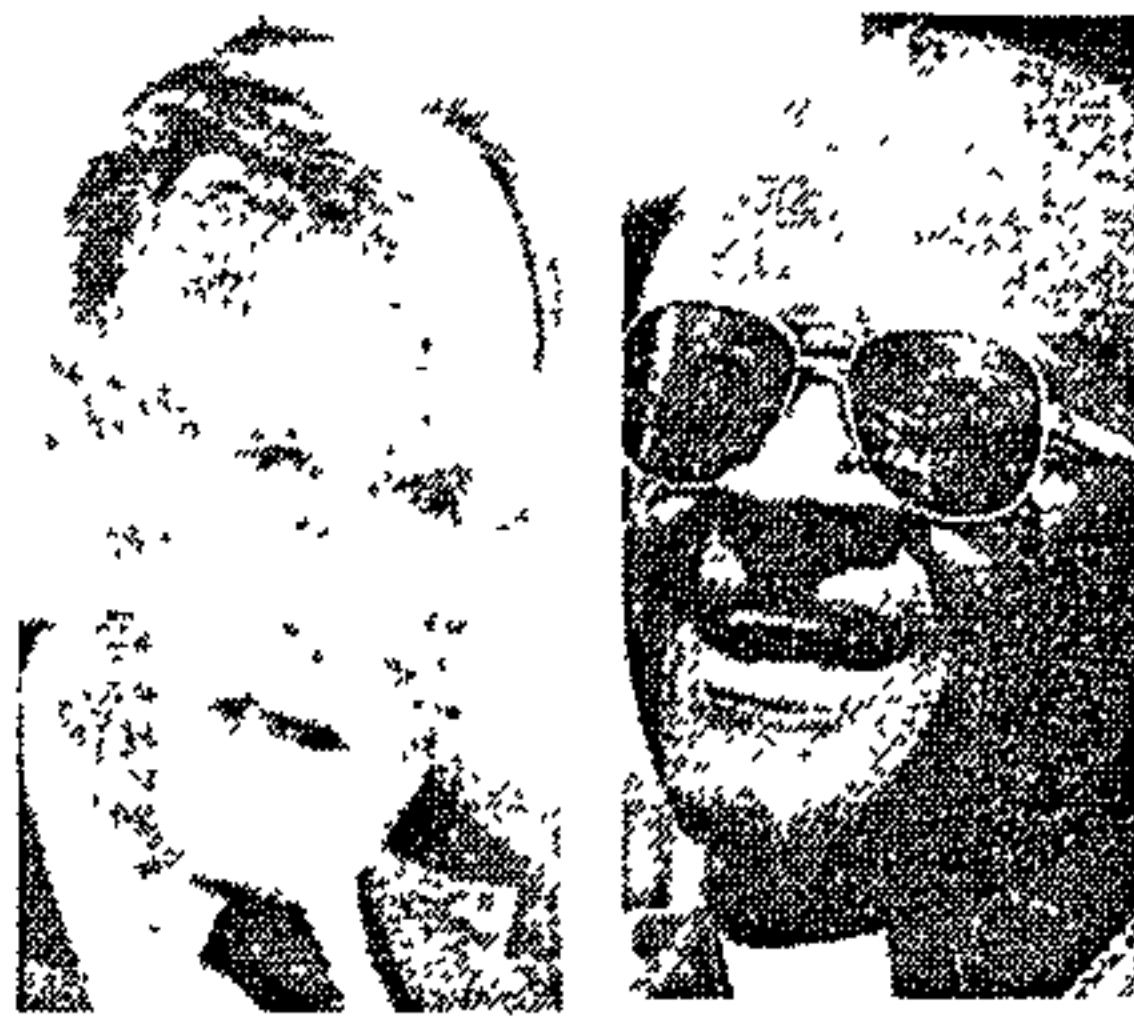
Meanwhile, Archbishop Desmond Tutu has put himself in conflict with the leadership of the Irish Anti-Apartheid Movement by repeating his call for a rethink on sanctions.

## Negotiating table

Sanctions had been imposed conditionally because of apartheid, he said. "We are moving in the general direction when they can be lifted."

He said: "What we want to see is the emergence of democratic institutions in South Africa and everything must be done to persuade all the parties to sit around the negotiating table and ensure that this takes place."

"My call is to the black community and its leadership to sit down and discuss and review sanctions."



President Bush

Archbishop Tutu

## 'Cultural' weapons won't be banned

Political Correspondent

THE government is not considering banning so-called cultural weapons and believes other factors are more important contributors to the wave of violence.

This emerged last night at a Press briefing by Minister of Law and Order Mr Adriaan Vlok.

"I do not think that getting rid of cultural weapons will stop the killings."

"AK 47s are not cultural weapons, for instance, and of the 70 000 firearms lost and stolen in the past 10 years, only 30 000 have been recovered. The others are still in the hands of people who are using them."

He said: "It is not possible to clear the whole country of the lengths of steel that are being sharpened and used to kill people. Some killings have been the result of sharpened sticks being used as weapons. You cannot rid the country of sharpened sticks."

Mr Vlok said: "I am in favour of getting people not to use these weapons against others, but the point is that even a stone can be used as a dangerous weapon against someone else."

"The answer does not lie in disarming the people, but in other things, and the first is to change people's attitudes towards each other. I would prefer it not to be necessary for anybody to carry a weapon."

He said he hoped it would be possible to have further meetings with black groupings to "solve this serious and sensitive matter" as soon as possible.

# Euro MPs to urge easing of sanctions

Political Staff

A GROUP of European parliamentarians who have campaigned for sanctions against South Africa are to work on a programme linking the easing of the curbs to political developments, they said yesterday.

A five-man delegation from the Association of West European Parliamentarians for Action Against Apartheid (AWEPA) is on a fact-finding visit.

Dutch MP and AWEPA president Mr Jan Nico Scholten said at a press conference that the delegation would be recommending a phased process of easing sanctions to its members.

## 'Still too soon'

These would be linked to such events as the release of political prisoners, the return of exiles and the repeal of security legislation.

Late yesterday the delegation met Deputy Foreign Minister Mr Leon Wessels.

● It was still too soon to lift sanctions against South Africa, Commonwealth secretary-general Mr Emeka Anyaoku said in Accra, Ghana, on Thursday.

He said promises would first have to turn into concrete action. — Sapa-Reuters



# Tutu renews call for sanctions to be reviewed

280  
W/CAK 6/4/91

DUBLIN. — Archbishop Desmond Tutu has repeated his call for anti-apartheid leaders to review the need for sanctions.

But the Anglican Archbishop of Cape Town, who is in Ireland for a sponsored walk to highlight the plight of famine victims in Africa, emphasised yesterday that he was not pressing for immediate action. "It is not necessarily yet time to change," he said.

Before leaving Cape Town the Nobel peace prize winner said anti-apartheid leaders and clergymen should discuss whether to ask the world to begin lifting curbs imposed since 1975 on trade, sporting, cultural and other links.

His view has been rejected by the African National Congress.

## Believe it right

On arrival in Ireland Archbishop Tutu said: "Being criticised on the left or on the right isn't entirely new and we don't say things because they are popular but because we believe they are right."

"If most of them (the black leaders) say perhaps they don't think the time is ripe, we then have perhaps to go along. But one is fearful maybe of ending up spitting into the wind," he added.

Commenting on the coming visit to Ireland by President De Klerk, he said: "It is important that he knows the strength of feeling people have against the system of apartheid."

"Perhaps it is a good thing when he comes to places and finds there are those who are going to be picketing him and not welcoming him as uproariously and enthusiastically as people welcomed Nelson Mandela."

■ Weekend Argus Political Staff write that Archbishop Tutu's call for a re-think on sanctions will lend impetus to the crumbling of the United States's punitive measures.

This was the feeling in diplomatic circles after his call earlier this week.

He was a key figure in the sanctions campaign five years ago which led to Congress imposing a package of trade restrictions in the Comprehensive Anti-Apartheid Act (CAAA) of 1986.

Bishop Tutu's support for sanctions was the most widely quoted by senators and congressmen in favour of the law. His clout in the United States was enormous — his was a household name.

Bishop Tutu's remarks spread quickly among 14 Congressmen and three Senators in Cape Town at the conclusion of a four-day Aspen Institute conference on South Africa's future.

# Academics dance on the grave of a dying boycott

THE SUNDAY ASSESSMENT  
By CAS St LEGER

THE academic boycott of South Africa is all but over. Officially, it is still in place. Officially, too, the African National Congress wants men of learning in the country to aid its democratic process.

"The most important point is, we have reached this position where we do want people to come," says the ANC's arts and culture spokesman, Wally Serote.

"They assist us in building democratic non-racial structures," but the boycott continues — but exceptions are being made.

The head of Wits University's economics department, Professor Merton Dagut, said the ANC had been "exceptionally helpful" in assisting with the Wits Economics Initiatives conference on economic policy, which was held in Somerset West before Easter and attracted interna-

was far from total. Today, Professor Tobias says: "Any diluting of the boycott stance is greatly to be welcomed and I look forward to its total removal."

For 45 years, he has fought for the free exchange of scientific knowledge and scientists. "I was always unhappy about the choice of an academic boycott as a strategy to force Pretoria to its knees."

## Unhealthy

"My great concern was that if this were kept up for a number of years it would undoubtedly lead to a serious decline in the standards of South African research. Bright young men and women anxious to trade their ideas and research results would not have stayed in South Africa," he said. "I feared South African universities and other research bodies would

become run-down and that our legacy to post-apartheid South Africa would be a series of third-rate institutions. At best, the boycott has been undignified, even silly."

The cause celebre is that of Professor Tobias. In 1986, he was due to attend the World Archaeological Congress in England with a party of 26 prehistorians. They were banned from attending. The International Union of Prehistoric and Protohistoric Sciences withdrew its recognition of the English conference and changed the venue to Frankfurt. South Africans attended.

Another much-publicised case occurred the same year at Cape Town University, where Irish academic and former Observer editor, Conor Cruise O'Brien, cut short his lecture tour — arranged in defiance of the anti-apartheid ban on academics accepting teaching posts in South

Africa — after students and staff protested against his presence on campus. Neither did he appear at Wits, where students threatened violence.

"The isolation has been partial only," says Wits vice-chancellor Professor Robert Charlton.

## Desirable

"Our academics have not had problems attending conferences or visiting universities — with a few notable exceptions."

"Where it did hurt us was that overseas academics were unwilling to come to South Africa. Whereas 20 years ago, a quarter of our staff would have been from other countries, the figure is now very much smaller. That has meant an unhealthy degree of academic inbreeding."

"Now we are receiving applica-

tions for employment from all parts of the world. There is a perceptible change in the trend."

Cape Town University's deputy vice-chancellor, Professor James Leatt, says: "I am delighted the ANC has taken the view it has. The boycott certainly cut back on the exchange of international scholars and ideas."

Overseas academics are showing increasing interest in attending the university, he says.

"The boycott has clearly receded. For example, the Fulbright Scholarship scheme has been re-opened."

Rhodes University in Grahamstown has felt little isolation, say vice-chancellor Dr Derek Henderson.

"The major universities like Oxford and Cambridge set their face against the boycott. They have taken the view that exchange of personnel and views would contribute to desirable change in South Africa."

UNIVERSITY OF CAPE TOWN TO VISIT

STIMES

280



# Tutu denies call for end to sanctions

280

ARCHBISHOP Desmond Tutu has denied that a statement he made in Cape Town this week suggesting that support for sanctions should be reviewed was a call that they should be lifted.

Tutu was speaking at a news conference held at Shannon Airport on his arrival in Ireland on Friday for a three-yearly meeting of Anglican archbishops from around the world.

"What I said is that we, all of us in the black community in South Africa, ought to be considering whether the time has not come — I am not saying it has come — that we should review the sanctions situation," Archbishop Tutu said.

"My call was to the black community, its leadership, to sit down and discuss

and review the situation. If most say the time is not right to lift sanctions then we have perhaps to go along with that particular decision.

"But one is fearful of maybe ending up spitting into the wind in calling for continued sanctions.

"Sanctions should not be viewed as an end in themselves but rather as a means to an end. They are a strategy and we have constantly to review them because they were imposed conditionally on the scrapping of apartheid.

"I have myself set certain conditions which if met in my opinion would result in my calling for the lifting of sanctions."

Speaking of President FW de Klerk's

forthcoming visit to Ireland, Archbishop Tutu said there was not "a great deal to be gained by opposing it", but added that De Klerk "should know the strength of feeling the Irish people have against apartheid".

"Given that he has been invited and welcomed to the White House I think there is not a great deal to be gained by our saying he should not visit Ireland.

"Rather I think the man should be exposed to civilisation every chance he gets.

"It will expose him to the fact that those opposed to apartheid are people who are principled, who are idealistic, who are committed to justice and democracy — and who are not rabid, wild-

haired crazies, as his government for years sought to have South Africans believe.

"The government has also and often tried to give the impression that those opposed to apartheid are anti-white or anti-South Africa. We have tried to counter this by showing those opposed to apartheid as being anti-injustice and anti-oppression rather."

Tomorrow Archbishop Tutu leads a walk in the west of Ireland to commemorate the Great Famine of the last century.

The meeting of archbishops begins today under the chairmanship of Dr George Carey, the new Archbishop of Canterbury.



Archbishop Tutu ... "sanctions conditional".



# Callers split over Tutu

280

By DON SEOKANE

CALLERS to Radio Metro's Talkback show reacted with mixed feelings to Cape Town Ar-

chbishop Desmond Tutu's request that sanctions against South Africa be reviewed.

In a recent interview, Tutu had said anti-apartheid leaders and clergymen should discuss whether to ask the world to begin lifting curbs imposed since 1975 on trade and investment as well as sports, academic and cultural links.

On Talkback, run in connection with the *Sowetan*, Ramo from Lenasia said Tutu was realising that black people were suffering and that it

was time that sanctions were lifted.

"There will be political rights for all in the new South Africa," he said.

"It is redundant that we should be calling for sanctions while there are political changes in the country."

*Sowetan*  
8/4/91  
**Hurt**

Sello from Sebokeng said sanctions did not achieve their intended aims. Blacks were hurt by their application, he said.

"Thousands of our people lost their jobs be-

cause of sanctions. Tutu is right in calling for the lifting of sanctions," he said.

Calling from Pimville, Paul said pressure should be applied on the Government until all discriminatory legislation had been abolished.

"Sanctions should be reviewed only after black people in this country had been liberated," he said.

David from Dobsonville felt that it would be premature to lift sanctions while the majority of the people in the country do not have political rights.



# Tutu's bold view conflicts with anti-apartheid group

Star 9/4/91  
By Anthony Garvey  
Star Foreign Service

DUBLIN — Archbishop Desmond Tutu has put himself in direct conflict with the leadership of the Irish Anti-Apartheid Movement by repeating his call for a rethink on sanctions and welcoming the visit to Dublin later this month by President de Klerk.

Sanctions had been imposed conditionally because of apartheid, he told his critics. "We are moving in the general direction when they can be lifted."

And he described the De Klerk visit for talks with the Irish government — bitterly denounced by local anti-apartheid campaigners — as "a good thing".

He was speaking in County Mayo where he led a crowd on a 16 km

walk to commemorate the Irish famine nearly 150 years ago.

At the end of the walk he made a plea to world leaders to end the current scourge of famine.

On the sanctions issue, Archbishop Tutu said: "What we want to see is the emergence of democratic institutions in South Africa, and everything must be done to persuade all the parties to sit around the negotiating table and ensure that this takes place."

## Killings 280

"My call is to the black community and its leadership to sit down and discuss and review the sanctions. If most of them say the time is not right, then we will have to go along with that decision."

On the De Klerk visit,

he said: "You have invited him and it is important that he should know the strength of feeling that people here have against apartheid. It is a good thing that he comes to a place where he will be picketed and will not receive the enthusiastic welcome that Ireland gave Nelson Mandela."

Referring to the spate of township killings, he said one of the problems was that the police force did not enjoy the confidence of everyone.

"But we must also admit that much of the violence is due to political rivalry in the black community, for we have not developed tolerance for the different points of view."

Archbishop Tutu is on a 10-day visit to Ireland to attend a conference of the world's Anglican prelates.



**W**HEN and to what extent the US moves to normalise its economic and other relations with SA depends largely on the domestic context at the moment President George Bush is legally permitted to start modifying the sanctions contained in the Comprehensive Anti-Apartheid Act.

It could be as early as the end of this month.

Many analysts, among them SA ambassador Harry Schwarz, believe Bush's decision will be strongly affected by the brewing confrontation between the White House and congressional Democrats over a civil rights bill Bush vetoed last year, but which remains high on the Democrats' agenda as Congress returns from its Easter recess.

One theory is that the administration, which is as opposed to the bill as it was in 1990, will be afraid to inflame the civil rights lobby on the SA issue.

A variant on this is that SA could become a bargaining chip: if Bush wants a civil rights bill he can sign, then he will have to tread softly on lifting too many sanctions too fast.

**R**epublicans are starting to see the civil rights imbroglio as an opportunity to break the Democrats' monopoly hold on black votes. As ironic as this may sound, the thinking behind it is not that implausible.

The emerging Republican strategy is to argue that the bill does not address the real crisis of the black "underclass", and that what is really needed is not another anti-discrimination gesture — which the bill, palpably, is — but rather concrete steps to improve black life-chances.

That means, among other things, revamping an education system that is biased towards those who live in areas with a high tax base, improving inner city law enforcement, and offering a series of initiatives — tenant ownership of public housing, for example — under the general rubric of "empowerment".

# Sanctions likely to be the pawn in US civil rights 'contest'

Day 9/14/91

SIMON BARBER in WASHINGTON

The difficulty with this is that the civil rights lobby is wedded to the notion that all black woes stem ultimately from racism. Whatever Bush and his party may try to do in real terms about what the Economist calls America's wasted blacks, they will be stuck with the racist label until such time as they have been able to demonstrate that their policies have been more effective than those espoused by the lobby.

So crippling is this label that they may never get the chance — and America's most pressing social problem will therefore continue to go unaddressed — unless they are prepared to offer a symbolic sacrifice or two.

The easiest way for any politician to prove he is racially correct is to favour continued sanctions on SA.

At the end of the day, that is a cheaper concession than accepting the present civil rights bill whose chief effect is to give virtual force of law to the informal system of racial hiring quotas prevalent in this country.

Under the bill, any company whose employee mix did not exactly reflect the racial ratio in its area could be successfully sued for bias

unless it could prove that its hiring practices were "significantly" related to its ability to conduct business. This being an all but impossible standard to satisfy, no sane management would choose the potentially massive expense of litigation over the relative ease of hiring by quota rather than qualification.

The political problem for Bush is that he would be as damned if he signed such a measure into law as if he did not.

If he vetoes again, he is the racist who used convicted black murderer Willie Horton as the most potent symbol of his 1988 election campaign against Massachusetts governor Michael Dukakis.

If he acquiesces he may still win re-election next year — a challenge from within his own party is all but unthinkable after the Gulf — but he will stoke an already stirring white backlash.

The quota issue brought former Ku Klux Klansman David Duke within spitting distance of winning a Senate seat in Louisiana last year and it enabled North Carolina's Sen-

ator Jesse Helms to defeat Harvey Gantt, a black man, in the toughest re-election fight he had ever faced.

Meanwhile, polling data — including some generated by the Leadership Conference on Civil Rights which is co-ordinating efforts on the bill's behalf — show a growing majority of whites, especially blue collar workers and less affluent younger voters, to be of the view, and resentful with it, that the civil rights lobby is after preferential group benefits rather than equal opportunity.

By any standard, the responsible course of action is to oppose the bill, or at least the quota component, while at the same time undertaking policies that, unlike quotas and other forms of affirmative action which only tend to benefit the middle class, actually confront what it is that keeps so disproportionately high a number of blacks in poverty.

The trouble, of course, is that no one can agree on what such policies should be, especially at a time of severe budgetary constraints at all levels of government.

But money is not the only problem. Because of the highly-localised way the school system works in this country, poor people generally have to send their children to poor schools.

Public education is funded from local property taxes. This gives upwardly mobile people every incentive to leave their old neighbourhoods for richer school districts.

Yet a more broad-based education system is unthinkable. Equally unthinkable is gun control strict enough to deny weapons to the drug trade which terrorises the innocent majority caught in the ghetto. Murder is the number one cause of death for black teenagers, and violent crime one of the principal reasons few businesses remain in the depressed inner cities.

As for a more efficient criminal justice system (in New York, the chances of going to jail for a serious crime are less than one in 100), no-one wants to pay for more prisons, let alone have one built in his backyard. "Enterprise zones" — mini-tax havens — designed to lure the businesses back have not proved a marked success.

Jobs programmes, especially those that might train the youthful unemployed by putting them to work refurbishing housing, have often been opposed by labour unions. Public housing bureaucracies are wary of tenant control or ownership. Without good answers, or the will to pursue them, black poverty and demoralisation are much more easily treated — by politicians both black and white — as a "civil rights" problem.

**B**ush and his party would clearly like to treat them as something else, but that threatens a black leadership with a vested interest in the "civil rights", blacks-as-victims-of-oppression, approach.

For the good of the nation as a whole, that approach cannot be allowed to continue dominating debate. It will solve nothing and only further exacerbate race relations.

If its proponents have to be thrown a bone or two to keep them relatively quiet, let them have their SA sanctions. At least they will be helping wreck someone else's country rather than their own.

## Clashes expected at Frontline sanctions debate

LUSAKA — The Frontline States are to discuss whether to maintain sanctions against SA when they meet in Botswana's capital, Gaborone, next week.

Diplomatic sources in the Zambian capital say there is much disagreement on sanctions among heads of state within this

seven-nation grouping.

Hawks within the Frontline States feel it is premature to end sanctions "when apartheid is still in place".

One Western diplomat predicted the talks would be acrimonious. "The division is great because some countries like Zambia, Bo-

tswana and Mozambique have accepted that trade with SA should be opened."

Tanzania and Angola oppose the lifting of sanctions.

Zimbabwe, with a mission in Pretoria, was worried about being accused of breaking the international embargo. — Sapa.



# US willing to help 'new SA', Bush tells Schwarz

By David Braun  
Star Bureau

WASHINGTON — President Bush yesterday reiterated that the time had come to encourage and assist the emerging new South Africa.

He said he was immensely impressed with the dramatic progress achieved in South Africa in the past year and he was confident that the process of profound change now underway would be fully realised.

He said this in remarks released by the White House in response to the comments of South

African ambassador Harry Schwarz, who yesterday presented his credentials to the President.

Mr Schwarz said afterwards he had told the President that he hoped South Africa would have complied with all five conditions of the US Comprehensive Anti-Apartheid Act (CAAA) for the lifting of sanctions by the third week of June. Mr Bush received this news favourably.

Mr Schwarz handed Mr Bush a personal letter from Mr de Klerk.

Mr Schwarz told Mr Bush South Africa was on a course of irreversible progress to full democracy. The US had a

role to play in this process.

Mr Bush said South Africa was indeed on an irreversible course of change.

"As I said when President de Klerk was in Washington last September, the time has come to encourage and assist the emerging new South Africa. The US strongly endorses the principle of nonracial, democratic government in South Africa," he said.

"I welcome you to your important diplomatic mission. I encourage you to expose the possibilities of the emerging new South Africa to the widest range of the people of

the US," Mr Bush said.

In a speech to about 120 people invited to his official residence to celebrate the handing over of his credentials, Mr Schwarz warned that his embassy could not at present convey a message of stability in South Africa if it did not exist.

"We can convey our confidence in the future, but such a message will be more convincing when our people put down their guns and pangas, and pick up tools and turn their minds to reconstruction.

"South Africans must remember that the US will see our country as it is and we are going to tell it as it is".



## THE CULTURAL BOYCOTT

## FLIRTING WITH DARKNESS

F M 12/4/91

## THE BUREAUCRATIC MIND-SET LINGERS ON AND SETS CONDITIONS

The cultural boycott, like the many-headed Hydra of Greek mythology, has an endless capacity to renew itself every time it is apparently killed off. Those outraged by the sports boycott used to call this moving the goal posts.

According to a recent ANC Department of Arts & Culture discussion document, the boycott has the following objectives: "To bring pressure upon apartheid structures through isolation and engagement towards transformation," and in so doing "to build, foster and promote democratic South African culture."

A quick reading of that would suggest that the need for a boycott is almost gone. After all, how many "apartheid structures" could be left after the Population Registration Act is repealed? A few platteland town halls?

But it's more complicated than that. Having achieved such remarkable control of cultural relations (or the lack of them) between SA and just about anywhere else for two decades, the ANC and its allies seem reluctant to give up that control — even if apartheid is abolished.

Perhaps they were expecting a longer struggle. Absurdly, it is almost as if they are miffed that their powerful tactic has actually achieved its purpose (like a general who gets angry when his enemy surrenders before he can use his fancy new artillery). Inevitably, the ANC must be wondering if a weapon that has been so successful should not be kept in action. ("Hmmm. Now let's see what else this gun can do, General...")

This interpretation seems to be backed up by recent policy statements by ANC spokesmen. Though the UN entertainment blacklist is expected to go next month, after discussions between the ANC and the UN committee responsible for it, it could be replaced with a list of "apartheid institutions."

This is apparently a reference to the provincial performing arts councils — Pact, Capab, Napac and Pacofs. Even though the councils have been moving for some time towards integration, activists believe there are still major problems related to unequal pay and working conditions.

Presumably such problems can be sorted out with the various trade unions; and the arts councils have been eager to show that they will be doing their bit to redress the damage done by apartheid. And then what target will the cultural boycott be trained on?

The present head of culture at the ANC, poet and novelist Wally Serote, says the boycott will be more "managed" in future, with an "affirmative action aspect" to redress inequalities in "cultural access" in SA.

If you feel tired reading that, imagine what people whose business is entertainment must feel like. One major international promoter has said that major rock concert promoters will "not touch" SA until politicians loosen their hold on the arts. "The way the cultural boycott is managed makes it too time-consuming and irritating to deal with the various political bodies," says the promoter. "A major rock concert can cost millions of rands and we have to ensure we will not waste money."

The partial relaxation of the boycott has already made matters even more complicated. At least the application of the sports boycott was utterly consistent and everyone knew where they were.

Serote says artists who come to SA will be required to give workshops in their art form to culturally deprived communities, or make donations — musician Paul Simon has donated a music centre in KwaZulu.

The ANC denies that this kind of policy would give them the status of cultural commissars, and they say boycott decisions are left to "democratic" organisations in the various disciplines to make such decisions.

This is doublespeak: the democratic organisations referred to are all directly linked to the ANC or ideologically close to its position. The ANC discussion document suggests an interim cultural exchange body consisting of "ANC, PAC, Cosatu, Nactu, Azapo, Fosaco plus discipline-based bodies" to form what is mysteriously described as a

"non-sectarian" approach. To be fair, Serote says they have also approached Inkatha to take part in discussions on arts and culture.

The discussion document asks for "very careful consideration" of issues. "For example, writers' organisations should be thinking of how we interact with, and what demands we should be making upon, large commercial publishers who are already inside, or preparing for entry, into SA. What do we do about those smaller or more progressive publishing houses that have abided by the boycott to ensure they are not sidelined?"

Perhaps someone should tell the ANC quietly that no amount of careful consideration will force a commercial publisher (even a leftwing one) to publish what he thinks will not sell. As for publishing houses that may have observed the boycott, it is difficult to think of how to reward them beyond sending them a nice letter of thanks.

Serote admits that the ANC doesn't have all the answers: "We have to realise we are part of the world, and learn from the experiences of others." But this is fake humility, to say that you do not have the solutions while at the same time having the arrogance to insist on retaining complete control.

This was very much the approach of the Nationalists for 40 years — they also knew what was best for us, and through censorship had a crushing effect on the arts.

There is, of course, another motivation for retaining control over cultural exchange: protectionism. Some local musicians and theatre people want a "managed" cultural boycott because they want to prevent a deluge of foreign musicians, artists and plays which will swamp the arts community that has sprung up under the umbrella of the cultural boycott.

It is a seductive argument. But in the arts, more than in anything else, you cannot legislate quality. Take Mango Groove, our sensational pop group. They are good enough to hold their own against the best in the world, and they will. Radical mumbling poets will not.

True, the boycott did force our theatre, in particular, back on its own resources, and much good work and local talent emerged. But there are limits, and real growth can only come from constant exposure to which ever foreign artists want to come here.

As for affirmative action, that is not the job of visiting opera singers, painters, actors and writers. No doubt some of them would be sympathetic to conducting a workshop or two, or donating dollars to set up singing schools or whatever. But to make such things a condition for coming here will consign us forever to the cultural darkness that has already partly enveloped us.



Poet Serote ... lessons on the home front



# Sanctions to go on Monday

CAL TIPS 12/14/91

720

From KIN BENTLEY

**LONDON.** — European Community foreign ministers are set to announce the lifting of trade sanctions against South Africa when they meet in Luxembourg on Monday.

Should they decide all EC conditions for scrapping sanctions have been met — as seems highly probable — legal steps to lift the ban on the import of South Africa iron, coal and Krugerrands will follow in a matter of days.

A senior EC official in Brussels said yesterday he understood there was now unanimity within the 12-nation body that Pretoria has indeed taken the necessary legislative action to enable them to lift trade sanctions.

This follows the tabling over the past few months in the South African Parliament of legislation to repeal the pillars of apartheid, including the Group Areas and Land Acts.

Earlier this week a bill repealing the 1950

Population Registration Act, which classifies people by race and underpins the entire apartheid system, was also tabled.

The spokesman, from the European Council of Foreign Ministers press office, confirmed yesterday that South Africa would be discussed during a working lunch on Monday.

He said two issues were at stake: Whether members agree that the conditions set by the EC for the lifting of trade sanctions have been met; and if so, how soon to translate this decision into legal action to lift the measures.

Ireland and Denmark, who for years headed the pro-sanctions lobby in the EC, have apparently been convinced by the reform steps of President F.W. de Klerk, who visits them for the first time later this month.

The spokesman said: "I understand the majority of countries believe the conditions have been met. There could even be unanimity."

He observed that at the Rome summit in December last year it was 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".

The Rome summit took the first step to bring South Africa in from the cold by lifting the ban on new investment.

Some countries, he said, might want to wait to allow the European Parliament to express itself on the issue — which they could do later next week. But legally-speaking, he said, it was not necessary for this to happen.

However, when asked whether legal action was likely to wait until the next EC summit in June, he said providing the political decision was that the conditions had been met legal action would be earlier — possibly on Monday itself.

If not on Monday, he said, legal barriers to free trade between South Africa and Europe would be removed in days, or at most, a

couple of weeks.

● Sapa reports from Lusaka that the Front-line Heads of State summit scheduled for this weekend to discuss sanctions against South Africa in Gaborone, Botswana, has been cancelled indefinitely.

The Council of Ministers of Foreign Affairs from the seven-nation political grouping met in Gaborone earlier this week and resolved that the meeting of the Heads of State be deferred to a date to be fixed.

The ministers are said to have resolved the issues at hand and would consult with their governments before a summit for the heads of state could be convened.

Sanctions against South Africa was supposed to have been the main item on the agenda, besides black factional violence in the country.

Sapa's Lusaka correspondent reports there are sharp differences between those states that support sanctions and those that oppose the idea.



# More US firms cut ties with SA

**U**NITED STATES companies continue to sever their licensing and distribution links with South Africa — despite these moves having had limited effect. *WMA 12/4 ~ 18/4/91*

The moves also contrast with foreign disinvestment from South Africa having slowed to a crawl, according to the Investor Responsibility Research Centre.

The number of US companies severing non-equity links such as licensing and distribution agreements has risen sharply.

The IRRC reports that the main reason seems to be selective contracting laws in force in 49 states, cities and counties throughout the US.

These laws penalise companies with ties to South Africa.

Ten US companies have told the IRRC they have severed or allowed to expire their non-equity ties in the last year.

They are, according to the IRRC's recently published *US Business in South Africa 1991*: Bentley Nevada, Bicoastal, Chadwick-Helmuth, Dana, Dell Computer, Goulds Pumps, Informix, Motorola, Reynolds & Re-

Sanctions pressure persists in the United States despite changing political perceptions of South Africa.

By REG RUMNEY

ynolds, and Valmont Industries.

The IRRC notes some selective contracting laws penalise both companies with direct investment and those with non-equity links.

Companies such as Motorola Inc and Xerox Corporation, which disinvested from South Africa in 1985 and 1987 respectively but retained non-equity ties to South Africa, were forced to cut indirect links because they were still being penalised in their bids for major city contracts.

Other companies which have said they will not renew non-equity links with South Africa when they expire include General Electric, GTE, Maytag and Thermo Electron.

Selective contracting laws hurt not only publicly held companies but also privately held companies, notes the IRRC. Three of the 10 companies that have severed their non-equity

links to South Africa in the last year are privately held.

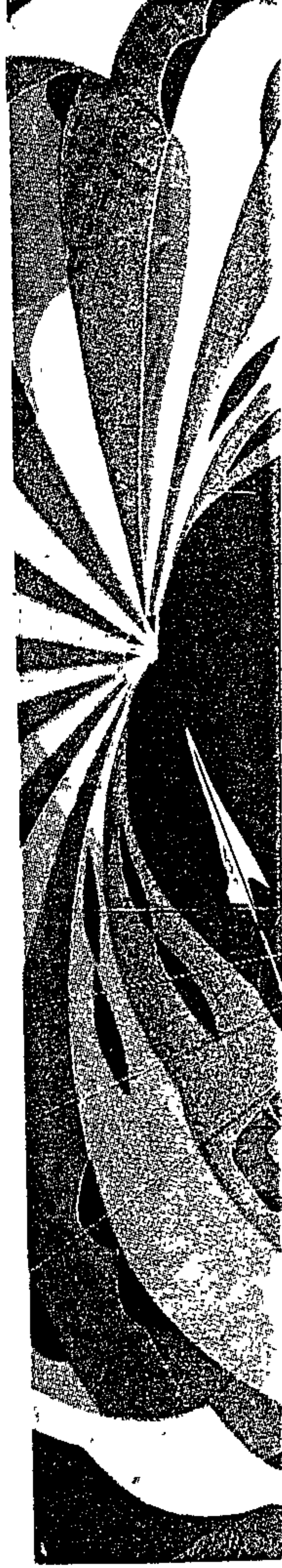
Also, some selective contracting laws are seen as too rigid and don't take into account ties to South Africa that may benefit blacks.

The IRRC remarks: "When Dell Computer Corp severed its distribution agreement with a black-owned South African distributor, Incorporated Data Systems in October 1990, it said: 'The prohibitions enacted by several US cities and states against US firms doing business with South African companies leave us no choice'."

Companies in *US Business in South Africa 1991*, such as Apple, Digital Equipment Corp, Everex Systems Inc, Informix, Intelligent Systems, Intermetec, Lotus, Microsoft, Sun Microsystems and Wang have no links with South Africa.

Nevertheless — as South Africans will attest — their products are widely sold within South Africa.

"These companies say that their products must be getting into South Africa through third-party arrangements and that there is nothing they can do to stop such redistribution."



# EC likely to lift its last sanctions at session tomorrow

Sunday Times Reporters

THE European Community's foreign ministers meet in Brussels tomorrow — most probably to lift the last remaining sanctions against South Africa.

A top ANC team this week urged EC officials to keep sanctions in place. They said this was particularly important given the ANC ultimatum to the government to end violence in the townships.

The ANC's director of international relations, Thabo Mbeki, and ANC secretary general Alfred Nzo met representatives of the European Commission and the chairman of the Council of Foreign Ministers, Jacques Poos, in Luxembourg.

Diplomatic observers said the meetings were timed to influence the meeting of the 12 EC foreign ministers, scheduled for tomorrow and Tuesday in Luxembourg.

The Council of Foreign Ministers is due to discuss whether the conditions laid

down at the EC summit in Rome in December for lifting import bans on Krugers, iron and steel from SA, had been met.

The Foreign Ministers Committee has the power to lift sanctions against SA at any time.

The ban on new investments in SA was lifted at the December summit and the EC committed itself to lifting further sanctions if SA met certain conditions.

Observers in London said the lifting of trade sanctions was almost a fait accompli and needed only to be rubber stamped.

A senior EC official in Brussels said: "There is agreement among the 12-nation body that South Africa has made the legislative changes we demanded as a prerequisite to the lifting of sanctions."

"Therefore, it is more than likely that legal barriers for free trade between South Africa and Europe will be removed tomorrow — or within a few weeks at most."



President Bush is preparing to review sanctions on South Africa, reports David Braun

# Waiting for the green light

Sheer 15/4/91

280

**A**S South Africa moves closer to meeting American demands for the lifting of sanctions, the US government is sounding out various political groupings in South Africa and Washington to see if broad consensus on the issue can be achieved.

Both the White House and the State Department used the opportunity of the recent Aspen Institute conference in Cape Town to listen to a range of South African leaders on the issue.

Hank Cohen, Assistant Secretary of State for African Affairs, was the senior State Department official present at the conference, and Bob Frasure represented the US President's National Security Council.

According to sources, Mr Frasure, a former political counsellor in the US embassy in South Africa, had lengthy consultations before the conference — in particular

with the African National Congress as to what its position on US sanctions was and what it would take for the organisation to support the lifting of sanctions.

This, according to the sources, is an indication that the White House is calling for detailed information on the issue from its own sources in addition to the input it gets from Mr Cohen and the State Department. It means the Bush administration is getting ready at the highest level to review sanctions against South Africa.

The views and findings of both the State Department and the National Security Council are to be collated at the highest level, probably by Secretary of State James Baker, for a final recommendation to President Bush.

According to the sources, the administration hopes to negotiate a consensus with Congress on the lifting of sanctions, and to do this it needs to know the positions of

the various South African groupings in order to see if a deal can be clinched in both South Africa and Washington.

Elements of a broad consensus are believed to include:

- The lifting of all sanctions in one fell swoop once South Africa complies with all five conditions of the Comprehensive Anti-Apartheid Act (CAAA)

- Stepped-up American emergency relief aid for black housing, education and health care.

- The release of the \$10 million (R27 million) which Congress had earmarked for the development of black political opposition parties, but which conservative congressmen have blocked because the ANC is to get the largest share.

Sources say the ANC has made it clear it is not in favour of lifting sanctions at this stage, but has recognised that the US government is bound by the CAAA.

The administration is apparently

now more inclined to wait for South Africa to meet all the CAAA's conditions for the automatic lifting of all sanctions.

In terms of the CAAA, the President may suspend or modify some of the sanctions if all the political prisoners are released and three out of four of the remaining conditions are met.

The US government has already made the decision that South Africa has met three of those conditions. The issue of political prisoners still has to be resolved, while the only other remaining condition is the repeal of the Group Areas Act and the Population Registration Act, which Parliament is now engaged in.

Waiting for all five conditions to be met has a number of advantages:

- It gives President Bush a little more time before having to make a decision, and this is particularly important in view of recent spar-

ring over the ANC's demands on the government to end the violence in the country.

- It makes it easier for Congress and the South African liberation organisations to accept.

- It gives South Africa a clear green light, rather than a yellow light which would be a confusing signal.

- It avoids the potential pitfall of having to return to Congress at a later date to ask for remaining sanctions to be terminated, if only some have been suspended because four out of five CAAA conditions had been met

- Lifting sanctions in stages would not encourage new investment in South Africa as effectively as a dramatic termination of all punitive measures.

Congress is said to be more likely to accept the lifting of sanctions if the liberation movements agree, although congressmen

admit there would be little they could do if President Bush decided to issue an executive order lifting the sanctions anyway.

The White House is, however, anxious to reach consensus with Congress on the South African issue as far as possible.

Congress is likely to insist on an increase in financial assistance for South Africa's deprived communities as a quid pro quo.

This would be part of the spin-off for the liberation movements, as would the release of the R27 million allocated by Congress for opposition political parties. The ANC stands to benefit to the tune of R10 million from this special fund.

Conservative congressmen would be prepared to withdraw their "hold" on the R27 million in return for the lifting of sanctions. □



'Secret decision already taken'

# EC sanctions are set to be axed today

36A 280  
B/day 15/4/91.

LONDON — The 12-nation EC is expected to lift trade sanctions against SA when foreign ministers meet in Luxembourg today, despite a last-minute attempt by the ANC to convince it otherwise.

Diplomatic sources close to the SA Embassy in Brussels are optimistic that the 1986 measures banning the imports of SA iron, steel and Krugerrands will go.

Reserve Bank Governor Chris Stals gave impetus to moves to do away with sanctions when he warned in Italy last week that without economic growth SA would soon become ungovernable.

Senior European Commission officials have secretly taken the decision to lift the bans, say reports in London.

While the commission is keeping mum on what it will recommend to the EC foreign ministers today, official sources quoted in Saturday's Guardian newspaper said: "The lifting of sanctions was agreed and will be announced after discussion with the ministers."

One official continued: "Quite frankly, it was done like this (secretly) to prevent having to seek approval of the European Parliament, where there are strong views about lifting sanctions when so many political issues are unresolved in SA."

European Parliament president Enrique Baron has asked today's meeting to take no decision without consulting members of the parliament, who are angry at what they view as an attempt to present them with a fait accompli. One member said the ANC had asked the community not to step

KIN BENTLEY

out of line with the US.

The SA diplomatic sources said, however, that the parliament had no power over the Council of Foreign Ministers' decisions.

They noted that when sanctions were imposed the parliament was not consulted.

Late last week ANC secretary-general Alfred Nzo and international affairs director Thabo Mbeki travelled to Brussels in a bid to dissuade the foreign ministers from their apparent course. Nzo was quoted in the Guardian as saying it was wrong to lift sanctions when so many apartheid laws still existed.

"I have appealed to the president of the EC Council of Ministers, Jacques Poos, not to endorse this move on Monday."

However, Poos, Luxembourg's Foreign Minister and chairman of today's meeting, told the newspaper Europe that the decision taken by the EC leaders' summit in December to start lifting sanctions once legislation to repeal apartheid was tabled would be respected.

In the past few months of legislation to repeal the Group Areas, Land and Population Registration Acts has been tabled.

Next week President F W de Klerk will visit Ireland and Denmark, the countries within the EC which have held out longest over sanctions.

An international meeting of Anglican Church leaders in Northern Ireland at the weekend, attended by Archbishop Desmond Tutu, said it believed black leaders should decide when sanctions should be lifted.

# EC set to lift trade sanctions

Cape Times 15/4/91

Own Correspondent 780

LONDON. — Foreign ministers of the 12-nation European Community are expected to decide in Luxembourg today to lift trade sanctions against South Africa.

The red tape involved in changing regulations setting out the EC's 1986 sanctions package is likely to take a little longer.

The ANC has made a last-minute attempt to persuade the EC not to scrap sanctions.

Any such move is also expected to upset the European Parliament, which feels it has been left out of the process.

Diplomatic sources close to the SA embassy in Brussels were optimistic at the weekend that some, if not all, of the 1986 measures banning the import of SA iron, steel and Krugerrands, would be lifted.

Late last week ANC secretary-general Mr Alfred Nzo and international affairs director Mr Thabo Mbeki travelled to Brussels. Mr Nzo was quoted in the Guardian as saying: "It is quite wrong to do this (lift sanctions) at this time when South Africa remains subject to so many of the apartheid laws. I have appealed to the president of the EC Council of Ministers, Jacques Poos, not to endorse this move."

However, Mr Poos, Luxembourg's Foreign Minister and chairman of today's meeting, told the newspaper Europe last week that the decision taken by the EC leaders' summit in Rome last December to start lifting sanctions once legislation to repeal apartheid had been tabled, would be "respected".

the national champion

# Sanctions' move could come today

*Savefam 15/4/91. 280*

**LONDON -** The European Community's red-tape procedures to lift the rest of its 1986 trade sanctions package against South Africa could be finalised today when the EC's 12 Foreign Ministers meet in Luxembourg.

A number of political and security-related sanctions introduced in 1985 are expected to remain pending further develop-

ments in South Africa towards a new apartheid-free constitution.

In Brussels on Friday, however, EC officials cautioned that while political agreement South Africa had met conditions for the 1986 sanctions to be lifted most likely, their physical removal might be delayed a little longer.

The Foreign Ministers could decide to go all the way today, but it was also possible they would refer

the matter for consideration and approval by the European Parliament, due to meet in Strasbourg, France, later in the week.

The Foreign Minister's Council, which imposed the 1986 measures, is not obliged to gain the Parliament's approval, but it is understood that gaining its backing is politically desirable, given the sensitive nature of South African sanctions.

At its last discussion

on South Africa, recently, the European Parliament voted to maintain sanctions, but analysts concluded there was a change in the air in favour of relaxing some measures soon.

While Britain and a number of other EC countries are keen to see the 1986 package lifted immediately to encourage economic growth in South Africa, some members - understood to include Ireland and Denmark, which are on De Klerk's European tour agenda later this month - are more hesitant.



# IsCOR applauds EC's move to lift sanctions

By Derek Tommey  
and Sven Lünsche

The end to European Community sanctions on imports of South African iron and steel and Krugerrands was welcomed last night by Willem van Wyk, managing director of IsCOR.

However, steel producers can expect a stiff battle to regain the markets lost when the EC introduced sanctions four years ago, analysts warn.

Mr Van Wyk said IsCOR had no intention of rushing into European markets.

IsCOR had been hard hit when the ban was imposed on iron and steel in 1986, although in time it had successfully found other markets for its products but IsCOR had no intention of increasing current production, he said.

However, local sales were still declining, which had intensified IsCOR's need to increase exports, especially as a number of newly modernised and ungraded plants were coming on stream.

Analysts said yesterday that if producers achieved a return to their 1986 export levels to the EC the industry was set for a R400 million boost and further expansion over the next few years.

SA's total exports, mainly to



Leslie Boyd... "Re-opening of markets couldn't have come at a better time."

the Far East, amounted to two million tons last year.

Analysts warned, however, of difficulties ahead for exporters IsCOR, Highveld Steel and Mid-delburg Steel & Alloys (MSA) in recapturing their former markets in the face of slower world growth.

SA producers accounted for one percent, or seven million tons, of total world steel production last year, when prices plunged on average by about 20 percent as a result of massive oversupply to the market.

However, local exporters have focused on niche markets and this could allow them to take advantage of the EC mar-

Anglo American group steel producers expect to resume exports to Europe in the next few months, said Mr Leslie Boyd, chairman of Highveld Steel and Vanadium Corporation and deputy chairman of Anglo American Industrial Corporation.

By 1992 the group expects to be exporting as much steel to Europe as it did before the 1986 ban.

He said the re-opening of the EC's steel markets to South African exporters could not have come at a better time.

Before the 1986 ban South Africa exported between 400 000 and

ket, where steel products trade at above average world levels.

The EC's move could also benefit stainless steel exports, particularly those of MSA, which last year accounted for 150 000 tons of total world production of 10 million tons.

## R2-bn project

It could also provide new impetus for the planned R2 billion Columbus steel project, a joint venture between Highveld Steel and Samancor, which requires state assistance before the go-ahead is given.

A foreign banker with considerable knowledge of South Afri-

500 00 tons of steel worth R350 million a year to EC countries.

Since the ban South Africa built up other export markets but these had proved less profitable.

Mr Boyd said that the EC steel industry should have no fears about the resumption of imports from South Africa as the industry had always had a reputation for responsible export marketing.

He said the only significant steel market still closed to South Africa was the United States. He was hopeful that during the second half of this year the Comprehensive Anti-Apartheid Act will be lifted and South Africa will

ca said he had been pleasantly surprised by the EC's decision to lift the ban.

He had feared that the call by the ANC not to lift sanctions might have a delaying effect.

The move will not have an immediate effect on trade between Europe and South Africa. But it is a clear sign to State President FW de Klerk that the European Community is behind him in his efforts to end apartheid.

The banker said that the EC move was more significant than the apparent lifting of an investment ban last December. The EC Council of Foreign Ministers had only recommended

again be able to trade freely in North America.

"The South African steel industry is world competitive in terms of cost, quality and reliability of supply".

He said the EC decision was clear encouragement to President de Klerk to continue the process of political reform.

"It is hoped that the ANC and other pro-sanctions movements will accept the development as giving the South African economy the necessary kickstart to enable it to generate more wealth and create more employment. A strong economy is essential for successful political reform".

the lifting of the investment ban. But it had positively ruled that sanctions on iron, steel and Krugerrand imports be lifted.

The lifting of the ban on Krugerrands will have a minimal effect because new gold coins from around the world have over the last four years easily filled the gap.

In 1987, international Krugerrand sales totalled only 135 000 ounces, or three percent of the market.

However, Tom Main, chief executive of the Chamber of Mines, said last night the EC's move would allow the mining industry to recapture a major share of the gold coin market.



Bid for more European trade as sanctions crumble

# FW seizes the big chance

Star 11/1/91 280

It was labelled "premature" by the ANC and the Azanian People's Organisation (Azapo).

Azapo deputy president Dr Nchane Mokoape said conditions which had led to the imposition of sanctions had not changed.

"The EC seems to favour President de Klerk over the liberation movements and this does not bode well for future relations because there is going to be a future and we, and not the De Klerks, will play quite an important part in that future."

But the decision was welcomed by big business and Chief Mangosuthu Buthelezi's Inkatha Freedom Party (IFP).

The Chamber of Mines said the decision was "an extremely welcome development which will create the opportunity for the South African mining industry to reclaim its position as a legitimate and effective player in global markets in those areas which were affected by sanctions".

Anglo American Corporation said the reopening of the steel markets to SA export-ers could not have come at a better time.

Leslie Boyd, chairman of Highveld Steel and deputy chairman of Anglo American Industrial Corporation, said the steel industry was "world-competitive in terms of cost, quality and reliability of supply".

Bess Robertson, international trade executive for the South African Chamber of Business, described the decision as "very encouraging and said it marked the country's continuing normalisation of trade links with the rest of the world."

David Graham, general manager, international operations, of the South African Foreign Trade Organisation, said the EC decision was welcomed as it "should provide an incentive for other countries to follow suit" — Political Staff, Staff Report-ers and Sapa-Reuter-AP.

CAPE TOWN — Renewed trade with Europe will be one of President de Klerk's priorities when he visits London, Copenhagen and Dublin next week.

Senior Government sources said today he and Foreign Minister P. W. Botha intended on this trip to pave the way to re-establishing dealings with the European Community after its decision yesterday to lift bans on South African iron, steel and Krugerrands.

In an intensive programme, Mr de Klerk will meet several of Britain's business giants and some of the most influential captains of industry, now that the British government has signalled that it will push for an end to further sanctions, including the voluntary oil embargo and sporting ties.

Mr Botha said last night: "Just as the dismantling of apartheid has become irreversible, so has the dismantling of sanctions become irreversible."

## Iscor applauds end to sanctions — Page 16

Finance Minister Barend du Plessis said the biggest benefit of the EC's decision to lower trade barriers, announced at a Foreign Ministers' meeting in Luxembourg, was that it should clear the way for similar moves elsewhere in the world.

Sources said Mr de Klerk, buoyed by these tangible dividends from his reforms, intended to ride the wave to the full.

While Government leaders are jubilant, the EC decision is seen as a blow to the African National Congress which sent two top members, general secretary Alfred Nzo and foreign affairs secretary Thabo Mbeki to try to stop it.

Today, the move was condemned by the majority of

# Japan watching sanctions

Star 16/4/91

280

TOKYO — Japan may consider lifting economic sanctions against South Africa if the country releases its political prisoners, Minister of International Trade and Industry Eiichi Nakao told a news conference yesterday.

A ministry spokesman quoted Mr Nakao as saying Japan is not considering lifting the sanctions, which hold trade at 1987 levels, but may privately consider doing so while watching moves by the United States and the European Community.

In 1987 Japan became

South Africa's top trading partner, spurring strong criticism in the West.

As a result, Tokyo banned new investment and issued guidelines that trade should not increase from 1987 levels.

Japan has since welcomed moves by the South African Government to dismantle apartheid, but has not yet suggested a formal reprieve.

Diplomats say Japan will not lift sanctions before Washington does. — Sapa-Reuter.



# Foreign attitude to SA 'will be positive'

KIN BENTLEY

W2 280

LONDON — Foreign governments and international agencies would adopt a "very positive attitude" towards the economic development of the new SA, Democratic Party MP Denis Worrall told financiers at a meeting in Edinburgh, Scotland, yesterday.

The former ambassador said sanctions and disinvestment had played a significant role in determining trading and investment policy and practice regarding SA.

The attitude of governments and international agencies would, therefore, prove "an important consideration as far as any major investor is concerned".

"Whereas this was a negative factor in the past, all the indications are that foreign governments and international agencies will be adopting a very positive attitude towards the economic development of SA."

Most governments and agencies would want to "extend or restore their links with SA" for several reasons.

While much of Africa continued to be unstable, pressure from the World Bank and the IMF, coupled with the collapse of socialism and the reduction in aid from socialist bloc countries, was "triggering real reforms in sub-Saharan Africa".

## Protect

"Against this background, SA offers a way of spreading the free enterprise gospel. It can give the rest of Africa the necessary psychological boost and change the image of Africa."

Many countries — like Britain, Germany, Italy, the US and Italy — already had firms with a strong footing in SA, and their governments would want to protect their interests.

"Foreign governments see the southern African region as a desirable export market. And now that apartheid is a thing of the past, they will want to get in early to pave the way for their national commercial interests."

Despite the decline in commodities, he said, SA remained the "main source of some key minerals, and future supplies need to be safeguarded".

Worrall said there was also a realisation that events in the Middle East should lead to a re-evaluation of the role of the Cape sea route.

# Barend hails end of EC's sanctions

CAPE TOWN — Finance Minister Barend du Plessis last night hailed the EC decision to lift trade sanctions against SA as heralding an end to sanctions imposed by other countries, an apparently pointed reference to the US.

Du Plessis said yesterday's decision by the 12 EC Foreign Ministers to end bans on iron, steel and gold coin imports from SA should pave the way for the lifting of sanctions in other parts of the world.

KIN BENTLEY reports from London that the 1986 package of trade sanctions was lifted at a meeting of the 12 Foreign Ministers in Luxembourg — despite strong ANC objections and last minute lobbying.

A British Foreign Office spokesman said yesterday the move had been expected after President F W de Klerk fulfilled his promise to start repealing apartheid laws.

He said Britain would now be looking at other EC measures which could be scrapped in response to further change.

Remaining are the restrictions adopted by the EC in September 1985, including the arms and oil embargo.

German Foreign Minister Hans-Dietrich Genscher indicated yesterday remaining

BILLY PADDOCK

sanctions would go when apartheid had been abolished completely

SA Foreign Minister Pik Botha said the decision was a further indication of the international community's recognition of the irreversibility of reform.

However, ANC spokesman Saki Macozoma said the organisation condemned the move and would protest to individual EC members.

ANC international affairs director Thabo Mbeki and secretary general Alfred Nzo at the weekend tried unsuccessfully to persuade EC leaders not to end sanctions.

Highveld Steel & Vanadium chairman Leslie Boyd said SA's steel producers were set to regain export orders to Europe worth R350m a year

Highveld, and Scaw Metals — also in the Anglo American Industrial Corp stable — would resume steel exports to Europe in coming months which would reach pre-sanctions levels by 1992, Boyd predicted.

Iscor also welcomed the EC move. MD Willem van Wyk said lifting sanctions

□ To Page 2

## EC sanctions

□ From Page 1

would increase Iscor's trading opportunities abroad, but the company could not embark on an immediate European export programme as production was already at full capacity

Chamber of Mines CE Tom Main said the EC move was "an extremely welcome development which will create the opportunity for the SA mining industry to reclaim its position as a legitimate and effective player in global markets".

Sacob director-general Raymond Parsons said the EC decision was a major step towards normalising SA's external economic relations.

SA Gold Coin Exchange chairman Eli Levine said the EC's decision to lift the sanction's ban on SA gold coins was "tremendous".

Meanwhile, yesterday's decision is a reward for the reform steps taken by De Klerk over the past 14 months — in particular the tabling this year of legislation to remove key apartheid laws from the statute book

The EC started reviewing its restrictions early last year after De Klerk's Feb-

ruary 2 speech, with Britain soon afterwards lifting its voluntary ban on new investment.

In December last year, a full meeting of EC leaders in Rome agreed to an EC-wide lifting of the 1986 investment ban, in order to help stimulate SA's economic growth.

In a statement after yesterday's lengthy meeting, the ministers said by tabling draft legislation to abolish the Group Areas, Land and Population Registration Acts, De Klerk had "met the conditions laid down by the European Council in Rome for the repealing of restrictive community measures".

Once the draft legislation to repeal apartheid has been passed by Parliament in June, various bodies around the world are likely to start lifting their restrictions.

Last week US President George Bush pledged to SA ambassador Harry Schwarz that he would move to have the Comprehensive Anti-Apartheid Act of 1986 repealed once all conditions had been met.

The Commonwealth is also likely to reassess its comprehensive package of restrictions against SA



From page 1

end du Plessis said the decision should pave the way for similar relaxations on sanctions elsewhere in the world.

The symbolic meaning of the step was "immediate and considerable".

Mr Du Plessis said the EC decision would create opportunities for South Africa's exporters to compete on an equal footing, and held major potential advantages for SA to gain a foothold in European markets in the medium and longer term.

● Foreign Minister Mr Pik Botha said the decision was a further manifestation of recognition by the international community of the irreversibility of the political process in SA — and that this process should be supported by sound economic growth.

"Just as the dismantling of apartheid has become irreversible, so has the dismantling of sanctions become irreversible," Mr Botha said.

● Highveld Steel & Vanadium chairman Mr Leslie Boyd said last night that SA's steel producers were set to regain export orders to Europe worth R350 million a year with the reopening of the EC's steel markets.

Highveld, and Scaw Metals — also in the Anglo American Industrial Corporation stable — would resume steel exports to Europe in coming months which would reach pre-sanctions levels by 1992.

Mr Boyd said the lifting of trade sanctions "could not have come at a better time". Before the 1986 ban, SA exported between 400 000 and 500 000 tons of steel a year to EC countries, which would be worth R350m at current prices.

Since the ban the SA steel industry had found other export markets, but these had been less profitable.

● Iscor welcomed the EC move yesterday. Managing director Mr Willem van Wyk said the lifting of sanctions would increase Iscor's trading opportunities abroad, but the company could not embark on an immediate European export programme as production was already at full capacity.

● The EC's move was "an extremely welcome development which will create the opportunity for the South African mining industry to reclaim its position as a legitimate and effective player in global markets" in areas affected by sanctions, Chamber of Mines

**LUXEMBOURG.** — In a dramatic turning point in the sanctions battle the 12 European Community foreign ministers yesterday lifted the ban on imports of iron, steel and Kruggerand gold coins from South Africa.

The move is seen as leaving the way open for eventual full-scale trade with the powerful European bloc.

While the government and the business world hailed the decision last night, the African National Congress slammed it as premature. The ANC's Mr Alfred Nzo and Mr Thabo Mbeki have made fruitless last-minute attempts to forestall the EC decision.

"It is a setback for the struggle as a whole," spokesman Mr Joel Netshitenzhe said in Johannesburg.

"It does not assist the struggle of our people. Although there have been many changes promised by the government, not much concrete has been done to clear the obstacles to free political activity. The

(apartheid) laws have not as yet been fully abolished."

The ANC's Mr Saki Macozoma warned that the decision could heighten tension in the country. President De Klerk was not a "Pavlov's dog" who needed rewards to know what to do.

He said the organisation would continue to lobby individual countries to maintain sanctions.

The EC move followed a decision by European heads of state in December to lift the ban on new investments in South Africa in recognition of President F W de Klerk's reform initiatives.

"There is a consensus that sanctions against South Africa on steel and iron and gold coins should be lifted," German Foreign Minister Mr Hans-Dietrich Genscher said.

With South Africa set to participate in the Olympic Games, the EC decision leaves the comprehensive United States sanctions — which may also be under review by President George Bush soon — and the United Nations sanctions prohibiting military co-operation and the import and export of weapons.

Yesterday the British government signalled after the meeting that it would press for

further international measures — particularly the voluntary oil embargo — to be dropped as well.

● President De Klerk said in a statement last night that the partial lifting was an important step towards improved economic conditions and normal international relations.

The news was "positive and most encouraging", he said.

"I appreciate the European governments' standing by their principles and commitments regarding this issue."

● Finance Minister Mr Bar-

To page 3

# Europe lifts trade bans

● The EC move was a major step towards normalising SA's external economic relations, and as such was welcomed, Sacob director-general Mr Raymond Parsons said in a statement yesterday. — UPI, Political Staff, Own Correspondent, Sapa



# Sanctions go

*Sowetan*  
16/4/91  
280

## Olympics chiefs may readmit South Africa

EUROPEAN Community trade sanctions imposed on South Africa in 1986 are to be lifted by the end of the week and this country will probably also take part in the 1992 Barcelona Olympic Games.

The 12 EC foreign ministers meeting yesterday in Luxembourg decided at a lunchtime discussion to remove the sanctions.

The sanctions are mainly on the import of South African Krugerrands, iron and steel, officials emerging from the gathering confirmed.

An official statement giving details was expected later, but sources said only a few days were needed for the bureaucratic procedure to be completed.

The way would then be open for

What do you think of sporting and business sanctions coming to an end? Let the nation hear your opinion. Telephone Radio Metro DJ Tim Modise today and talk to him live between 4.30 and 5pm. The hotline number is 714-8063. Listen to the *Sowetan* Talk-back programme on Radio Metro on mediumwave 576 KHz.

South African trade with Europe.

From Barcelona comes the news that South Africa is likely to be readmitted to the Olympic movement in time to compete in the 1992 Summer Games in Barcelona, top Olympic officials said yesterday.

Keba Mbaye, the vice-president of the International Olympic Committee, said he expects that South Africa will quickly meet the conditions necessary for its return to Olympic competition after a 20-year break.



TOGETHER AT LAST: Pan Africanist Congress president Clarence Makwetu (left) and African National Congress deputy president Nelson Mandela in Harare yesterday during the first day of talks to explore a patriotic front between South Africa's liberation movements.

Pic: Associated Press



By TOM HOOD, Business Editor

**INDUSTRIES** and jobs in the Western Cape can expect a boost from the European Community's decision to end sanctions against South African exports of steel and Krugerrands.

While the move will not have an immediate effect on trade between South African and Europe, it means customers overseas can start to trade openly again instead of dealing under cover and with middle men, president of the Cape Town Chamber of Commerce, Mr Lionel Hartmann, said today.

"It gives a psychological boost to other industries and means this country will need to start thinking seriously about becoming a country that wants to export again."

### **Surprising volume**

He led the chamber's first trade mission in 10 years to Britain and Germany last month and reported a surprising volume of business in spite of sanctions.

Export tonnages from Cape Town harbour so far this year have been running a third higher than a year ago, according to Portnet.

Deciduous fruit exports accounted for a big proportion, rising by 44 percent to more than 1.1 million tons in the eight months to the end of February.

South African products are still not displayed openly on the shelves of European shops, said Mr Hartmann but displaying Cape apples rather than South African apples overseas seemed perfectly acceptable.

Fruit canners also expect to benefit. Canning giant Langeberg estimated exports were worth R250 million last year.

Wine exports are already surging and KWV — which had to be content with exporting in bulk at lower prices for years — is gearing up to sell more branded wine overseas, including a number of new brands. Export turnover by KWV surged by 43 percent last year.

Cape clothing manufacturers are also planning to boost exports.

The employers' organisation has started a new drive to encourage smaller firms to become more competitive overseas by using the government's export incentive scheme.

### **Filled gap**

The lifting of the ban on Krugerrands is expected to have a minimal effect because new gold coins from around the world have filled the gap over the last four years.

International Kruggerrand sales totalled only 135 000 ounces in 1987, or three percent of the market.

Anglo American's steel producers expect to resume exports to Europe in the next few months, said Mr Leslie Boyd, chairman of Highveld Steel.

By 1992 the group expects to be exporting as much steel to Europe as before the 1986 ban.

The re-opening of the EC's steel markets could not have come at a better time, he said.

Before the 1986 ban South Africa exported between 400 000 and 500 000 tons of steel worth R350 million a year to EC countries.

### **Stiff battle**

Since the ban South Africa built up other export markets but these proved less profitable.

However, Mr Willem van Wyk, managing director of Iscor, the country's largest steel producer, said steel producers could expect a stiff battle to regain markets.

He said Iscor had no intention of rushing into European markets.

Iscor had been hard hit when the ban was imposed in 1986, although in time it had successfully found other markets but it had no intention of increasing current production.

Total steel exports, mainly to the Far East, amounted to 2 million tons last year.

Scraping of sanctions will boost jobs, industries in Western Cape

16/4/91 280

# It's too early, say ANC and other groups

NGAS 16/4/91  
Political Staff

280

ANTI-APARTHEID organisations in South Africa today labelled the European Community's decision to lift trade sanctions against South Africa as "premature".

German Foreign Minister Hans-Dietrich Genscher announced after a meeting of EC foreign ministers in Luxembourg yesterday that Europe had decided to scrap bans on imports of South African Krugerrands, iron and steel in recognition of changes which had taken place in the country.

The EC's decision was condemned today by the majority of anti-apartheid organisations and welcomed by big business and Chief Mangosuthu Buthelezi's Inkatha Freedom Party (IFP).

## REGRETTABLE

ANC spokesman Ms Gill Marcus said: "The EC's decision (to lift sanctions) is regrettable and is not in keeping with the process of transition we are going through. We think that it sends the wrong information to President De Klerk and that we still have a long way to go before apartheid is totally scrapped."

Azapo deputy president Dr Nchaube Mokoape said the conditions which had led to the imposition of sanctions had not changed.

The president of the New Unity Movement (NUM), Mr R O Dudley, said sanctions had never been under the control of the liberation movements.

Mr Dudley said foreign countries had decided to impose sanctions against South Africa not because they cared about blacks or were affronted by apartheid, but because it was no longer safe for their companies to remain in this country at the height of unrest.

The only one to welcome the lifting of the punitive measures, IFP spokesman Mrs Suzanne Vos said her party had always been opposed to sanctions because of the enormous suffering they caused to blacks. She was "delighted" that the EC had decided to lift the trade embargoes and hoped that other countries would soon do the same.



# Business welcome for FW

By Garner Thomson  
Star Bureau

LONDON — About 300 British businessmen will be meeting President FW de Klerk in London next week to discuss the resumption of stronger trade links with South Africa, the Confederation of British Industries said in a statement yesterday.

The Confederation was reacting to the lifting of EC sanctions against South Africa, a move it had been looking forward to for some time as it allowed for stronger trading links with the country.

The London-based UK-SA Trade Association

(UKSATA) also welcomed the EC's decision to lift sanctions on the import of Krugerrands and iron and steel.

A spokeswoman for the association said yesterday: "This was quite expected. The EC had already decided that as soon as Pretoria tabled legislation to start bringing about an end to apartheid some sanctions would be lifted. We would have been very surprised if this hadn't been agreed."

Some sources believed the boycott on arms and oil should have been lifted at the same time, but UKSATA felt it was too soon for those steps to be taken, she said.

"We're quite satisfied

with what has been done and feel it will be a good move for business."

● Motorists will not see petrol prices dropping much if Britain succeeds in ending European oil sanctions, oil industry analysts say.

They point out that world oil prices are starting to creep up in spite of increased output by oil-producing countries since the Gulf war.

One analyst said: "Demand is so high in South Africa that consumers may not see lower prices. Even if the country pays less for imports, the needs for funds for socio-economic development could prop up prices."

# International isolation of SA over, says Pik

Star 17/4/91  
By Peter Fabricius  
Political Correspondent (280)

The European Community's decision to lift the last of the 1986 sanctions has ended South Africa's international isolation, Foreign Minister Pik Botha said yesterday.

But Europe would not invest in South Africa unless ANC deputy president Nelson Mandela, Inkatha leader Mangosuthu Buthelezi and President de Klerk got together to end the violence.

Mr Botha said he expected Mr de Klerk to make a statement about



**Pik Botha . . . no European investment while violence continues.**

the violence "sooner or later".

Western diplomats said yesterday they had

been told that Mr de Klerk would make major announcements on the violence this week before leaving for a visit to Britain, Ireland and Denmark next week.

Now that European sanctions were gone, the main theme of Mr de Klerk's European visit would be the need for Europe to take part in the reconstruction of the new South Africa to reward Mr de Klerk for his reform efforts, Mr Botha said.

He did not think the ANC's April 5 ultimatum to pull out of negotiations if the Government did not meet certain conditions would sour Mr de Klerk's tour.

Mr de Klerk had a "record and a case" to put. In fact, the ultimatum would strengthen his case because it was a tactical mistake on the part of the ANC.

The ANC was making a mistake in still trying to use sanctions as a bargaining card.

There were definite indications that Europe wished to invest, and inquiries at South African trade posts had quadrupled in recent months.

Mr Botha welcomed Monday's International Olympic Committee decision to invite South Africa to the Olympics if apartheid ended. This had paved the way for participation.



SOWETAN RADIO METRO

TALKBACK

## Sanctions still needed - callers

MOST callers in yesterday's *Sowetan/Radio Metro* Talkback Show insisted that economic and sporting sanctions should be maintained while others agreed with the European Community's lifting of curbs by the end of the week. (280)

Mandla from Kagiso told Metro DJ Tim Modise the reforms in South Africa were not irreversible. He said apartheid was still in place especially in Conservative Party-controlled towns like Krugersdorp. "By lifting sanctions the EC had ignored the opinions of black people." *Sowetan 1714191*

He said sanctions should only be lifted after the Government had agreed to a constituent assembly.

Haroun from Eldorado Park asked who was going to give black people jobs, housing and other basic necessities.

Jerry Ngwenya countered by saying apartheid was still in place. He said the EC should have listened to black people. "Perhaps the EC thought negotiations are still on course. They do not know about the 'third force' which massacres our people."

Stanley from Naledi said the battle was not over. "The EC should have listened to those who originally called for sanctions. Those who remind us of the attendant sufferings brought about by sanctions should know that unemployment is part of the sacrifices we are prepared to bear."

Lifting of sanctions . . .

# Outlook bright for iron and steel industries

CM- TruS 17/4/91  
280 189

By AUDREY D'ANGELO  
Business Editor

THE lifting of sanctions against SA iron, steel and gold coins by the European Economic Community will give "a tremendous psychological boost," Glenn Moore, investment director of Personal Trust, said yesterday.

And it will enable this country to benefit from the next rise in demand for these commodities.

Moore was speaking at a seminar organised by Personal Trust at the Newlands Sun yesterday, to discuss the economic outlook for the coming year.

In an interview earlier he said that lifting these sanctions would benefit SA in the medium and long term.

But it would have only a psychological effect in the short term — although it might encourage the US to lift its far more comprehensive sanctions.

Moore pointed out that recessionary conditions in the main industrialised countries meant demand for iron and steel was low at present.

There was also little investment demand for gold. And the Krugerrand would compete with other gold coins from the US, Canada and Australia which had come on the market since sanctions were imposed.

He said that SA had in any case been able to export its gold in the form of bullion, with Krugerrands at present commanding little premium over this.

But, he continued: "In the medium and long term it will be an excellent thing for this country's exports of iron and steel to have access to the European market."

"These basic materials will be in demand for the reconstruction of Eastern Europe, which will dominate the European economy for some time to come."

Suggesting that the lifting of these sanctions might encourage the US to follow suit, he said: "The Eastern countries have never imposed formal sanctions, so that would completely normalise SA trade with the rest of the world."

However, Moore said, it was economic sanctions rather than trade sanctions which had really harmed the SA economy.

Economic sanctions had come about when overseas banks took fright, seeing SA as a country with its back to the wall.

Now that they saw SA had been able to repay much of its debt they might look again at this country, if they saw stable conditions where they could get a good return for their money and if they were not frightened away by violence.

Discussing the need for foreign investment to stimulate growth, he said it would be an excellent thing if an overseas brewing company opened a brewery here. Beer was a growing market, and opening a brewery would provide more jobs.



# Pik: violence is deterring investment

CAPE TOWN — SA's international isolation had ended but violence and internal instability were standing in the way of large-scale new investment in SA, Foreign Affairs Minister Pik Botha said yesterday.

Briefing the media on President F W de Klerk's visit to Europe at the weekend, he said the best rewards of the lifting of sanctions were new investment, expanding manufacturing and greater job creation.

A drive for increased foreign investment in SA was to be launched by De Klerk on his visit. He would be addressing prominent businessmen, industrialists and bankers next week.

There was great interest by foreign businessmen and the number visiting SA had

quadrupled in the past few months, he said.

"But what is needed is the creation of a climate inside SA — only if stability is attained will investment come in. We all know investors do not easily invest in a situation where people are killing each other on such a scale in this bloodthirsty manner," Botha said.

He said De Klerk was giving the violence his daily attention because this was the only obstacle to investment.

The President could change the laws but he could not change the hearts and minds of the people without the support of all the leaders of other parties and organisations.

"The belligerent, revengeful activity in

ONLY PADDOCK

the country must change. I am convinced that if President De Klerk, Inkatha Chief Mangosuthu Buthelezi and ANC deputy president Nelson Mandela could embark on a joint, deliberate and sustained programme they could do a lot to stem the violence," he said.

Referring to the ANC he said the rewards of investment would not be reaped unless leaders stopped making public statements that left the impression that it was not safe to invest in the country.

The ANC was making a mistake by using sanctions as a bargaining chip in the negotiation process or that government was aiming at the organisation when it fought sanctions, Botha said.

He hoped the ANC would come to realise

SA needed economic growth and more jobs. "It can become part of the moral high ground by working with government and parties to gain access to funds and help manufacturers and commerce create more jobs."

He said SA did not need a new constitution before all parties started working together on these issues and those parties participating in economic growth would get countrywide support.

He said the theme for the President's visit, now that the lifting of sanctions was gaining a momentum of its own, was for countries to get involved in SA's reconstruction and to help build a new SA and assist De Klerk and other leaders to get negotiations off the ground.

# Japan watching US moves on sanctions

8/04 17/4/91. 280 1384

TOKYO — Japan might consider lifting economic sanctions if SA releases its political prisoners, International Trade and Industry Minister Eiichi Nakao said yesterday.

However, a ministry spokesman later quoted Nakao as saying Japan was not considering lifting sanctions but might privately consider doing so while watching moves by the US and the EC, Reuter reports.

In 1987 Japan became SA's top trading partner, spurring strong criticism in the West. As a result, Tokyo banned new investment and issued guidelines that trade should not increase from the 1987 level.

Japan's exports to SA last year, mainly cars, electrical appliances and machinery, were worth \$1,57bn, down from a peak of \$1,99bn in 1987. Japan's 1990 imports from SA, mainly coal and minerals, were \$1,97bn, down from the peak of \$2,42bn in 1987.

SIMON BARBER reports Congressman William Gray, the third-ranking Democrat in the House of Representatives, said yesterday Pretoria had met none of the conditions prescribed by the Comprehensive Anti-Apartheid Act for the lifting of US sanctions.

Responding to the EC's decision on Monday to rescind the sanctions it imposed in 1986, Gray said "the Bush administration and the far right wing" wanted to see US sanctions lifted.

He said the US should follow the same policy it adopted towards Poland.

In that case, Washington only removed trade restrictions when asked to do so by Solidarity leader Lech Walesa.

The administration contends that Pretoria has met three of the five conditions by lifting the state of emergency, entering good faith negotiations with the ANC and unbanning political organisations.

President George Bush indicated to SA ambassador Harry Schwarz last week he hoped to lift the CAAA sanctions as soon as remaining

political prisoners were free and Parliament had enacted the legislation that had been introduced to repeal the Group Areas, Land and Population Registration Acts.

Gray, the Congressional Black Caucus senior spokesman on SA, said emergency regulations were still in effect in certain areas, and while unbanned, opposition organisations were still prevented from "fully participating".

Nor could it be said that government had agreed to enter good faith negotiations because thus far there had only been "talks about negotiations" and the real negotiations "haven't started".

Gray dismissed indications that even Nigeria might soon lift sanctions.

ZILLA EFRAT reports Safto CE Wim Holtes said yesterday the EC's lifting of trade sanctions against SA was expected to have a positive effect on SA's future economic growth.

This was because Europe, including the EC, accounted for more than 50% of SA's foreign trade, services and investment and these made up about 60% of SA's GDP.

The proportion of SA's foreign trade with Europe was bound to grow more rapidly in the future despite SA's success in diversifying its markets.

SA's non-gold exports to the EC were R20bn in 1989 and were believed to have grown 25% to about R24bn in 1990.

There were currently a number of official European missions in SA actively looking to develop trade with SA.

In addition, an upturn in economic activity was expected to take place in Europe by 1992 and then spread to other countries and have an effect on SA's economy.

Holtes said the lifting of EC sanctions also opened a powerful door for SA to participate in the common European market after 1992.

While sanctions were lifted on steel, iron and gold coins imports from SA, the move would benefit a whole range of other SA goods and services.



# 'Other sanctions could tumble'

Political Staff

280  
CML 7/4/91 17/4/91  
THE European Community's easing of sanctions could start a process in which other prohibitive measures still in place against South Africa came tumbling down, Foreign Minister Mr Pik Botha suggested yesterday.

Mr Botha said the government had heard that "strong voices" in the EC were already suggesting relations with South Africa must be fully normalised — a move that would end remaining sanc-

tions and usher the country back into international sport.

It was also reported yesterday that Britain was now calling for the voluntary oil embargo to be lifted. Other restrictions still in force include the ban on arms exports and military co-operation, while the sports boycott has yet to be eased.

Mr Botha said the country's isolation was "over... it has ended" and the EC move had created a momentum against sanctions which was irreversible.

Mr Botha also reacted warmly to the International Olympic Committee's decision to issue an invitation — as soon as remaining apartheid legislation is gone — to South Africa to compete in next year's Olympic Games.

● The Chief Minister of Kwa-Zulu and president of the Inkatha Freedom Party, Chief Mangosuthu Buthelezi, welcomed the EC's decision and said in a statement yesterday that the reform process was now utterly irreversible.

# SA's isolation has ended says Botha

THE European Community's decision to lift the last of the 1986 sanctions had ended South Africa's international isolation, Foreign Minister Pik Botha said yesterday.

But Europe would not invest in the country unless ANC deputy president Mr Nelson Mandela, Inkatha leader Chief Mangosuthu Buthelezi and President FW de Klerk got together to end the violence.

Botha said he expected De Klerk to make a statement about the violence "sooner or later".

Western diplomats said they had been told

De Klerk would make major announcements on the violence this week before leaving for a visit to Britain, Ireland and Denmark. (280) (289)

Now that the 1986 European sanctions were gone, the main theme of De Klerk's European visit would be the need for Europe to participate in the reconstruction of the new South Africa and to reward De Klerk for his reform efforts, Botha said. *Sowetan 17/4/91*

He did not think the ANC's April 5 ultimatum to pull out of negotiations if the Government did not meet certain conditions

would sour De Klerk's tour.

De Klerk had a "record" and a "case" to put. In fact the ultimatum could strengthen his case because it had been a tactical mistake by the ANC. (289)

There were definite indications that Europe wished to invest in South Africa and inquires at South African trade missions had quadrupled in recent months.

"But people will not easily invest in a climate where people are killing each other in such a blood-thirsty way." - *Sowetan Correspondent.*



Spectrum

# Sanctions: What now?

## Time not yet ripe, say US black leaders

DAVID BRAUN of the Argus Foreign Service reports from Washington

A senior Democratic Congressman and an influential US anti-apartheid activist group have poured iced water on the notion that America should follow Europe's lead in lifting sanctions against South Africa

South Africa had not met any of the American legal requirements for the lifting of sanctions so it was not right for the US to follow the European Community's lead in this regard, according to Mr Bill Gray, Democratic Whip in the US House of Representatives.

TransAfrica, a leading activist lobby which promotes sanctions against South Africa, endorses this view and says there are 62 other laws still on the South African statute books which continue to sustain the system of apartheid.

Mr Gray told Fox Television that in his opinion, none of the five requirements of the Comprehensive Anti-Apartheid Act (CAAA) had been fully met, although he was not surprised President Bush and far-rightwing Americans were rushing to lift sanctions because of reform announcements by the South African government.

Mr Gray, the most senior black person in the US Congress, said South Africa had not yet released all its politi-

cal prisoners and apartheid legislation had not yet been repealed.

He disagreed with Bush Administration interpretations that three other CAAA conditions had already been met. The state of emergency had been fully lifted, so this requirement had not been met, he said.

The government had unbanned political parties, but these were not fully participating in the political process — another requirement that had not been met.

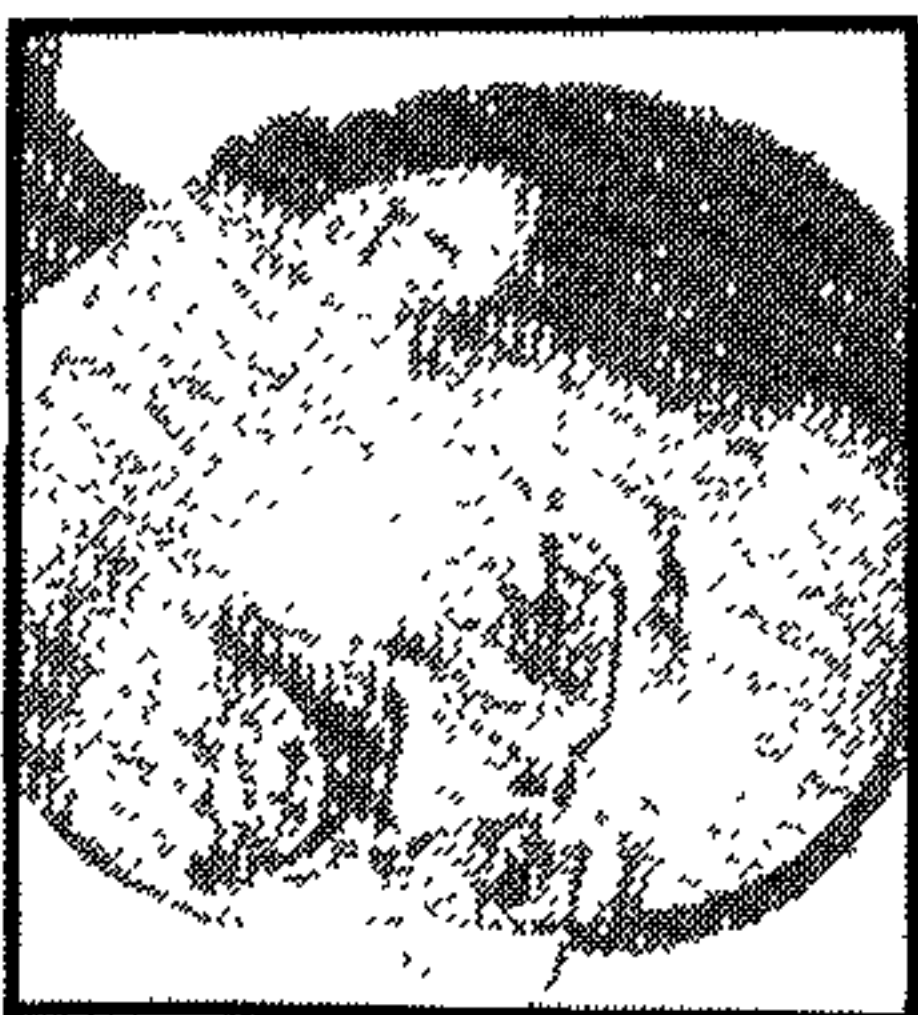
Finally, there were talks about talks but negotiations with the black majority had not yet started.

The former American ambassador to South Africa, Mr Herman Nickel, appearing on the same television programme, disagreed with Mr Gray.

He said the state of emergency had in effect been lifted and the government was prepared to enter into good faith negotiations with the African National Congress.

Everyone agreed the remaining conditions — the political prisoners and the apartheid legislation — must be met, he said. "I think they will be met by about June," Mr Nickel added.

Mr Nickel said the US



Mr Bill Gray . . "Legal requirements not yet met."

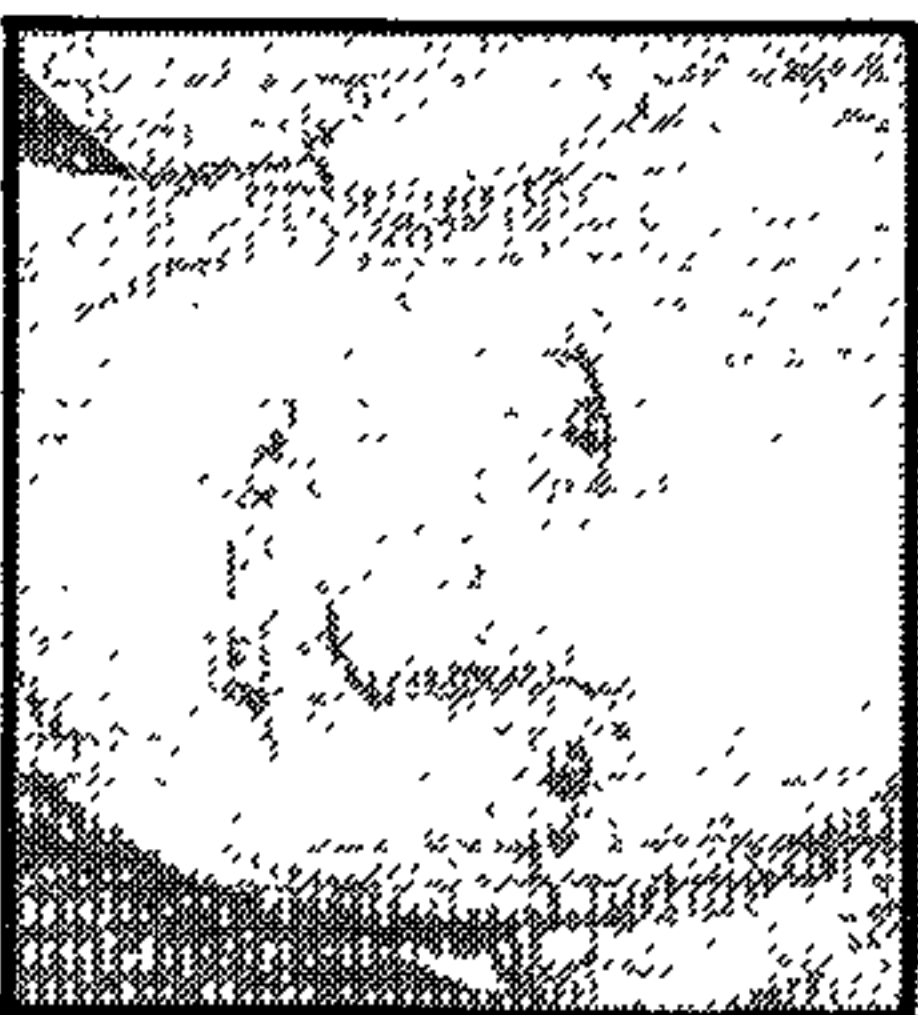
would lose its leverage if it did not honour its commitments (to lift sanctions once the conditions had been met).

Mr Gray said Mr Nickel was dead wrong on his facts.

He said: "The three things that Ambassador Nickel has named have not occurred. There are not negotiations at this time going on in South Africa for a nonracial democracy. The state of emergency is still in existence in at least two provinces."

Mr Gray said he did not think US policy should be dictated to by European policy.

"Our human rights policy ought to be based on what we think is right. I think it is still wrong for us to provide the economic fuel for the political engine of apartheid until



Mr Herman Nickel . . "US must honour promises."

the statutory requirements are met

"When those statutory requirements are met, I will support lifting sanctions," he said.

TransAfrica, the African American lobby for US foreign policy toward Africa and the Caribbean, has meanwhile released a comprehensive report urging that US sanctions be maintained against the South African government

TransAfrica's "Report Card on US Sanctions Against South Africa" emphasises that many repressive laws remain on South African statute books.

The report says: "While the atmosphere of reform in South Africa is indeed encouraging, apartheid still exists as

the foundation for South Africa's economic, political and social structure.

It adds that not only are current reforms insufficient, but they also fail to address an essential element of democracy: full and equal voting rights.

The report includes a list of 62 selected laws which it says sustain the system of apartheid and will continue to do so unless repealed with the Population Registration Act, the Land Acts and the Group Areas Act.

TransAfrica concluded that only two of the five CAAA conditions for lifting sanctions have been "technically satisfied"

"As a result, plans to lift sanctions are premature and would be illegal under the CAAA.

"Until all requirements of US law are met, irreversible progress is achieved, and legitimate representatives of South Africa's black majority call for a lifting of sanctions, sanctions should remain in place," the report says.

It concludes that although President Bush has claimed progress in South Africa is irreversible, the most important tangible measure of reversibility would be the opening of the South African political process to all races through full and equal voting rights.

## EC move welcomed in Paris and London

JAMES TOMLINS of the Argus Foreign Staff reports from Paris

FRENCH financial and industrial circles have warmly welcomed the EC move ending certain sanctions against South Africa.

"This is a major breakthrough for President de Klerk's reform policies, and should be an immense help to him in future power-sharing negotiations," foreign ministry sources commented.

There are likely to be two main French initiatives — financial investment in South Africa, and the resumption of massive SA coal imports.

French financiers have gradually abandoned investment in black Africa, and earlier this year were looking at Eastern Europe and the Soviet Union.

An expert explained "But problems there were too great, and there is therefore a large amount of potential capital lying idle. We now have an opening in South Africa."

France has great need of South Africa's coal, which is cheaper even than coal mined here, and imports which were virtually halted four years ago could resume very soon.

France still imports about 450 000 tons annually under

contracts signed before 1986 ban, but this total could quickly climb to five millions annually, according to trade sources.

New coal contracts may well be signed within the next month, the sources added.

The Argus Foreign Service reports from London that the London-based UK-Trade Association (UKTA) has welcomed the EC decision to lift certain sanctions on South Africa.

A spokeswoman for the association said: "This was quite expected. The EC had already decided that as soon as Pretoria tabled legislation start bringing about an end apartheid some sanctions would be lifted. We would have been very surprised this hadn't been agreed."

The Confederation of British Industry echoed UKTA enthusiasm for the move adding: "We have been looking forward to the lifting sanctions for some time, well as to resuming strong trading links with South Africa."

"About 300 British businessmen will be meeting with President De Klerk here next week to discuss how best this can be accomplished."



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# Equity pushed into vote on SA

01/23/91  
10/11/91  
KIN BENTLEY (240) (M)

LONDON — The 46 000-strong British Actors' Equity Association will vote within the next two months on the union's seven-year-old ruling which prevents the sale to SA of British television and radio programmes involving its members.

And the man who forced the union to put the issue to the vote, actor Marius Goring, said yesterday he was confident members would favour lifting the boycott.

The union agreed to hold the referendum after Goring finally succeeded this week, after four years of trying, to bring the case before the High Court.

He said yesterday that just before it was due to be heard, Equity proposed that a referendum be held, the result of which had to be finalised before the court's July 15 return date. Goring, who is a member of the Equity executive council, agreed.

Six years ago, Goring won a similar case in which he challenged and had overturned an Equity ruling that no members should go to SA and that, if they did, they would be thrown out of the union.

Equity still advises its members not to go to SA in terms of the results of a referendum in 1986.

An Equity spokesman said this was primarily because the British union has no touring contract with a similar body in SA whereby members visiting SA could be assisted.

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## Masekela on blacklisting

6/10/91 18/4/91  
RENOWNED SA-born trumpeter Hugh Masekela said yesterday it would be "stupid" to blacklist foreign artists joining him in the countrywide Sekunjalo tour later this month.

He was responding to questions on the future of the band Kalahari, scheduled to accompany him on tour, during a news conference at Jan Smuts Airport in Johannesburg early yesterday. (242) (280)

The six members of the band are expected to arrive in SA on Monday. Three of them are from West African countries and the other three from the US.

The tour starts in Pietersburg on April 28 and will visit major cities until June. — Sapa.

# Foreign investment will be crucial, says Mbeki

Star 19/4/91

280

Star Bureau

LONDON — Domestic savings and foreign investment will be crucial in the rebuilding of the South African economy in the post-apartheid era, says leading ANC official Govan Mbeki.

Addressing a meeting of the Royal African Society in Cambridge, Mr Mbeki painted a grim picture of the state of the economy, saying it had failed to provide the needed employment opportunities, and could not feed, clothe or house the population.

"It has created such gross and obscene inequalities in terms of distribution of income and wealth that it must surely be a miracle that the wretched of the Earth have not put to the torch the opulent mansions of the lords of the Earth."

Mr Mbeki has subsequently denied reports in Beeld and on SABC-TV that he condemned sanctions as well as disinvestment by foreign companies.

Mr Mbeki said the ANC was committed to "raising the rate of economic growth, mounting



Govan Mbeki... denies condemning sanctions.

a determined offensive against poverty and reducing the enormous racial disparities that exist in terms of the distribution of income and wealth".

He added: "The masses of those who are today disfranchised would have to experience actual improvement in their standards of living and their quality of life for them to support the political transformation we are working for."

"Without this, the country would be condemned to a level of in-

stability and conflict which would endanger the democratic order and possibly lead to repression and dictatorship, to which we are firmly opposed."

In post-apartheid South Africa, the ANC favoured a mixed economy. "That mixture will consist of a private sector; a public sector; small business, including an informal sector; as well as a co-operative sector."

Economic growth would have to be achieved through both domestic savings and foreign investment, the latter being especially important.

"We are therefore sensitive to the fact that the democratic South Africa will have to provide a climate that would be attractive to the potential foreign investor."

He revealed that the ANC and Cosatu were working on an investment code which would take into account specific measures aimed at redressing structural racial inequalities which would be a legacy in the new South Africa of the system of white minority domination.



## SANCTIONS

## END IN SIGHT

The lifting this week of significant European trade sanctions against SA and the prospect of an early return to international sport are regarded by government as key developments in efforts to win back Afrikaner support and bolster white morale.

White perceptions of change in SA have been sliding in recent months with spiralling violence and the world's apparent reluctance to "reward" President F W De Klerk for his reforms. Some senior Nationalists have privately expressed concern about the continuing erosion of party support to the Right. The lifting of sanctions is seen as an important counter to white fears for the future.

The EC's move, and positive noises from the International Olympic Committee about SA's participation in the Barcelona Games next year, are likely to undercut CP support on the eve of the Ladybrand parliamentary by-election on May 22. The CP won the seat by only 70 votes from the NP in 1989.

The NP is expected to use positive international developments to show voters the fruits of reform.

The party will warn that support for the CP implies a willingness to return to international isolation.

The CP, on the other hand, is expected to focus its campaign on violence as a product of reform.

The NP will also exploit the CP document on negotiation leaked to the press last week. Though party leader Andries Treurnicht says the document — compiled by senior MP Koos van der Merwe — is not CP policy and was rejected by the executive committee, it clearly shows the tensions within the party on negotiations.

The NP believes De Klerk's visit to Europe next week could lead to other sanctions being lifted and the re-establishment of sports ties — which would be perfectly timed for the by-election.

Though the NP's prospects of winning back the seat are considered extremely slim at this stage, a strong showing against the CP — or even a win — would be a great boost for De Klerk.

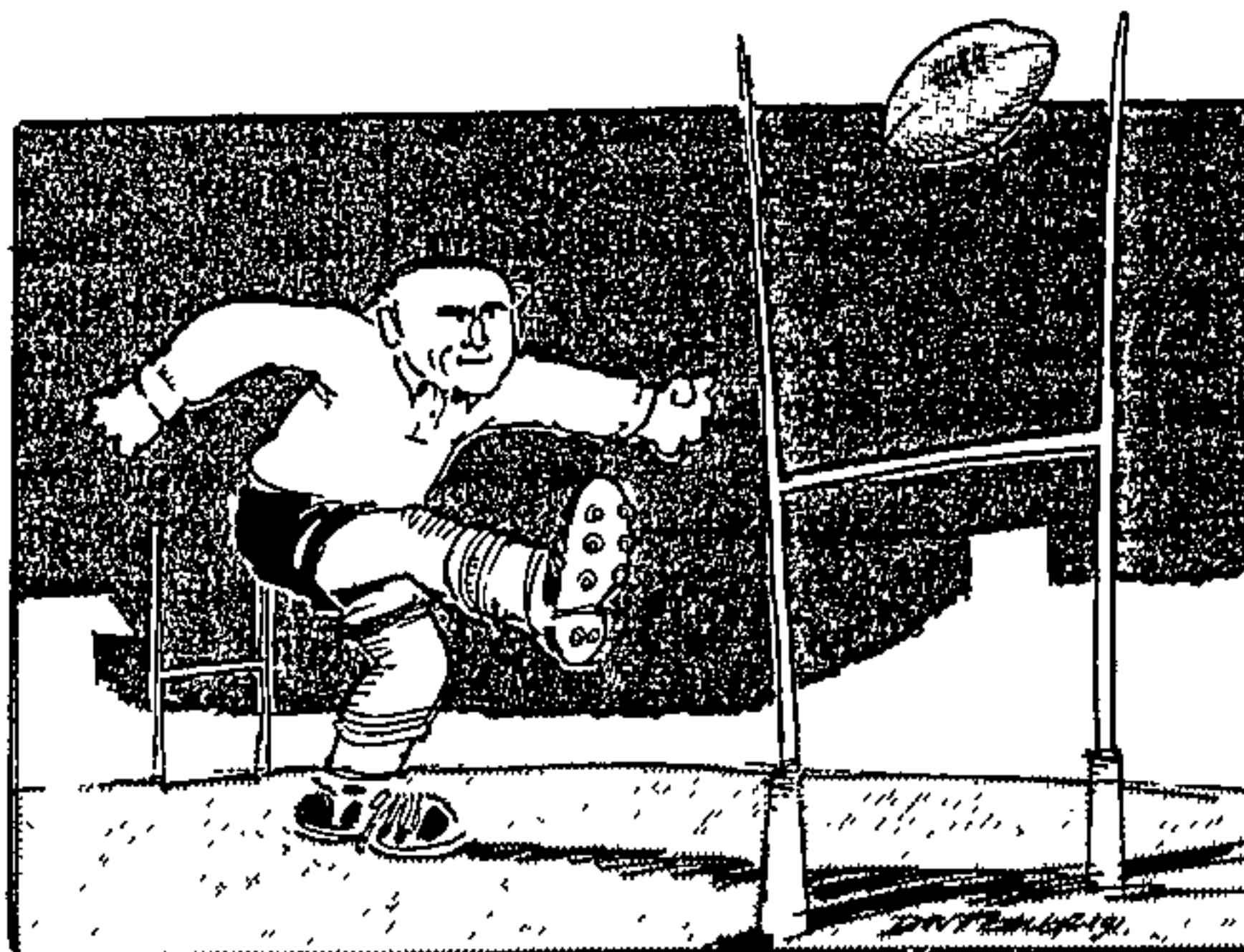
Foreign Minister Pik Botha says the return of SA to international sport in general and the Olympic Games in particular will be a major boost to De Klerk's nation building efforts.

"If a black athlete wins an event I have no doubt that all South Africans would applaud him and that's part of nation building, of the new SA that President De Klerk wishes to

create."

Botha stresses, however, that this week's developments must be seen as another step towards a return to international sport, rather than the end of the road.

Botha concedes that violence is now the major obstacle to prosperity. "As far as I'm



concerned our international isolation is over. We now need to create a climate that will encourage investors to come here." ■

SANCTIONS

NO RUSH BACK

There won't be any sudden jump in the export of Krugerrands, iron and steel to Europe following the lifting of EC sanctions this week.

And it won't be simply because other countries filled the gap left by SA exporters when sanctions were imposed in 1986. The fact is that the market for these commodities is going through lean times.

Ron Haywood, deputy director-general of the SA Chamber of Business, predicts that companies "will bring back their old customers" but expects a lull before production is increased and exports start picking up. Though prices are low, most steel producers' order books are full.

With the opening up of the eastern bloc, he believes that Europe is a much more important and valuable market now than it was when sanctions were imposed. "On its own the united Germany will be a formidable market once it is functioning as a normal country," Haywood says. "Together the two Europes will be an enormous bloc."

Eli Levine, chairman of the SA Gold Coin Exchange, says the Krugerrand will make a comeback but will have to fight to regain the market share it lost to gold coins. That won't be easy.

The gold coin market is depressed and there is no shortage of Krugerrands in Europe. There are more than 46m oz of gold

in Krugerrands, which is more than in any other gold coin. So the Mint is not yet gearing up to produce more.

Iscor deputy MD Nols Olivier says Iscor remained in constant touch with its European customers while sanctions were imposed and will start exporting to them again in the third quarter. It will be able to satisfy their requirements and serve its other markets

because of low local demand at a time when production is being increased, particularly at the Vanderbijlpark plant.

"Before sanctions, our EC export allocation was 340 000 t of steel a year," he says.

"There is a free market there now, so we are no longer bound



Haywood

by any allocations. Nevertheless, we'll take a long-term, orderly approach and build up our volumes at market-related prices," he says. "We can compete with the other countries exporting to the EC, so we won't lower our prices to try to sell all the steel we can. We don't want to be accused of dumping."

More Asian exports

Olivier feels an important spin-off of the EC move will be that SA may export more steel to some south-east Asian countries that were pressured by the US to limit their imports to pre-sanctions levels.

John Gommersall, MD of Middelburg Steel & Alloy, says: "The big news is the overall quality and spread of market that is available to us as a result of the EC move."

Like Olivier, he feels that a cautious return to Europe is essential.

This applies particularly to the stainless steel market, which "is typified by protectionism," he says.

"Caution is required when breaking into a new one or re-entering an old one.

"There are other constraints. We are running at full capacity, we developed other markets while our products were banned in the EC, and we must be careful not to incur the wrath of our ferrochrome customers by marketing stainless steel irresponsibly." ■



# Full boycott of Capab demanded

W/E-mail 19/4-25/4/91.

280

CULTURAL organisations have condemned the Baden-Baden Orchestra for breaking the United Nations-sanctioned cultural boycott of South Africa and have called for a full-scale boycott of the Cape performing arts council, Capab.

The Baden-Baden Orchestra, currently touring South Africa under the name Sinfonieorchester des Sudwestfunks Baden-Baden, is the first international orchestra to visit South Africa in 10 years.

Its visit was sponsored by German, Swiss and South African companies.

In a statement the Federation of South African Cultural Organisations (Fosaco) and the Cape Town-based Cultural Workers' Congress called on the trade union federations of Cosatu and Nactu to "join us in condemning the role of BMW, Mercedes Benz and Siemens for their collusion in breaking the cultural boycott".

Fosaco also called on "all our people" not to attend Capab offerings or participate in events involving Capab until it gave an assurance it would not again break the boycott and showed a willingness to discuss with progressive organisations "concrete steps" to ensure it "threw off its apartheid mantle and addressed the needs of a new South Africa".

Capab had "consistently disregarded efforts made by progressive cultural organisations to persuade Capab not to violate the cultural boycott".

Last Sunday Fosaco's national treasurer Omar Badsha was arrested at Cape Town's Nico Malan Theatre during a placard demonstration in protest against the orchestra's presence.

Charges laid against him were later withdrawn on the instruction of Capab's general director, George Loopuyt, who told *The Weekly Mail* they were the actions of an "over-zealous security man".

Loopuyt said the orchestra played to a full-

The importation of the Baden-Baden Orchestra by the performing arts councils has raised a storm of controversy.

**GAYE DAVIS** reports from Cape Town

house in the Nico while there were "only six demonstrators".

"That Mr Badsha is vociferous I don't deny — but that he has support, I doubt," Loopuyt said. "Capab has never observed the cultural boycott, so how can you break something you've never participated in? The cultural boycott flies in the face of everything we're trying to achieve in the new South Africa."

"The days of the boycotts are long past."

Noting that the orchestra's visit was "part of a campaign by South Africa's traditional European supporters to reward the De Klerk government for its reforms", Fosaco said the cultural boycott should remain in place until Fosaco, liberation organisations and the United Nations decided it should end.

The orchestra had made no effort to consult with organisations in South Africa before coming and had so far made no attempt to familiarise itself with the views of progressive cultural organisations on the state of culture and education under apartheid, Fosaco said.

"We will make representation to the United Nations special committee on apartheid that the Baden-Baden Orchestra should be shunned by democrats all over the world for breaking the boycott."

The 105-member orchestra ends its tour with performances in Pretoria and Johannesburg this week.

Their earlier Johannesburg concert at the city hall was picketed by the Performing Arts Workers' Equity and South African Musicians' Alliance.

## Bush 'will stand firm'

By Paul 191411  
GERALD REILLY

PRETORIA — US President George Bush would resist any efforts to move the goal posts on the lifting of sanctions, former ambassador to Washington Piet Koornhof predicted yesterday. (280)

Speaking to the Junior Diplomats Society at the Union Buildings, Koornhof agreed with his successor Harry Schwarz that by June all the conditions for lifting sanctions contained in the Comprehensive Anti-Apartheid Act would have been met.

Bush, he said, would oppose any additional conditions being tagged onto the CAAA. But in this stand he needed the support of all South Africans.

On US investment, Koornhof said there were billions of dollars that could be invested in SA. But he stressed that until the level of violence and unrest was significantly lower, this would not happen.

Koornhof said a major task of SA's Washington embassy had been to restore the credibility of SA in the eyes of Americans.



## Danish govt forced to uphold SA sanctions

ster 20/4/91

COPENHAGEN — Denmark's parliament yesterday ordered the government to maintain trade sanctions against South Africa despite a decision by the other 11 European Community states to lift them.

The decision by the all-party Market Affairs Committee was against the wishes of Conservative Prime Minister Poul Schlueter's minority government.

The three main opposition parties ordered the government to veto Monday's European Community decision to lift the ban on imports of iron, steel and gold coins from South Africa.

### Coalition of parties

It was the same coalition of opposition parties which forced an earlier Schlueter government to adopt national trade sanctions against South Africa and reduce diplomatic ties to a minimum.

However, the Danish action, if carried out, is unlikely to have practical significance, since the other EC countries probably will ignore a Danish veto. Denmark did not import iron, steel or gold coins from South Africa anyway. — Sapa-AP.

# Equity to poll members on boycotting of SA

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LONDON. — The British actor's union, Equity, has changed its mind after being threatened with a further court action and decided to hold a referendum among its 46 000 members on whether or not to lift its seven-year boycott on visits and the sale of broadcast material to South Africa.

The last referendum on the matter, which upheld the boycott, was in 1986 and a number of legal actions instituted by members opposed to the embargo have narrowly failed since.

An Equity spokesman in London has confirmed that two members who were due to bring another action to the High Court this week to overturn the ban had agreed to withdraw proceedings on condition that Equity's members be asked to vote again in a referendum.

CMC Times 20/4/91 76  
280

Equity was holding its annual general meeting this weekend, and an "early summer" date, expected in May or June, was due to be set for the referendum.

Results could be expected in July, the spokesman said.

Officially, Equity's governing council has no firm stand either way on the South African boycott, allowing itself to be led by the majority opinion of members.

The council's decision to allow the holding of a referendum marks a notable shift in position, however.

Barely six weeks ago, Equity's general secretary, Mr Peter Plouviez, stated categorically that there were no plans for an early referendum, and no immediate plans to change policy. — Sapa

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# Danish govt to keep sanctions against SA

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COPENHAGEN. — Denmark's parliament yesterday ordered the government to maintain trade sanctions against South Africa despite a decision by the other 11 European Community states to lift them.

The decision by the all-party Market Affairs Committee was against the wishes of Conservative Prime Minister Mr Poul Schlueter's minority government.

It also came just before an official visit here on Wednesday by President F W de Klerk, the first by a South African head of government to a Nordic country.

Mr De Klerk's talks are expected to centre on renewing trade ties between Denmark and South Africa now that the two countries have re-established full diplomatic relations.

In effect, the three main opposition parties, led by the Social Democrats, ordered the government to veto Monday's European Community decision to lift the ban on imports of iron, steel and gold coins from South Africa.

It was the same coalition of opposition parties which forced an earlier Schlueter government to adopt national trade sanctions against South Africa and reduce diplomatic ties to a minimum to punish SA for its racial policies.

During the committee meeting Foreign Minister Mr Uffe Ellemann-Jensen argued that sanctions should be lifted as a reward for the progress Mr De Klerk's government had been making toward dismantling apartheid.

But the Social Democrats said it was still too early to lift sanctions. They noted that the African National Congress had asked for sanctions to be maintained until apartheid was ended and the black majority was no longer prohibited from voting in national elections.

The other Nordic countries are not members of the European Community and are maintaining their trade sanctions against the republic.

The EC decision required unanimity, and a Foreign Ministry official here said the committee's stand would force the govern-

ment to withdraw its agreement and send the issue back to the EC Commission.

However, the Danish action, if carried out, was unlikely to have practical significance, as the other EC countries could ignore a Danish veto.

Denmark did not import iron, steel or gold coins from South Africa, anyway.

"We hope our move will make the Community put more pressure on Pretoria to get the last remnants of its apartheid policies removed," Social Democratic EC spokesman Mr Ivar Noergaard told reporters.

Mr Schlueter, whose Conservative-Liberal coalition has only 59 of the 179 seats in parliament, said in a speech on Thursday a reversal of government policy would be "regrettable and silly".

"There are good developments in South Africa at present ... it would be wise to relax sanctions," Mr Schlueter told the British Import Union. "It would support President De Klerk, who is facing major opposition from supporters of apartheid." — Sapa-AP

## ■ **N** a controversial

## economic recovery and

**This was the summing up in London from Society members who attended.**

This required economic growth, which would have to be financed from domestic savings and foreign investment.

**“Without this, the**

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“Increases in manufacturing are only possible on the basis of increased imports of capital

**“The situation over the last few years has of course been made worse by the fact that surpluses had to be generated to meet the foreign debt obligations of the country.”**

Later he said: "As representatives of the deprived majority in our country, we are, of course,

**Sanctions stay  
says ANC, but  
is Mbeki sure?**

deeply concerned that this situation should be changed radically to address the three basic and inter-related questions of raising the rate of economic growth, mounting a determined offensive against poverty, and reducing the enormous racial disparities that exist in terms of the distribution of income and wealth.

**"It is also perfectly clear that the political settlement we have spoken of cannot survive if these matters are not attended to.**

**“The masses of those, who are today disenfranchised, would have to experience actual improvement in their standards of living and their quality of life for them to support the political transformation we are working for.”**

**“Without this, the country would be condemned to a level of instability and conflict which would endanger the democratic order and possibly lead to repression and dictatorship, to which we are firmly opposed.”**



Businessmen wait for reassurance

# FW sets out to woo UK bankers

Star 22/4/91  
By Michael Morris

LONDON — President de Klerk sets out this morning to convince some of Britain's most important financiers that South Africa is a safe bet.

A sufficient reassurance from him could lead to a loans and investment boost for South Africa.

Speaking informally at his London hotel last night, President de Klerk said: "The emphasis is on the private sector."

Topping the list at a select meeting with Britain's most senior bankers will be Robin Leigh-Pemberton, Governor of the Bank of England.

Representatives of Japanese banks, which are among the most powerful in the world, will also meet Mr de Klerk.

Tonight he will seek to make a strong impression on British Prime Minister John Major, whom he meets for the first time for dinner at 10 Downing Street.

This morning he meets Deputy Minister of Foreign Affairs Lynda Chalker in what is essentially a courtesy call, and then he meets chairmen of banks and financial institutions at South Africa House.

Diplomats say banks and businesses are in a "wait and see mood."

Political and business leaders fear that violence is threatening the negotiations process and the potential for investment and economic prosperity.

New investment has already been set as the goal of Mr de Klerk's week-long tour of London, Copenhagen and Dublin.

Against him, diplomats say, is the growing international perception that violence is threatening to overwhelm South Africa.

## Positive signal

Everybody wants to know what Mr de Klerk plans to do about it and if talks with the ANC remain on track.

Sources said British business had a lot of interest and money to invest in South Africa. "Many have put their investments on hold and are waiting for a positive signal before they reinvest, explore trade finance deals or open new factories. Sanctions on investment have fallen away so what they need now is to be nudged into a new posture."

Mr de Klerk is the only one who can do that, one source said.

It is felt that Mr de Klerk's peace package — the summit and standing commission on violence — will boost his case.

The South Africans have been heartened by the United States' strongly supportive response, and hope for more of the same this week.

The De Klerk visit is being seen as "very important at this juncture" to clear exaggerated impressions of events in South Africa and focus attention on "real issues" and developments in the constitutional and economic sphere.

Diplomatic sources said that if Mr de Klerk succeeded in convincing his foreign audience "that he is in control and that there is a way forward, then he will have gone a long way in changing the wait-and-see attitude."

The South Africans do not



# Japanese come back in force

STW 22/4/91

280

By Derek Tommey

The Japanese are back in South Africa in force. One of the highest-level trade delegations ever to be sent by Japan has arrived in Cape Town.

The visit has major political and business ramifications.

For several years the Japanese have been most reluctant to be seen to have anything to do with South Africa and its government.

The Japanese government was embarrassed a few years ago when figures were published showing that it was SA's biggest trading partner.

## Quotas

While the embarrassment did not lead to a total ban on Japanese trade, it did result in quotas being imposed on the value of imports from Japan.

Goods covered by these quotas included car parts and electronic goods.

However, in recent months SA importers and exporters have found the Japanese no longer rigidly applying the quotas.

The Japanese are very keen to avoid any action that could result in criticism in the West.

It is therefore significant that the Japanese have now sent an official trade delegation, says



Kurt von Schirnding... situation is perceived to have changed

Kurt von Schirnding, director-general of the South African Foundation.

The delegation is visiting at the invitation of the foundation, which has arranged most of its programme.

Mr von Schirnding says 'the visit shows how the situation in SA has changed and is per-

ceived to have changed, otherwise the delegation would not have come.

The delegation is being sponsored by the Keidanren (the Japanese Federation of Economic Organisations), which is one of the most powerful business organisations in the world.

Represented on the delegation are top Japanese businesses, including including the Bank of Tokyo, Nissho Iwai, Sony, Toyota Motor, Mitsubishi and Toshiba Corporation.

## Parliamentarians

The delegation is spending today and tomorrow visiting parliamentarians, including Minister of Finance Barend du Plessis.

It will arrive in Johannesburg on Wednesday and meet bankers, industrialists and representatives of all political groupings.

The delegation will undoubtedly feed back its findings on South Africa in transition to the Japanese government.

South Africa imported goods worth \$1,5 billion (R4,05 billion) from Japan last year and sold goods worth \$1,8 billion (R4,86 billion) to Japan.

The fact that the trade balance is in South Africa's favour suggests that South Africa could afford to buy more goods from Japan if its businesses are allowed to do so and are prepared to market their products here



# 'You did the damage, now help with repairs'

By David Braun  
Star Bureau

WASHINGTON — US legislators and executives who claimed credit for the changes in South Africa also had to take the responsibility for the damage they caused, according to Harry Schwarz, South African ambassador to the US.

He has asked Americans to urgently consider specific projects to help those South Africans most deprived and in need of assistance.

Mr Schwarz this week took broadly the same message to audiences in New Jersey and Washington DC: If sanctions against South Africa had

worked, then they had also caused economic deprivation and harm, and those who had imposed the sanctions now had a moral obligation to help repair the damage.

He told a gathering at Princeton University that if it was correct that injury had been done mainly to the section of people who were most deprived, then the case was strong for repairing some of this damage once the political process was irreversible.

"Having therefore once applied sanctions, the case for assisting the economy on a sound basis in the new South Africa is morally substantive," he said.

At a separate function in Washington, Mr Schwarz told the American Bar Association that for democracy to have a fair chance in South Africa, the

economy had to be re-established so at least some reasonable expectations could be met.

"Failure to do this may result in South Africa becoming, in the long term, just another poor country in Africa."

Mr Schwarz said South Africa had resources which if correctly managed could provide a growth rate of about three per cent a year without foreign aid, loans or investments.

However, what was needed was a growth rate of say five or even six percent.

Foreign aid was the key, but this did not mean standing with a begging bowl in a long line of others equally, or more, in need.

South Africa needed aid not so much in the form of money, but rather project related so that it assisted those in need and deserving help, he said.

# Culture boycott to stay, meeting decides

Art Times 22/4/91

OWN Correspondent

JOHANNESBURG. — ANC, PAC and Azapo representatives decided at the weekend to maintain the cultural boycott.

Delegates to a conference attended by the three organisations here decided the boycott would remain "because nothing in SA has changed significantly".

Meanwhile, ANC sports chief Mr Steve Tshwete was reported yesterday to have said there was no objection in principle to SA taking part in the world athletics championships in August, but that this would be inadvisable as many black athletes would fail to make the national team, which would cause resentment.

The Sacos-aligned South African Amateur Athletics Board (SAAAB) said at the weekend that SA participation at the Olympics next year would be "too soon".



# Violence an issue for FW in visit

From PATRICK CULL

LONDON. — President FW de Klerk starts his three-day visit to Britain today which will focus on the continuing violence and the need for investment and help in the creation of a new South Africa.

Government sources noted the talks were taking place against the background of the violence.

There was concern at the violence, what appeared to be growing differences between the President and Mr Nelson Mandela and whether this would have a negative effect on the negotiating process.

Another source said that at present British investors were waiting to see what would happen about the violence before they made a decision.

If hard questions are going to be put to Mr De Klerk, then Mr Mandela is not going to have it any easier when he arrives in London on Wednesday and would be asked his reaction to Mr De Klerk's three-point peace plan.

## Sanctions

Meanwhile government sources said the decision by the Danish parliament to reject the European Community's decision to lift the ban on sales of iron, steel and Krugerrands, would not affect the ending of those sanctions by the other 11 EC members.

The source said the decision was obviously psychologically important, and it was hoped to set up meetings with the opposition Social Democratic Party, which had opposed the lifting of sanctions.

This morning, President De Klerk will hold a meeting with Minister of State for Foreign and Commonwealth Affairs and Overseas Development, Mrs Lynda Chalker, before meeting financiers.

In the afternoon he will meet MPs from all three parties before holding talks with British Prime Minister Mr John Major.

● The British Anti-Apartheid Movement announced a programme of activities aimed to tell Mr De Klerk to stop the violence and repression.

AAM chairman Mr Robert Hughes said in a statement President De Klerk had broken his promise to release all political prisoners and grant indemnity to exiles as well as repeal all repressive legislation.

The AAM will launch its campaign by presenting an open letter from MPs to Mr Major.

Major protests outside South Africa House and other venues were also planned for today.

## Groups decide to keep cultural boycott

ANC, PAC and Azapo representatives decided at the weekend to maintain the cultural boycott. 6/10/91 22/11/91

Delegates to a conference attended by the three "liberation movements" in Johannesburg decided the cultural boycott would remain in place "because nothing in SA has changed significantly and apartheid structures are still in place".

A spokesman for the ANC's art and culture department said the weekend conference was held to draw up recommendations for a UN-sponsored symposium in Los Angeles next month where the cultural

LINDEN BIRNS

boycott would be examined.

Meanwhile, ANC national executive member and sports chief Steve Tshwete was reported yesterday to have said the organisation had no principled objection to SA taking part in the world athletics championships to be held in Tokyo in June.

However, Tshwete said this would be inadvisable as many black athletes would fail to make the national team, which would give rise to resentment.

Soccer was one sports code which had done enough to justify readmittance.



810 am 22/4/91.

## More doors opening — Sacob

PRESIDENT F W de Klerk's visits to Dublin and Copenhagen — both of which have a history of strong support for EC sanctions against SA — are another indication that doors are being opened to SA, says Sacob deputy director-general Ron Haywood.

Haywood expects the visits to improve political and economic relations between these countries and SA.

A Department of Trade and Industry (DTI) spokesman said that Ireland and Denmark were the last two EC countries which De Klerk would visit officially.

However, any hopes of the Danish government lifting sanctions were quashed at the weekend when it was reported it had reversed its agreement with the EC decision to lift sanctions on the import of SA iron, steel and Krugerrands.

The lifting of EC sanctions has already been authorised at EC ministerial level and now requires implementation in each of the 12 states.

The DTI spokesman says apart from the limited EC sanctions, trade with Ireland continues as in the past, while Denmark still maintains a total trade embargo against SA.

Total two-way trade in 1986, the year

ZILLA EFRAT

prior to the imposition of sanctions, amounted to R308m with Denmark and R170m with Ireland. Present trade levels may not be divulged.

Safto international division senior manager Mike Veysie says Danish companies have already been making inquiries about trade with SA.

### Operations

The Danish Chamber of Commerce recently visited SA and Safto is aware of a low-key visit by two members of the Danish parliament to SA last year.

But Safto's contact with Ireland has been limited.

Two of the larger SA companies with operations in Ireland are Boart International and De Beers.

Boart International chairman Hilton Davies says while there has been a strong anti-apartheid lobby in Ireland, his company's Irish operations have not experienced any political interference.

Denmark and SA maintain diplomatic relations but there are no official relations between SA and Ireland.

## Japanese business leaders land in SA

DARIUS SANAI

280 66  
THE most senior delegation of Japanese businessmen to visit SA arrived in Johannesburg on Saturday to study prospects for local investment.

The Keidanren Study Mission is made up of senior representatives of companies such as Sony, Mitsubishi, Hitachi, Toshiba and Matsushita, and is lead by Bank of Tokyo deputy president Tamotsu Yamaguchi. 51024 221491

Delegates will spend a week in SA and hold meetings with top figures across the political spectrum, such as Finance Minister Barend du Plessis and senior ANC and Inkatha members.

The delegation arrived in SA as a leading Japanese newspaper reported that Japanese trade sanctions would be lifted "as soon as the last political prisoner is released".

It is not clear, however, which of the varying definitions of "political prisoner" will be accepted by the Japanese government, which first imposed sanctions on trade with SA 20 years ago.

Japan is the world's biggest exporter of capital, with over \$67bn in foreign investment in 1989.

Industry sources said Japanese companies would look on SA as an entry point to the sub-Saharan market.

The delegates flew straight to Cape Town from Jan Smuts and are due to return to Johannesburg tomorrow.

● Picture: Page 3



# Huge Larder Worries SA farmers

OPES are high among farmers that the final lifting of all economic sanctions against South Africa will open previously closed world markets as well as new ones for their exportable products.

But their optimism is also tempered by the realities of today's international situation, which presents a grim picture of mountains of surplus food and fibres, often accompanied by severely depressed export prices.

While it is true that in the past few years most of South Africa's export trade in agricultural products flourished in spite of sanctions, there are ominous signs that the buoyant conditions may not continue indefinitely.

The way things are develop-

ing in this country's traditional and probably most lucrative markets in Europe is particularly disturbing.

The mountains of beef in cold storage there are rising at a rate which is making officials dizzy. There are nearly 20 million tons of cereals in silos.

Warehouses are crammed with about 260 000 tons of surplus butter and 350 000 tons of milk powder, and there is considerable overproduction of many other farming commodities.

In fact, countries in the European Community are now 110 percent self-supporting in food, large volumes of which are being released at dumping prices on world markets.

South Africa is in the fortunate position that most of its export agricultural products



SA optimism that world markets will open with the lifting of economic sanctions is tempered by the picture of European food and fibre mountains, GEORGE NICHOLAS, The Star Agricultural Correspondent, reports.

term effect on South African farm exports should be beneficial and it is this aspect, together with an expected shift from volume to quality, that is making South African farmers cautiously optimistic about the future of their export industry.

One of our biggest agricultural earners of foreign exchange is deciduous fruit. Despite fierce competition, overseas consumers for years have shown a strong preference for the fruits of the Cape.

All is not as rosy as it may seem, however. South Africa's high inflation rate and the resultant rapidly rising production and export costs are combining to undermine our competitive position.

Wool and mohair, two of SA's other big exports, are not faring too well just now following a lengthy era of prosperity. The year when the bad news broke that Australia was sitting on an accumulated stockpile of 5 mil-

lion bales. Since then, to the dismay of SA woolgrowers, wool prices have dropped by a whacking 30 percent.

Our mohair industry, leader of its kind in the world, is going through the most depressing time in its history.

Although producers of both these fibres are now suffering from the detrimental results of a smaller demand, an oversupply and pressure on prices, the long-term prospects for their products are bound to improve.

There were times when we exported substantial quantities of maize, but since then the area planted annually has gradually declined from just more than 4 million ha 10 years ago to just over 3 million ha today. It seems that regular imports will be the order of the day in future.

When sanctions are finally dismantled, South Africa may be compelled to look further than Europe for the profitable disposal of its products. The question is, where?

The United States may be able to take some of our products, but the enormous transport distance and the costs involved, as well as the US's own huge production capability, may militate against the development of lucrative business.

The Far East, on the other hand, presents better prospects in spite of the distance. The Japanese, for instance, who as-tutely maintain a low profile in their dealings with our part of the world, nevertheless pursue hard-nosed trade policies behind their courteous Far Eastern smiles, and there is no

doubt their imports of farm products from South Africa will escalate rapidly once they are free to trade openly.

Some of our farmers believe South Africa should exploit the markets closer to our borders. The reasoning is sound and logical except for one drawback.

Most of the countries in Africa are still in the developing phase, with limited resources with which to pay for imports.

Perhaps South African producers should look more closely at the domestic market, the demands of which for agricultural products are bound to keep pace with the population increase, now expected to reach 44 million by the turn of the century. With our limited productive agricultural land, they may be hard-pushed to satisfy these demands. □



Investment campaign launched

# FW meets top bankers in London

Own Correspondent

LONDON — President F W de Klerk opened his campaign yesterday to persuade Western business to resume investing in SA.

De Klerk, who is keeping his visit low-key, met senior bankers and financiers at the SA Embassy in London to underline the urgent need for new investment to give poor blacks a stake in the "new SA".

Sapa-Reuter reports that an SA official said Bank of England governor Robin Leigh-Pemberton attended the meeting. But he declined to name other participants or give details of the discussions.

But London banking sources, who said National Westminster Bank chairman Lord Alexander and Barclays Bank chairman Sir John Quinton were also at the meeting, believed British banks were unlikely to resume lending to SA before full democracy was introduced.

Bankers said they doubted whether De Klerk would have made a direct request for new financing at yesterday's meeting, although he would probably do so at a later stage.

De Klerk was due to discuss ways of ending the spiralling political violence in SA during a working dinner with Prime Minister John Major last night, the first meeting between the two.

He meets opposition Labour Party



● DE KLERK



● MAJOR

leader Neil Kinnock today.

De Klerk is visiting Britain, Denmark and Ireland to seek investment after last week's EC decision to lift the ban on imports of SA coal, steel and gold coins.

The EC has recommended a voluntary investment ban, but financiers believe the political instability is a far more important disincentive to new investment.

Meanwhile, a picture in the Mail on Sunday showing an attractive blonde who was described as Marike de Klerk's personal 007-type bodyguard had the presidential party laughing.

Spokesmen said the picture was of Elise Wessels, a secretary in the President's party. She was a "sweet and gentle person" who did not know one end of a gun from the other

## Consult blacks urges Mandela

KYOTO — ANC deputy president Nelson Mandela yesterday accused security forces of conniving in township violence, and urged foreign governments to consult blacks before lifting sanctions.

Mandela was speaking to an international conference of journalists in Kyoto as President F W de Klerk began a tour of Britain, Denmark and Ireland to argue that apartheid was being dismantled and remaining sanctions should be lifted.

Mandela arrives in London tomorrow to try to counter the President's message.

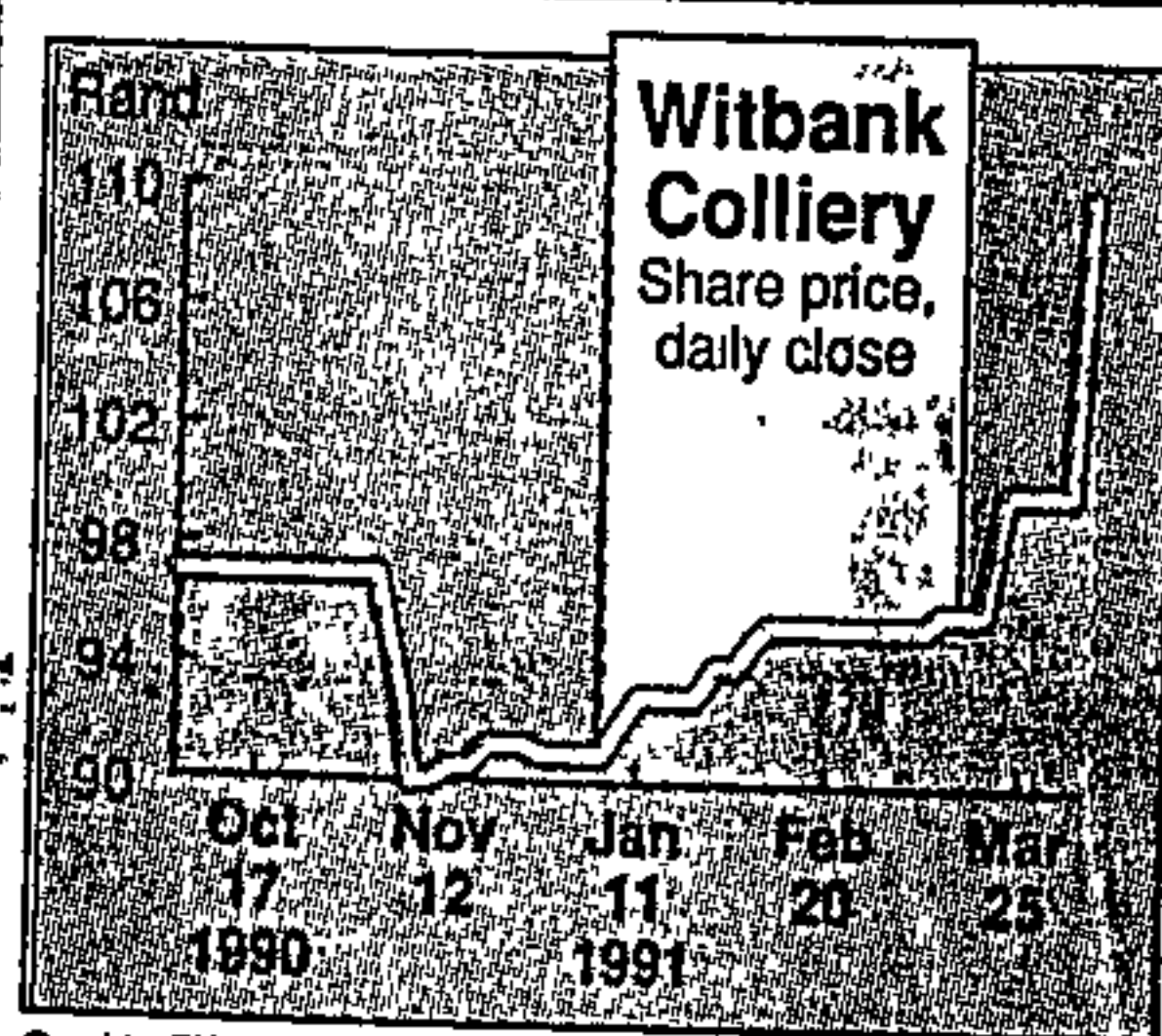
Mandela said disputes between rival black groups were no longer the major cause of township violence and suggested security forces were involved in a deliberate campaign to foment unrest.

"What we are witnessing is an attempt to bludgeon African communities into submission." The aim, he said, was to "instil a psychosis of mistrust and insecurity".

Mandela said the persistent violence made opposition parties less convinced than many international leaders that government's dismantling of apartheid was irreversible.

He criticised foreign governments and businesses for rushing to lift sanctions, but praised the US for its "exemplary attitude". He said the US had been in regular contact with the ANC "and has not treated the issue of sanctions as if the only people who matter are the SA government". — Sapa-Reuter.

● Comment: Page 10



Graphic: FIONA KRISCH Source: JSE



# De Klerk pleads for lifting of ban on trade

Southern 23/4/91

LONDON - President FW de Klerk held talks yesterday with British financial leaders to argue for new foreign investment and was expected to discuss sanctions with Prime Minister John Major.

De Klerk, who arrived in Britain on Saturday, also met British MPs. Protesters chanted anti-apartheid slogans outside the South African embassy when De Klerk arrived.

He was formally welcomed by Overseas Development Minister Lynda Chalker but his first

substantial talks of the day came in a meeting with representatives of banks and financial institutions.

A South African spokesman said Bank of England governor Robin Leigh-Pemberton was included in the meeting but declined to name any other participants or give details of the discussions, stressing that the meeting was confidential.

London banking sources, who said National Westminster Bank chairman Lord Alexander and Barclays Bank chairman Sir John Quanton were

at the meeting, said British banks were unlikely to resume lending to South Africa before full democracy was introduced.

Bankers said they doubted whether De Klerk would have made a direct request for new financing at the meeting, although that would probably emerge at a later stage.

Before leaving South Africa, De Klerk said he wanted new or renewed economic investment to underpin his reforms of apartheid laws.

"When I meet British bankers, I will merely inform them that there were no impediments preventing them from investing in our country," he said, adding it was very important that the private sector was properly and fully informed "about the opportunities which we believe are opening in South Africa".

The South African spokesman said De Klerk and Major would discuss the South African economy and sanctions at a working dinner later.

Sapa-Reuter.



State President FW de Klerk arrives at South Africa House in London's Trafalgar Square yesterday, greeted by protesting ANC supporters. De Klerk is on an official visit to England and has



# Bank on a new South Africa urges De Klerk

Sowetan 23/4/91.

280

LONDON - President FW de Klerk had a crucial meeting with some of the world's most powerful bankers here yesterday.

He was hoping to convince them to invest in his vision of a new, post-apartheid South Africa to be negotiated with the ANC and others.

On the pavement outside the South African Embassy, where De Klerk met the bankers behind closed doors, anti-apartheid activists still sceptical of his declared democratic intentions - and who in Britain agree with the ANC's stance that sanctions must stay - were hoping for a good response to their call for a "mass protest".

The British Anti-Apartheid Movement's chairman and Labour Party MP, Mr Robert Hughes, said amid preparations last week that their message was "De Klerk must stop the violence and repression which is wrecking the peace process".

## Promises

"De Klerk has broken his promises to release all political prisoners, grant indemnity from prosecution for political exiles, and to repeal repressive legislation by April 30," he said.

Anti-apartheid demonstrations, which used to run non-stop outside South Africa House on Trafalgar Square, have been relatively subdued since the release of Mr Nelson Mandela on February 11 last year.

Topping the list of about 15 of Britain's most senior bankers and financiers giving De Klerk a unique combined audience, was Mr Robin Leigh-Pemberton, Governor of the Bank of England.

Other bankers' names remained secret - as a rule they prefer to do business out of the media spotlight - but Japanese

bankers, representing some of the world's richest and most powerful financial institutions, were reliably understood to be on the panel as well.

While expressing quiet confidence at his Chelsea hotel on Sunday night, on the eve of his week-long tour of Britain, Denmark and Ireland, it was clear De Klerk was anticipating some tough questions from the bankers.

## Interest

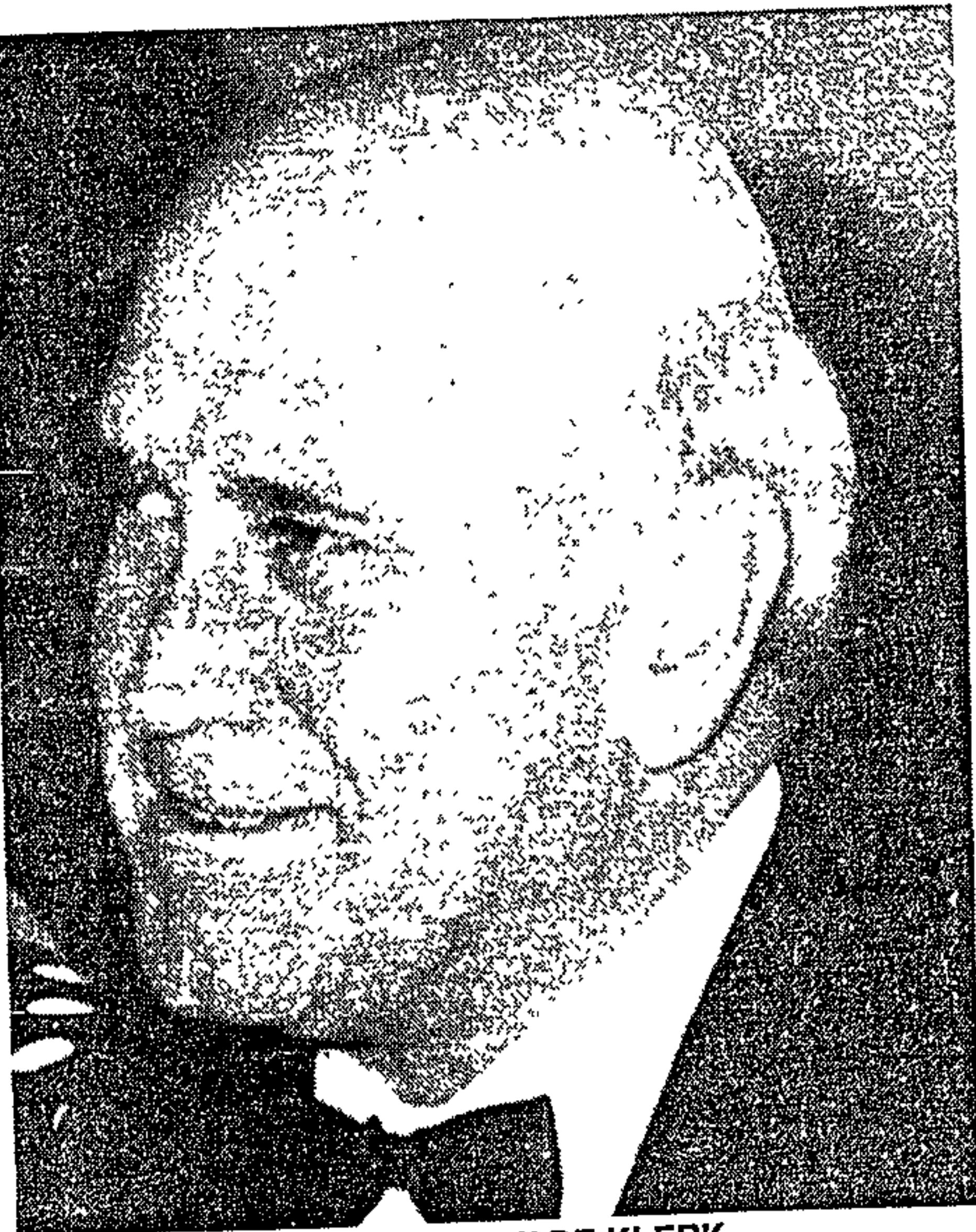
De Klerk said he felt there was already considerable interest in South Africa from potential foreign investors.

He saw his task as one of securing more solid assurances from them that they would be going ahead and investing in South Africa's future.

In pure financial terms, for bankers looking firstly at a profit on their foreign investments, South Africa remains a distinct credit risk due to the internecine township violence, wider political instability and question marks hanging over the prospect of South Africans being able to peacefully negotiate a new non-racial constitution.

De Klerk faces the task of explaining to the bankers that without their green light for an injection of foreign capital to revive the tattered economy - so that it can provide the vital socio-economic basis for his "new South Africa - his chances of succeeding are drastically cut".

He will be following this up with the argument that his chances of success will be considerably increased if they accept his as-



PRESIDENT F W DE KLERK

surances a peaceful settlement is possible, and invest now if not sooner with a promise of good profits they will be able to take home in the years to come.

In the frank discussions, De Klerk is expected to give the bankers - renowned for respecting confidentiality - an intimate breakdown of the state of affairs in South Africa at present.

## Killings

His latest moves to get black leaders' co-operation in stopping the township killings, and progress on negotiations so far with his opposition, such as Mandela's African National Congress, will feature prominently.

One of his arguments to the bankers is likely to be the prospect of a politically stable, prosperous and democratic South Africa

using its economic infrastructure in co-operation with other emerging democracies in Southern Africa to open up a vast new African market for the First World to trade with.

South Africa could be a new southern gateway to Africa, but only if they are prepared to help make it happen, he will argue.

De Klerk confirmed on Sunday night that while he was intent on establishing a good working relationship with British Premier John Major, as it would be their first meeting, and breaking new political ground in Denmark and Ireland, "the emphasis is on the private sector".

On this, his third European mission in less than a year, his agenda is crammed with business meetings, mostly in London. - Sapa.

Political comment in this issue by Aggrey Klaaste and Deon du Plessis. Newsbills by Sydney Matlhaku. Sub-editing and headlines by Ivan Fynn. All of 61 Commando Road, Industria West, Johannesburg.

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Star 24/4/91 (280) (660) (6)

## EC move 'premature, inappropriate'

UNITED NATIONS — African ambassadors yesterday condemned the European Community's decision to end a five-year ban on buying gold coins, iron and steel from South Africa.

Nigerian Ambassador Ibrahim Gambari, head of the General Assembly's Special Committee Against Apartheid, said the EC decision was premature and "counter-productive at this stage of development in South Africa".

"Neither the conditions for negotiations in a peaceful en-

vironment have been established, nor agreement ... on the mechanisms to be employed for the preparation of a new constitution," he said.

"Many political prisoners are still in jail and political exiles have not yet been permitted to return without restrictions," Mr Gambari said.

"The eradication of apartheid and the creation of a united, non-racial, democratic South Africa is still far on the horizon," he said.

Ghanaian Ambassador Kofi Awoonor criticized the EC

and the impending visit of UK Foreign Minister Douglas Hurd to South Africa.

"These signals are wrong for the process in the country," said Mr Awoonor, chairman of the General Assembly's subcommittee on the Implementation of the UN Resolutions and Sanctions against South Africa.

"I don't know whether the EC is gauging the level of difficulties that are being encompassed, that are being felt within the process in the country," he said. — Sapa-AP.

Bid to take 179 doubtful MPs down reform road

# FW WOOS the Danes

280  
Star  
24/4/91

By Michael Morris

COPENHAGEN — Convincing the Danes to drop sanctions now and give his reform process a boost was among President de Klerk's chief concerns as he flew into Denmark this morning.

He — like Danish Prime Minister Poul Schluter, who met him at the airport — is up against 179 MPs who remain unconvinced that the EC's decision to lift the ban on imports of South African iron, steel and Krugerrands was right.

Mr Schluter's 59-seat Conservative/Liberal coalition backs the EC's position.

Observers say the remarkable thing about Denmark is that South Africa is a strong domestic issue and MPs voting against the lifting of sanctions are doing so in large measure because they believe that is what their constituents would wish.

Mr de Klerk must be wondering how he can reach out to change their minds on this one-day stop-over.

He was to have lunch with Mr Schluter and Danish Foreign Minister Uffe Ellemann-Jensen and then go into talks.

After a press conference this afternoon, Mr de Klerk was to address the Danish Foreign Policy Society at the Houses of Parliament and then have discussions with prominent Danish editors.

Despite likely reservations from the Danes, Mr de Klerk is almost certainly assured of a warm reception.

## Eager

The Danes will be eager to encourage him to press on with negotiations.

Mr de Klerk is buoyed up by the success of his two days in the British capital in which he won the political endorsement he sought.

Sapa reports that Mr de Klerk said last night new foreign investment totalling "hundreds of millions" of rands would soon pour into South Africa.

Answering questions from members of the Royal Institute of International Affairs and the Royal African Society, he warned potential foreign investors that others might beat them in seizing the new opportunities.

Acknowledging violence was still a barrier he said: "Some (investors) might still be sceptical but, already for the first time in many years, we are experiencing an influx of capital.

"The funny thing is that it is risk capital. It is not just shifting round money, but job-creating ventures."

● More reports —



Star 24/4/91

vital role in spur-

## 'Calls for sanctions are economic sabotage'

By Michael Chester

280

Anyone who still called for sanctions against South Africa was guilty of "nothing short of economic sabotage", said the new president of the Johannesburg Chamber of Commerce and Industry, Mike Cato, at an inauguration ceremony last night.

"Calling for sanctions today is as blatantly foolish as the idea of encapsulating yourself in a deep frozen ice-chamber just in order to ensure that you will have a long life," said Mr

Cato, managing director of Northern Cannery.

Everyone with a sincere interest in the future of South Africa in a post-apartheid era had a fundamental responsibility to help stimulate economic activity.

He added: "The political future cannot be divorced from economics. A new political system acceptable to most is needed as soon as possible — otherwise any future government runs the risk of governing an economic wasteland and ruling a majority with no jobs."



Mike Cato . . . prospect of "economic wasteland".

## Apply pressure, urges Kinnock

*Star 24/4/91*  
LONDON — Britain's opposition Labour Party leader Neil Kinnock says it is still too early to lift sanctions. (280)

Mr Kinnock, whose office made it clear he met FW de Klerk yesterday only at the his request, said: "Having heard (Mr de Klerk's) account ... I remain convinced it is still too early to lift sanctions."

"Present economic sanctions are an important pressure for change to ensure that ... the obstacles to negotiations ... are removed completely."

In a lighter aside to the talks, sources revealed that Mr Kinnock, who is fanatical about rugby, had said he could not wait to see the British Lions take on the Springboks in South Africa as soon as conditions were right. — Sapa.



# Kinnock wants Lions to tour

From PATRICK CULL

LONDON. — British Labour Party leader Mr Neil Kinnock wants to see the Lions back on the rugby fields of South Africa — but not yet.

President De Klerk's historic meeting with Mr Kinnock — the first time the two men have met — took place at the House of Commons, and the SA delegation was surprised at his "positive attitude". Sources said the leaders struck up a good relationship.

Mr De Klerk failed to get the opposition leader to drop his support for sanctions, but Mr Kinnock's approach was sympathetic and he made it clear that he wanted change in South Africa to work.

And, as a rugby fanatic, he wants the Lions in South Africa — the catch being that the lifting of the sports boycott and sanctions must be linked to progress made towards a non-racial democracy.

Mr Kinnock said after the meeting that the Labour Party supported the peace process and wished to do all it could to encourage successful all-party talks and the creation of a "genuine non-racial democracy in South Africa".

He said he had urged President De Klerk to remove the obstacles "endangering prospects" for talks, in particular to ensure all political prisoners were released by April 30, that the Internal Security Act was repealed, that the police acted impartially and the violence was tackled effectively.

From PATRICK CULL

LONDON. — Hundreds of millions of rands in risk capital was flowing into South Africa, President F W de Klerk told the Royal Institute of International Affairs yesterday.

The President said in reply to a question that the money was being invested in new industries, businesses and job creation.

"For the first time in many years we are experiencing an inflow of capital", he said.

He warned that "those who are over-cautious may find others getting in on the ground floor".

Earlier in his speech he said South Africa was "a good risk and I don't know of any financial institution which would disagree".

### Optimistic

Mr De Klerk said the violence in South Africa was the main obstacle to investment, and vowed to end it.

He was optimistic because most of the key political actors in South Africa had committed themselves to a negotiated solution.

Other reasons for optimism included the disintegration of sanctions and growing economic pragmatism among opposition groups.

Mr De Klerk said that South Africa was an under-borrowed country by international standards, with a rapidly growing domestic and regional market.

Earlier, addressing the Institute of Directors at the Albert Hall, Mr De Klerk stressed that economic growth and constitutional reform had to be "mutually re-inforcing".

"Unless the present pressing problems of poverty and unemployment are addressed, elegant constitutional models will be of little avail to us," he said.

Mr De Klerk said the "pre-

# Millions

# flowing

# into SA,

# says FW

mier challenge" for the political leadership of the country was to improve the quality of life of all people, with special emphasis on the disadvantaged.

● Mr Nelson Mandela arrives in London today for his first meeting with British Prime Minister Mr John Major — two days after Mr Major met Mr E W de Klerk.

The meeting this afternoon takes place amid growing tension, as deadlines set by the ANC for the removal of obstacles to the start of negotiations approach. Political violence is likely to be the focus of discussion.

But Mr Mandela is also expected to tell Mr Major that Britain and the European Community acted prematurely when they decided last week to lift trade sanctions against South Africa.

Tomorrow Mr Mandela will meet Labour Party leader Mr Neil Kinnock, whom Mr De Klerk met yesterday.

Before he flies home tomorrow evening, Mr Mandela will unveil a wax model of himself at Madame Tussauds.

ARRESTED

Mr Etienne Dorfling

Mr Dorfling faces two



'Govt will not abdicate to chaos'

# Risk capital pouring into SA, says FW

LONDON — Hundreds of millions of rands in risk capital was flowing into SA, President F W de Klerk told the Royal Institute of International Affairs yesterday.

Responding to a question, he said that the money was being invested in new industries, businesses and job creation. It was not just money that was being "shifted around. For the first time in many years we are experiencing an inflow of capital."

He warned that "those who are over-cautious may find others getting in on the ground floor".

Earlier in his speech the President said he was very optimistic about SA's future. "We are a good risk and I don't know of any financial institution which would disagree."

The President said the biggest problems lay with the IMF and World Bank and the "perception that things might go wrong."

"I coldly, analytically, believe things will go right in SA, and the only problem is the endemic violence which is halting investment — and we are going to end that."

Spelling out the reasons for optimism, he said practically all the key actors in the political arena had committed themselves to a negotiated solution.

Secondly, the sanctions and isolation wall "is disintegrating and should dis-

appear almost entirely during this year", and a strong economy was bound to follow visible progress of the negotiation process.

De Klerk said every political grouping, including those that had previously advocated a centrally planned economic models, was adopting a more pragmatic vision of future economic policy.

The President said there was a growing realism in southern Africa about the need for closer economic co-operation, while prospects for SA's readmission to the capital markets in Europe were improving.

De Klerk said that SA was an under-

PATRICK CULL

□ To Page 2



President F W de Klerk and former British prime minister Margaret Thatcher shake hands as they part after private talks in London yesterday.

Picture. AP

## De Klerk

borrowed country by international standards with a rapidly growing domestic and regional market.

He said he was frequently confronted with fears about the future and how one could be sure a new government elected in terms of a new constitution would not make the same mistakes as elsewhere in Africa. He said he did not believe there was "any real risk of this happening".

Government was committed to sharing power and "wholly opposed to surrendering it unconditionally". SA, he said, "will not abdicate to chaos".

Further, the President said, SA was, economically a going concern and a substantial proportion of the population had already been absorbed into the country's modern economic, social and administrative sectors.

There was also a strong judicial tradi-

tion and, in spite of the violence, a groundswell in favour of a peaceful settlement:

"All these factors lead me to say confidently: Stability will be maintained in SA. The new SA will be capable of avoiding a repetition of that which has crippled large parts of Africa."

Earlier, he told the Institute of Directors economic growth and constitutional reform had to be "mutually reinforcing and that unless the present pressing problems of poverty and unemployment are addressed, elegant constitutional models will be of little avail to us".

The President said the "premier challenge" for the political leadership of the country was the improvement of the quality of life of all people with special emphasis on the less advantaged.

This challenge, he added, could be met only by wealth creation,

□ From Page 1



# Invest now FW tells the world

*Sowetan 24/4/91.*

**LONDON - President FW de Klerk was confident yesterday that new private sector investment would flow into South Africa once all impediments had been removed.**

Addressing an international Press conference in London, De Klerk said it was vital that new investment should precede the finalisation of the reform process.

He also said the release of prisoners and indemnification of exiles was on track and fully complied with the Pretoria Minute. He hoped South Africa's international sports relations would soon be normalised because it would boost efforts to achieve reconciliation at home.

Emphasising the importance of economic growth and development, De Klerk said: "From our point of view, economic development goes hand in hand with constitutional development.

"The high percentage of unemployment is counter-productive to the maintenance of law and order and plays into the hands of radicals who would like to see disruption and disorder.

"Any new government will be faced with high expectations. Economic development is the only answer for the development of our human potential and can and will make a fundamental contribution to efforts in all other spheres.

"Constitutional reform must be underpinned by a vibrant economy."

Tackling huge socio-economic backlogs and meeting the challenge of a "breathtaking rate" of urbanisation would require a sound and strong economy with a growth rate of about six percent.

"All these are potent reasons to get the economy growing as soon as possible."

He said what South Africa sought from the world was "confidence".

"We are not asking for hand-outs or donations. We ask that the impediments be removed and we have no doubt that we will get a flow of private sector investment because of the opportunities our economy and Southern Africa offer to them.

"There is no doubt

many private sector companies are ready, willing and able to invest in South Africa. The sooner impediments are removed, the sooner this process can start."

Although it was not yet "immense", South Africa was already experiencing an inflow of new investment capital.

The removal of sanctions - which was being led by the EEC - had led to an increase in foreign trade.

Old markets were being reopened and South Africa was also trading in new markets. Among these were many African countries.

He said he had discussed US sanctions with British Prime Minister John Major and was in direct and regular communication with the US Government.

On constitutional issues, he said his government stood for a united South Africa with full political rights for all - "call it one man one vote if you like" - but providing for the principle that the majority should not be in a position to abuse power to the detriment of minorities. - *Sowetan Foreign News Service.*



Britain's Prime Minister John Major shakes hands with President FW de Klerk at London's 10 Downing Street on Monday.

## East Rand princ meet DET offici

By MOKGADI  
PELA

THE 41 Kattlehong principals "sent" by teachers to negotiate "burning issues" with the authorities yesterday reported at the Department of Education and Training offices in Alberton for the second day.

The DET said they could not guarantee that effective teaching was taking place in the absence of principals.

It said Monde Primary

the South African Democratic Teachers Union. The Sadtu denied this.

School, where 16 teachers 'had been suspended, was running smoothly with the principal present.

In nearby Tokoza schooling had returned to normal with all the principals at their schools.

On Monday a DET spokesman said that principals had been expelled by teachers belonging to

A Sadtu spokesman said principals had themselves "decided they would not return to school as they were negotiating burning issues with DET".

Meanwhile, an urgent meeting on the education crisis in Kattlehong is to be convened by the Azanian Students Con-



# Sympathy - and protest - expected in Ireland

By Michael Morris 25/4/91

DUBLIN — After difficult talks in Denmark, President de Klerk expected a more sympathetic reception all round today when he became the first South African Head of State to visit Ireland.

Support has swung his way dramatically in Ireland, and while anti-apartheid activism is still strident, and protests were expected, the political wisdom of going along with the EC's decision to drop sanctions has wide support.

There was speculation that Prime Minister Charles Haughey, whom Mr de Klerk was seeing this morning and at lunch, could soon announce a move towards establishing open diplomatic links with South Africa.

Ireland, like Denmark, was for years a hardliner on the apartheid issue, but Mr Haughey now believes the time has come to reward Mr de Klerk for his far-reaching reforms.

Establishing diplomatic links could be the sort of thing Dublin is considering to strengthen support for the dialogue it has long called for.

Unlike in Copenhagen, where Prime Minister Poul Schluter is being held back by his opposition from endowing excessive favour on the reforming South Africans, Mr Haughey's opposition is pressing him to do more to encourage Mr de Klerk by reward.

Mr de Klerk will have an opportunity this evening to address Irish businessmen and lawyers at a party hosted by the Dublin Chamber of Commerce and the Incorporated Law Society of Ireland.

The President was expected to concentrate on consolidating Ireland's change of heart and assuring them that South Africa was indeed on the way to a post-apartheid future.

He will also tell the Irish that he needs their help, not least materially, to get there.

● De Klerk fails to swing

Danes — Page 2





Stumbling blocks . . . State President de Klerk with Danish Prime Minister Poul Schluter in Copenhagen. Picture: Associated Press



Agreed to differ on sanctions . . . John Major with Nelson Mandela at 10 Downing Street last night. Picture: AP

By Michael Morris

COPENHAGEN — Danish commitment to sanctions remains a thorn in President de Klerk's side after a tough schedule of talks here failed to swing MPs favouring maintaining South Africa's trade isolation.

But the South Africans are insisting that the one-day stop in the first Nordic country to receive a South African Head of State is a diplomatic and psychological gain, despite the standstill on sanctions.

Mr de Klerk appeared weary, even irritated, after what was evidently a courteous, though difficult, exchange with Svend Auken, leader of the main opposition, the Social Democrats.

Mr Auken's left-wing party stands in the way of Denmark's Prime Minister Poul Schluter, who is keen to see sanctions go as a reward for Mr de Klerk's reforms.

Mr de Klerk's meeting with

## De Klerk fails to swing Danes favouring sanctions

Gar 25/4/91

(280)

Mr Schluter and Foreign Minister Uffe Ellemann-Jensen went well. But Mr Schluter's Conservative/Liberal coalition government does not have enough seats to gain a parliamentary majority to back the EC sanctions decision.

There are eight parties in the Copenhagen parliament and of them all, Mr Auken's Social Democrats are the ones whose support Mr Schluter most needs on other vital domestic issues, such as security and relations with America and Nato.

He cannot afford a sanctions showdown with the Social Democrats.

In the months to come, South

African diplomats will clearly spend a lot of effort on putting across President de Klerk's position in more detail.

Sources said the biggest problem of the day was the time factor — not enough time to convey the full extent of reforms already in place and those still on the way. This may have frustrated Mr de Klerk.

It is also clear from Mr Auken's comments after the meeting that sanctions had led to the reforms, but that not enough had been done to guarantee the abolition of apartheid and that therefore sanctions should stay, that Mr de Klerk must have had to suppress at

least a measure of ire.

Mr de Klerk's visit made headlines yesterday. While there were no demonstrations at the airport, some 50 to 100 demonstrators turned out in the city centre.

Helmeted riot police, carrying perspex shields and sidearms, took up position, but kept their distance.

Speaking at a press conference, President de Klerk spelt out, not for the first time on this tour, South Africa's desperate need for economic growth to counter poverty and raise living standards for all.

Sanctions, he said, were de-

structive, and far from helping the process of reform in the past, had merely caused a hardening of positions.

Yet, again repeating a phrase he has often used before, he had not "come with a sanctions shopping list".

South Africa would press on with its programme and he hoped that the information he conveyed to the Danish politicians would enable them to make "reasonable and realistic" decisions about their stance.

Mr de Klerk said his meetings in Copenhagen had indicated that there was a "growing realisation that there is a new reality" in South Africa.

There was no alternative to a negotiated settlement and he was confident about the "good effects of what we are doing in our country".

In a speech, Mr Schluter paid tribute to Mr de Klerk's "courage" and acknowledged all the changes he had wrought.



# Pleas by ANC meet with inflexible response, says Hani US 'to lift some sanctions'

Star 25/4/91

By David Braun  
Star Bureau

(280)

WASHINGTON — The US government has indicated to a leading member of the ANC that it intends lifting at least some sanctions against South Africa, regardless of appeals not to do so until an interim government is in place.

Chris Hani, head of the ANC's military wing Umkhonto we Sizwe, said at a news conference at the Washington Press Club yesterday that senior officials from the State Department and the White House had expressed these views during meetings with him.

He met separately US Deputy Assistant Secretary of State for African Affairs Geoff Davidow and a member of President Bush's National Security Council, Bob Frasure.

He had raised with them the issue of sanctions, urging the US government not to consider lifting any until negotiations for a new constitution had actually started.

## Impression

Mr Hani, who is the most senior ANC official to visit the US since Nelson Mandela, said he had been given the impression that the Bush administration was planning to lift at least some sanctions within the next month or two and that it was showing no flexibility towards the ANC's point of view.

It had been explained to him that the US government was in the process of "interlocution" with all parties in South Africa, including the SA Government and opposition groups.

The US government would, therefore, consider lifting some sanctions once the requirements of the Comprehensive Anti-Apartheid Act had been met.

Mr Hani said the US officials had asked him questions about the ANC's proposed self-defence units and warned such a step could increase the levels of violence in South Africa and perhaps turn the country into another Lebanon.

"We will take strong action to ensure that the units do not degenerate," he said, adding the ANC did not want them accountable only to itself, which was why it was discussing the issue with other organisations and the communities affected.

Whites had organised their own civil defence units, so the black community was also entitled to do so.

Asked what the ANC's response would be if the Government refused demands to fire General Malan and Mr Vlok he said it was not for him to say what the decision would be.

● Hani accuses Anglo of crime against SA — Page 13



SA believes visit to Nordic country is a diplomatic gain

# Danes firm on sanctions

**MICHAEL MORRIS,**  
Political Correspondent,  
reports from Copenhagen

**D**anish commitment to sanctions remains a thorn in President F W de Klerk's side after a tough schedule of talks here failed to swing MPs favouring maintaining South Africa's trade isolation.

But the South Africans are insisting the one-day stop in the first Nordic country to receive a South Africa head of State is a diplomatic and psychological gain, despite the absence of movement on sanctions.

The president appeared weary, even irritated, after what was evidently a courteous, though difficult exchange with the leader of the main Danish Opposition, the Social Democrats, Mr Svend Auken.

Mr Auken's left-wing party stands in the way of Denmark's Prime Minister Mr Poul Schluter's keenness to see sanctions go as a reward for Mr De Klerk's reforms.

Mr De Klerk's meeting with

Mr Schluter and Foreign Minister Mr Uffe Ellemann-Jensen went well.

But Mr Schluter's Conservative/Liberal coalition government does not have enough seats to gain a parliamentary majority to back the EC sanctions decision.

There are eight parties in the Copenhagen parliament and of them all, Mr Auken's Social Democrats (who want more from South Africa before they will endorse a lifting of sanctions) are the ones whose support Mr Schluter most needs on other vital domestic issues, such as security and relations with America and Nato.

He cannot afford a sanctions showdown with the Social Democrats.

In the months to come, South African diplomats will clearly spend a lot of effort on putting across President De Klerk's position in more detail.

Sources said the biggest problem of the day was the time factor — not enough time to convey the full extent of reforms already in place and those still on the way.

This may have frustrated Mr De Klerk.

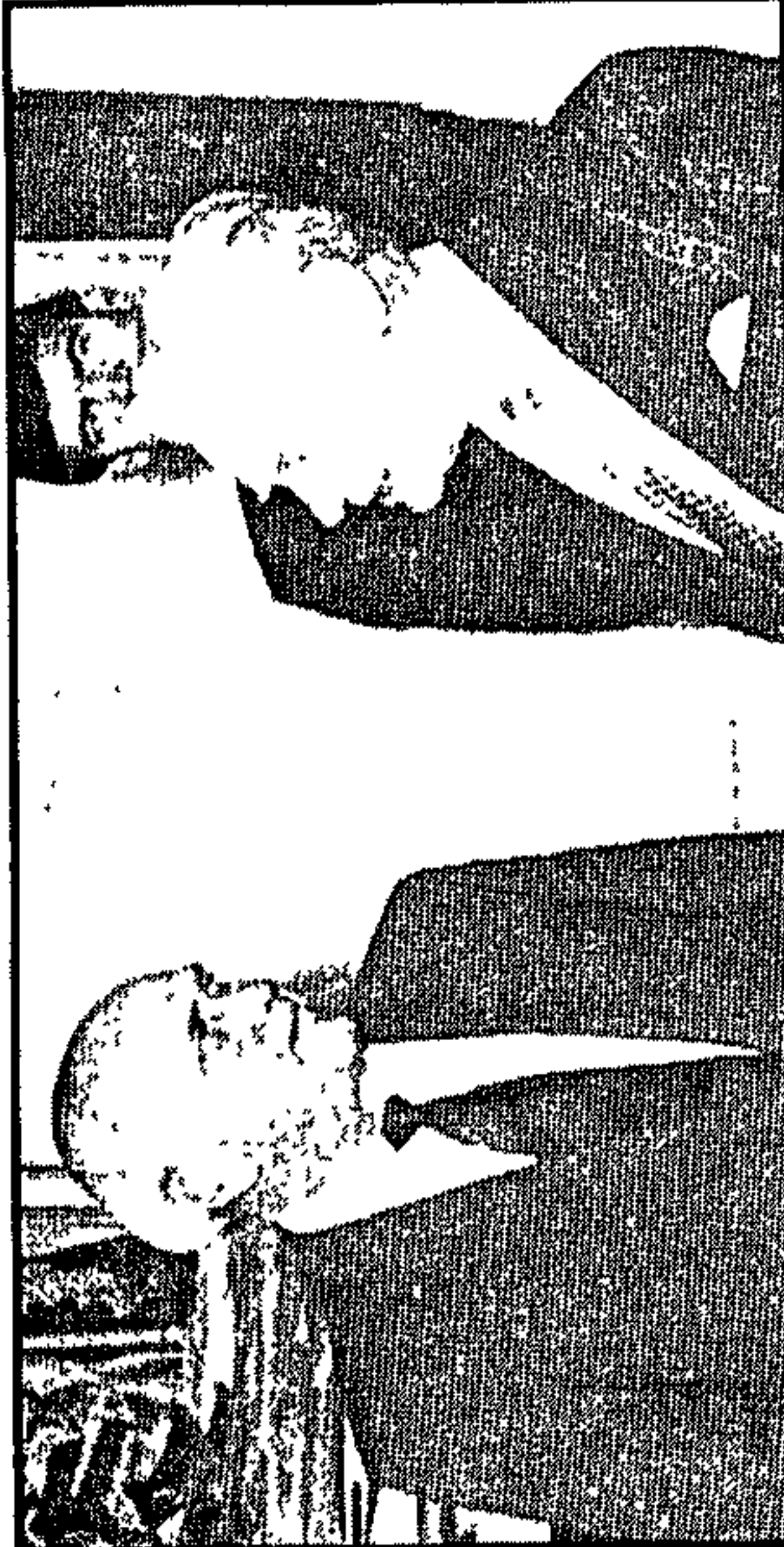
It is also clear from Mr Auken's comments after the meeting — that sanctions had led to the reforms, but that not enough had been done to guarantee the abolition of apartheid and that therefore sanctions should stay — that Mr De Klerk must have had to suppress at least a measure of ire.

The President's visit was prominent news in Copenhagen yesterday — in a television interview he summed up South Africa's hopes thus: "I would dearly like my little grandson to play with Lego blocks, for us to have that material in South Africa again."

While there were no demonstrations at the airport, some 50 to 100 demonstrators turned out in the city centre to voice their opposition.

One cryptic placard read, simply "f apartheid" Another: "Free South Africa"

Helmeted riot police, carrying perspex shields and side-arms, turned out, but kept their distance.



President F W de Klerk meets the Danish Prime Minister, Mr Poul Schluter, in Copenhagen yesterday

from the international community.

Sanctions, he said, were destructive, and far from helping the process of reform in the past, had merely caused a hardening of positions.

Yet, again repeating a

phrase he has often used before, he had not "come with a sanctions shopping list."

South Africa would press on with its programme and he hoped that the information he conveyed to the Danish politicians would enable them to make "reasonable and real-

istic" decision about their stance.

He said "something wonderful is happening in South Africa there's a change of heart among all people" and he said his meetings in Copenhagen had indicated that there was a "growing realisation that there is a new reality" in South Africa.

There was no alternative to a negotiated settlement and he was confident about the "good effects of what we are doing in our country."

In a speech later in the day, Prime Minister Mr Schluter paid tribute to Mr De Klerk's "courage" and acknowledged all the changes he had wrought.

However he added: "But much remains to be done yet."

"The Danish policy is — and will continue to be — based on the principle of dialogue with all parties in South Africa with a view to encouraging further positive developments."

This would be the basis for developing and broadening relations between the two countries.



# FW the

# Leads way

CMP-114P  
25/4/91

280

**LONDON. — Mr Nelson Mandela yesterday failed to dent Britain's favourable response to President FW De Klerk's reform initiatives.**

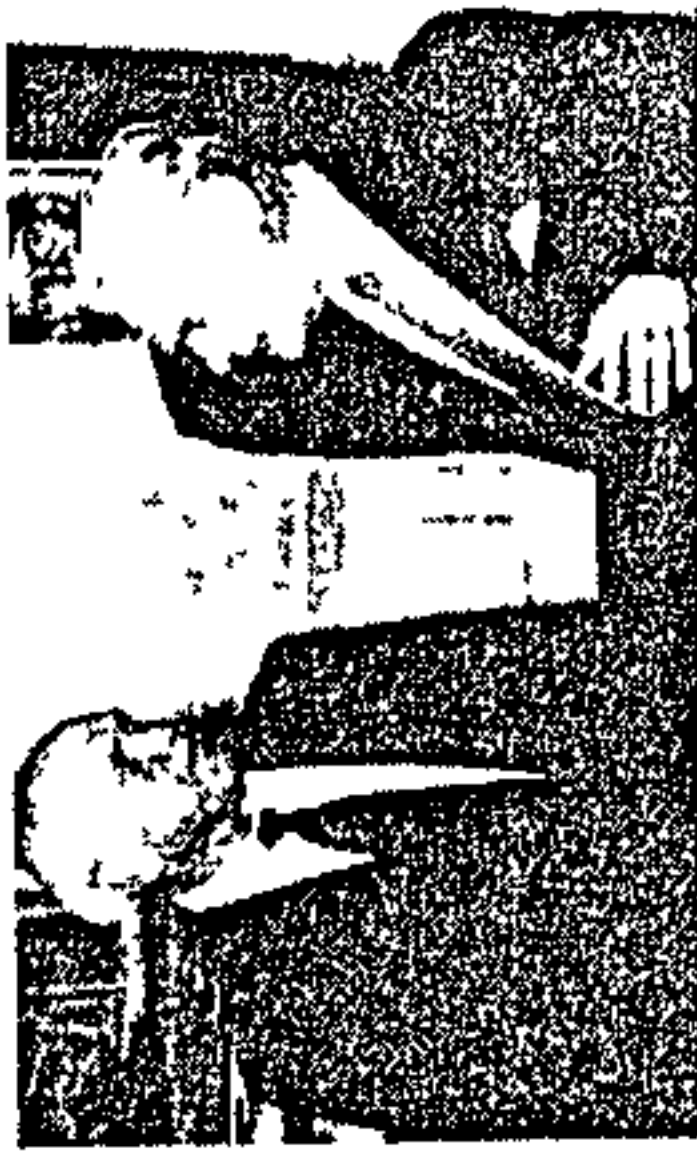
And in a dramatic development, ANC MK commander Mr Chris Hani said in Washington that he had been told during a meeting with State Department officials that the US was poised to lift sanctions against South Africa within three months.

Meanwhile, Danish Prime Minister Mr Poul Schluter has assured Mr De Klerk that his government understands the complex challenges facing South Africa and accepts the irreversibility of fundamental reform in the country.

Mr Schluter's minority government was last week forced by combined opposition parties to withdraw Denmark from the European Community's decision 10 days ago to lift the 1986 trade sanctions against South Africa.

British Prime Minister Mr John Major and Mr Mandela disagreed yesterday over sanctions against South Africa but both said they had a common objective — ending apartheid.

British officials said Mr Major explained that it was the British position — and that of the EC — that the lifting of sanctions was designed not to favour Pretoria but to encourage the reform process. Last week the EC said bans on imports of



**ON TOUR ...** President F W de Klerk meets Danish Prime Minister, Mr Poul Schluter, in Copenhagen, yesterday.

gold coins and iron and steel from South Africa would be lifted.

Mr Mandela and Mr Hani are visiting Britain and the US respectively to press their arguments for the maintenance of sanctions until the ANC feels the process of change in South Africa is irreversible.

Mr De Klerk arrived in Copenhagen yesterday from London for a one-day visit for talks with the Danish government and main opposition leaders.

Talks with two of the main opposition leaders, who led the moves to block lifting sanctions now, were added to Mr De Klerk's programme only at the last minute, and officials said the fact that they were prepared to receive him was significant.

Mr De Klerk said of these meetings that

while they had disagreed on certain matters, there had been a fundamental exchange of views and he had welcomed the opportunity for discussions.

Social Democrat Party leader Mr Svend Auken (whose party has a majority in parliament on the sanctions issue) said after a 20-minute talk with Mr De Klerk: "When we get the safe assurance that apartheid will be abolished, then we will lift the sanctions."

He said there had been an "open exchange of views, but no agreement on these views" with Mr De Klerk.

Mr De Klerk said at a press conference afterwards that apartheid would be gone by the end of June and that there would be no going back on the process of ridding the country of racial segregation.

"Apartheid is on its death-bed and drawing its last breath. The remaining apartheid acts will be repealed by the end of June."

Despite the hard line taken by the Social Democrats, neither Danish nor South African sources were totally dismayed.

Both pointed out that the first meeting between the two sides was a "getting to know you" occasion, adding that 20 minutes was hardly long enough for the president to state what he had done and what he planned.

In other developments in London yesterday, Mr Mandela again stressed that there

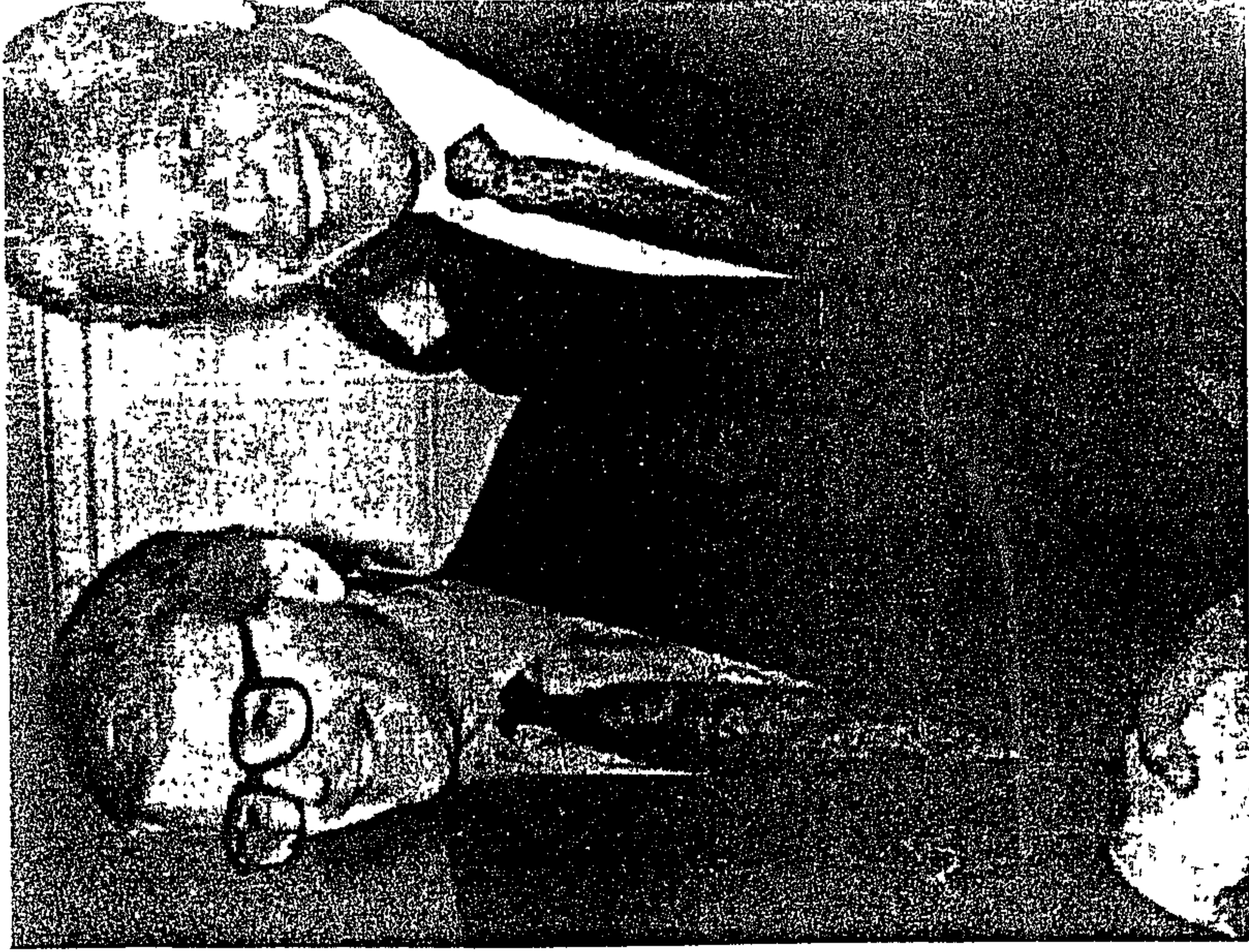
would be no further negotiations with the government if it failed to address all its security-related demands by May 9.

## On tour

From page 1

Asked specifically if the demand for the dismissal of Defence Minister General Magnus Malan and Law and Order Minister Mr Adrian Vlok still stood, he said it did. However, he appeared to give cautious approval to the idea of a meeting of leaders to discuss violence.

Mr Mandela also backed the admission of South African sport to international competition once the International Olympic Committee's requirements had been met.



**WARM WELCOME ...** Mr Nelson Mandela is greeted on his arrival at Downing Street yesterday by British Prime Minister Mr John Major. The tv leaders discussed sanctions.

Picture /



# Academics pushing for an end to boycott

AN ANC-aligned organisation representing 5 000 academics at SA universities is pushing for an end to the academic boycott.

The move is expected to accelerate the demise of SA's academic isolation and to initiate a major international effort to boost the country's tertiary education.

It is also likely to cause tension between left-wing academics and the ANC, which officially still supports SA's isolation.

An ANC spokesman said yesterday the body wanted to discuss the issue with the academics, who are organised under the

PATRICK BULGER

umbrella of the Union of Democratic University Staff Associations (Udusa).

The spokesman said the isolation policy would be discussed at the ANC's national conference in July. In principle, however, the ANC still supported the boycott.

The academics have told the ANC of their stand.

The boycott became prominent in 1986 when students drove Irish academic Conor Cruise O'Brien off the UCT campus.

Since then international academic links

have been scaled down, with visiting academics required to obtain clearance from the ANC and Udusa.

Udusa, which has consistently aligned itself with efforts to end apartheid through isolation, is expected to decide in favour of an end to the boycott at its congress in June.

Its national executive committee recently adopted a resolution recommending a review of the boycott, which will be discussed at the congress.

The resolution reads: "The committee

□ To Page 2

## Academics

resolves to recommend that congress reviews our policy on the academic boycott in the light of . . . national and international circumstances that gave rise to the boycott . . . in order to fundamentally shift the emphasis in our policy away from isolation towards requesting major international support from universities, academics and other appropriate bodies to assist the pro-

gressive constituencies in the universities in their struggle to grapple with the problems of the transformation of the tertiary education sphere in SA."

Although Udusa does not have the final say over the academic boycott, adoption of the resolution would go a long way towards ending the boycott.

□ From Page 1



## More SA laws added to pro-sanctions demands

b10am 2/4/91 - SIMON BARBER (280) (289)

WASHINGTON — The Congressional Black Caucus has introduced a resolution it hopes will be adopted in the US Senate and House of Representatives, saying a wide range of South African legislation still justifies sanctions being upheld.

Adoption of the resolution would put the two bodies on record as endorsing the ANC's legal case for arguing that sanctions-lifting conditions are nowhere close to being met in terms of the US Comprehensive Anti-Apartheid Act (CAAA).

Based on an analysis drawn up by the ANC, the motion introduced by Congressman Kweisi Mfume says the laws "still hinder and impede . . . peaceful political activity".

It says these laws include the Internal Security, Intimidation, Public Safety, Electoral, RSA Constitution and National States Citizens Acts.

It also claims even if all remaining political prisoners are released and the Population Registration and Group Areas Acts are repealed, the CAAA's requirements for lifting sanctions will not have been met.

While the resolution has almost no chance of passage, it defines the grounds on which the ANC's congressional allies propose to fight any impending move by President George Bush to lift sanctions.

# 5 000 move to end academic isolation

Own Correspondent

**JOHANNESBURG.** — An ANC-aligned organisation representing 5 000 academics at SA universities is pushing for an end to the academic boycott.

The move is expected to accelerate the demise of SA's academic isolation and to initiate a major international effort to boost the country's tertiary education.

It is also likely to cause tension between left-wing academics and the ANC, which officially still supports SA's isolation.

An ANC spokesman said yesterday that the organisation wanted to discuss the issue with the academics, who are organised under the umbrella of the Union of

Democratic University Staff Associations (Udusa).

The spokesman said the isolation policy would be discussed at the ANC's national conference in July. In principle, however, the ANC still supported the academic boycott.

The academics have told the ANC of their stand.

The boycott came to prominence in 1986 when students drove Irish academic Conor Cruise O'Brien off the UCT campus.

Since then international academic links have been scaled down, with visiting academics required to obtain clearance from the ANC and Udusa.

Udusa, which represents more than 5 000 lecturing staff and has consistently aligned itself with efforts to end apartheid through isolation, is expected to decide in favour of an effective end to the boycott at its congress in June.

Its national executive committee (NEC) recently adopted a resolution recommending a review of the boycott, which will be discussed at the congress.

Udusa vice-president Mr Mike Morris said yesterday that SA universities were in dire need of international financial assistance.

"We need massive support programmes."



# Row over Indaba's city venue

CAP- 11015  
25/4/91  
288

By DALE GRANGER

A ROW broke out at the Good Hope Centre Indaba 91 tourist exhibition yesterday with Johannesburg delegates criticising Cape Town as an inadequate venue.

"Cape Town is too small to hold an exhibition of this size," said Mr David Appelton, a member of the Johannesburg Publicity Association.

Mr Appelton — one of the 310 stallholders marketing their local tourist products to more than 650 international travel personnel and 60 foreign media representatives at the Good Hope Centre — said the facilities were inadequate and parking and accommodation was "diabolical".

In Johannesburg the exhibition could easily have been accommodated at the Rand Show grounds, or at Durban in the Exhibition Centre Mr Appelton said.

"Also from a tourist point of view Johannesburg would have been the place to come to. The PWV gets 48% of the international tourist market, the highest in South Africa, and Cape Town is second with 37% of the market.

Mr Appelton and other Johannesburg representatives at the exhibition

said they felt the exhibition was an "oversell".

"This design is lovely, but it's for the man in the street and they aren't even allowed in until Saturday.

"The overseas professional travel delegates don't need this. They're only really interested in deals," he said.

But Captour chairman Mr Louis Kreiner and the Mayor of Cape Town, Mr Gordon Oliver, defended the mother city as host to the exhibition and said the space available in the Good Hope Centre could have been doubled.

Mr Kreiner dismissed Mr Appelton's claims and said that Cape Town, with its natural beauty, "represented the future for tourism in South Africa".

## 'Proven ability'

"Cape Town is an all-year-round destination and we would like to get this festival here every year to run in conjunction with the Cape Festival," Mr Kreiner said.

Mr Oliver said Cape Town had "already proven her ability" to put the exhibition on and had justified her selection with the "smartest" and best-organised Indaba in South Africa so far.

# Africa (280) puzzled over SA stance *swelam 25/4/11*

WITH the partial lifting of sanctions against South Africa by the European Community, other African states seem to be in a dilemma.

Organisation of African Unity members, in particular the Frontline States, have been in the forefront of the sanctions campaign.

The latest European move on sanctions may have negative effects on African states.

Many observers are asking whether African states have any option except to partially lift their own sanctions.

## Sanctions

Because the South African economy can easily prosper without any substantial trade with African states, the maintenance of sanctions will harm their economies more than that of South Africa.

Commenting on the European move, Zimbabwe foreign minister Nathan Shamuyarira said he was consulting his colleagues in the Frontline States and the OAU Ad Hoc Committee on Southern Africa and would later issue a joint statement.

Zimbabwe, one of the most outspoken African countries against South Africa has called repeatedly on the maintenance of punitive sanctions but because of its geographical position has remained the leading South African trade partner in Africa.

About 70 percent of Zimbabwe's trade goes through South African ports.



FM 26/4/91  
CULTURAL BOYCOTT  
**A YO-YO MESS**

The UN blacklist of performing artists who broke the cultural boycott will not be scrapped — and will in fact be added to, when that body's Committee Against Apartheid meets representatives from nine SA cultural bodies in Los Angeles on May 10.

However, spokesmen for the ANC's Department of Arts & Culture say artists who are on the blacklist and have adopted an anti-apartheid stance will be removed from the list and allowed to perform in SA provided they make their arrangements in consultation with "democratic cultural structures."

As part of a growing campaign against local State-funded performing arts councils such as Pact, Capab and Napac, artists affiliated to groups such as the Federation of SA Cultural Organisations (Fosaco) will have to seek clearance from that organisation before appearing in shows or plays put on by those bodies.

Dennis Nkosi, chairman of Fosaco, says this is part of a strategy to "democratise" the performing arts.

Last weekend the Department of Arts &

FM 26/4/91 (280) (280)  
Culture met representatives of some of the 96 cultural bodies (from ballroom dance clubs to film and writers' organisations) ranged under Fosaco to discuss local cultural issues and the cultural boycott. Azapo attended the conference in an observer status; the PAC was unable to attend.

Nkosi claims that Napac, for example, has a list of demands from the Natal Cultural Congress, which means that "before any individual performs at the Playhouse ... they will have to consult with the NCC, to ensure they don't undermine processes in that area."

Pact has also come under fire from the ANC's cultural commissars for having unequal pay and working conditions for all Pact's employees.

Pact's deputy director Louis Bezuidenhout claims, however, that there is no pay discrimination at Pact and that they have held discussions with the SA Film and Theatre Union and will hold talks with the Performing Arts Workers Equity once this entity has registered as a union.

Delegates to the weekend conference say issues such as the UN blacklist received scant attention. A primary focus was discussion about the establishment of a national arts foundation to promote the establishment of SA arts and culture and its dissemination to all parts of the country, including rural areas.

A statement issued at the end of the meeting called for the isolation of "apartheid structures" and suggested an ad hoc committee be formed of representatives from the ANC, PAC, Azapo and Fosaco to develop a united strategy towards the cultural boycott.

Whether this is possible remains to be seen.

While the ANC has a strong negotiations stance and is prepared slowly to whittle away the cultural boycott in conjunction with performers who make "contributions" to local arts and culture, the PAC and Azapo have strong isolationist tendencies. ■

# Irish eyes smile on FW in Dublin

Capl T11/8

26/4/91

DUBLIN. — In a major diplomatic coup for President FW de Klerk, Irish premier Mr Charles Haughey yesterday ordered a complete review of all relations and contacts his country has with South Africa.

Speaking after their first meeting here, Mr Haughey said that despite the complexities involved, the reform process Mr De Klerk had embarked on was indeed "irreversible and fundamental".

"He needs support and full understanding.

"It is clear that South

Africa has now embarked on a definite process, the ultimate end of which is the complete and final abolition of apartheid."

At a press conference later, Mr De Klerk's comments clearly indicated he was pleased with the results of his first visit to Ireland, which has been in the forefront of international sanctions against South Africa.

On his overall impression of talks with Mr Haughey and Foreign Minister Mr Gerry Collins, he said: "For a long time, relations between Ire-

land and South Africa have been what could be described as 'strained' — that has changed fundamentally because of a new reality in South Africa.

"I would conclude relations now are warm, positive and constructive.

"I found my whole discussion with the Irish government to be particularly encouraging."

Mr De Klerk said bilateral relations and prospects of future trade had been dis-

To page 2

From page 1

FW de Klerk, in addition to wide-ranging discussions in which he had explained in detail the present situation in South Africa and difficulties in the way of getting discussions on a new constitution moving.

Mr Haughey had earlier said he looked forward to Ireland establishing diplomatic ties with a future democracy in South Africa.

He explained there was already a full and open channel of communication with Ireland through South Africa's embassy in London.

Mr Haughey said sanctions had not been discussed.

Mr De Klerk, on the third leg of his three-nation European tour, due to return to London this morning before returning to South Africa this evening.

Meanwhile, a short powercut caused by Irish Electricity Supply Board workers striking for more pay disrupted Mr De Klerk's press conference.

About 150 members of the Irish Anti-Apartheid Movement and other groups yesterday staged a protest outside the Dublin offices of Mr Haughey, while he held talks over a working lunch with the president.

— Sapa



## FINANCE

# Swiss weekly to print survey on SA trade

By Day 26/4/91

ZILLA EFRAT

TRADE between SA and Switzerland has been increasing steadily for a number of years and is set to grow faster as sanctions fall away, says Swiss-based Schweizer Handelzeitung corporate group MD Kurt Speck.

His publication, the Schweizer Handelzeitung, a business weekly with more than 130 000 readers, will publish an SA-Swiss Foreign Trade supplement on June 27.

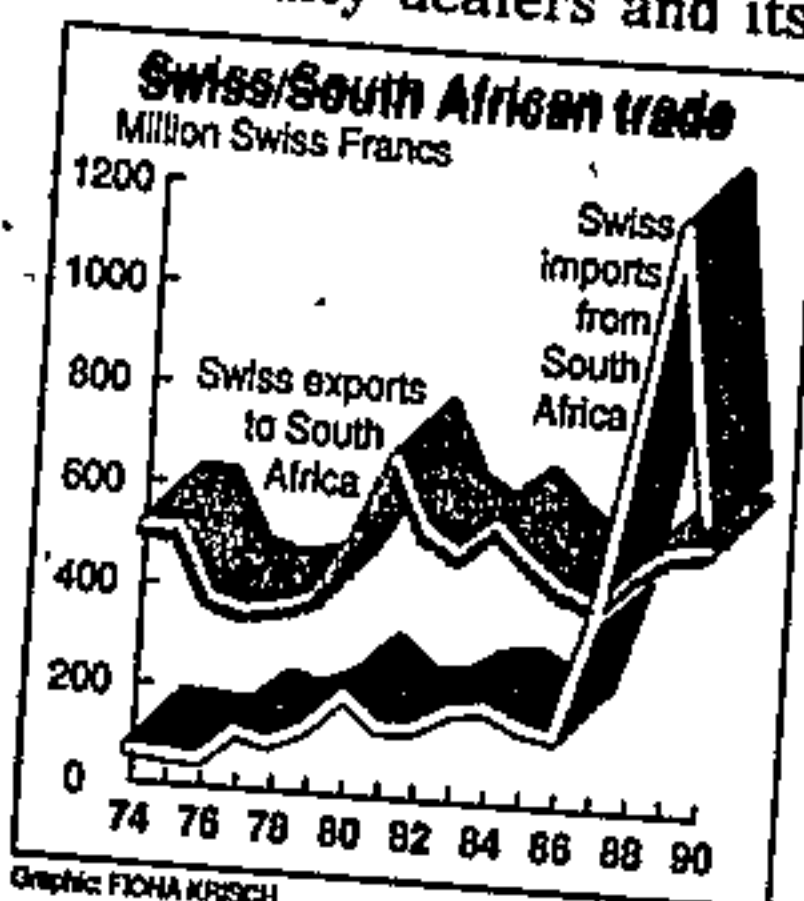
He says over the past four years, Swiss imports from SA, excluding diamonds, gold and other precious metals, have tripled.

Major incentives in dealing with SA have been the low price of local products because of the rand's low exchange rate. The quality of SA products has also improved.

Speck says: "No longer are business people embarrassed to be seen to be associated with SA and the nuisance factor of anti-apartheid boycott campaigns has virtually disappeared. Once again SA

products are openly displayed."

Although Switzerland is placed badly because it lacks a sea port, it has and will continue to play a major role internationally in SA's trade through Swiss commodity dealers and its



international financial networks.

Speck says this role will expand because SA trade is already showing signs of rapid expansion with traditional trading partners and new markets like Eastern Europe.

Apart from important invisible trade like Swiss re-

insurance, financial services and tourism, SA will also look increasingly to Switzerland for heavy and sophisticated machinery and technology, he says.

SA, with its developed infrastructure, will also increasingly be the route used by other countries to reach the markets of the entire southern African sub-continent.

In addition to trade relations, Switzerland is also traditionally an important country for direct foreign investments.

According to its National Bank, this investment amounted to Sf70,909bn in 1988 with Swiss-controlled companies employing 891 390 people in foreign countries.

Speck says there has been no let up in the attempts of Swiss companies to build up their presence in other countries.

Important considerations are Switzerland's high wages, shortage of manpower and official regulations and restrictions.

1Y, Friday, April 26 1991

# Kinnock reassures ANC on sanctions

LONDON — Labour Party leader Neil Kinnock yesterday assured ANC deputy president Nelson Mandela that his party opposed strongly the lifting of sanctions on SA.

During a warm private meeting at the House of Commons, Kinnock said he would warn the EC and the British government that lifting sanctions now was a mistake.

Kinnock said it was vital to support Mandela's and "all other efforts to bring about a united, democratic, non-racial and peaceful SA and for early talks to that end".

He believed that "important inducements for further progress are being removed with the relaxation of sanctions."

"Earlier this week I urged Mr de Klerk to ensure that his government acts with urgency to remove the obstacles which are endangering the prospects for talks."

"I told him that it is still too early to lift economic sanctions and that more progress had to be made."

Kinnock said pressure for the release of all political prisoners and the safe return of exiles had to be maintained.

It was also vital to repeal the Internal Security Act and tackle the violence in SA "to ensure that the police are more impartial in future. It is vital that these obstacles to negotiation are removed."

Kinnock, who has formed a deep personal friendship with Mandela, said the ANC deputy president's qualities of courage,

realism and good sense were needed more urgently than ever to free SA from apartheid.

Mandela, whose two-day stay in London has been overshadowed by De Klerk's visit earlier in the week, at least found a total ally in Kinnock.

Mandela said the Labour Party's historic and continuing support for a free SA was valued by most of the people.

Mandela also had an emotional reunion with Adelaine Hain, mother of the Labour party's newest MP, Peter Hain.

Hain, once secretary of the now defunct SA Liberal Party in Pretoria and a close friend of the young Winnie Mandela, defied white hate campaigns 27 years ago to deliver tea and food to Nelson Mandela during his trial.

While they rarely if ever had the chance to talk to each other, Mandela always made a point of giving her a personal salute and smile as he was brought into the dock.

Sapa-Reuter reports from London that Mandela consulted ANC president Oliver Tambo yesterday over developments in SA and ANC strategies.

An ANC spokesman said Mandela brought Tambo up to date and the two discussed strategies ahead of the ANC's annual conference in late June.

Tambo has been recuperating in Britain from a partial stroke.

512ay 26/4/91.  
IAN HOBBS



## SA is progressing in the world arena, says Fourie

61 Day 26/4/77 280 AFR  
GERALD REILLY

PRETORIA — SA was on the threshold of a new era internally, and on the international front there were indications of real progress, Deputy Planning Minister Andre Fourie said yesterday.

Opening a session of the KaNgwane Legislative Assembly in Matsulu, he said sanctions were crumbling and SA could soon participate in the Olympic Games. Trade missions from all parts of the world were heading for SA and the IMF was ready to do business with SA again.

SA had a lot to offer the sub-continent on regional ventures such as the Cahora Bassa hydro-electric scheme in Mozambique, the Lesotho Highlands water project and the Sua Pan soda ash project in Botswana.

Fourie said economics and not politics dictated a nation's destiny.

Most political parties in SA were already involved in political and constitutional processes that were transforming the political face of the country.

Fourie said apartheid had come to an end. Land reform measures were being dealt with by Parliament.

A growing number of southern African regional leaders acknowledged the new era of contact and co-operation.

Similar views were being expressed by spokesman of Frontline states.

## LEISURE

# Bouchard's stake rounds off the sanctions vintage

280  
Bouard 26/4/91  
THE news that Paul Bouchard, president of Bouchard Aine & Fils in Burgundy, has invested in Peter Finlayson's winery near Hermanus, adds a new dimension to the premium wine market in SA.

In many ways this symbolises the end of sanctions for wine industry, with tangible benefits for consumers.

Throughout the most arduous era of sanctions, the Cape's wine producers continued to supply many of their traditional markets.

Those countries which closed their doors to South African consumer products had never been substantial importers of wine — Canada excepted. The prospect of the US, Australia and even Scandinavia opening up does not bring with it an export boom.

Significant volume increases are more likely to come from markets like Britain and Germany, where South African wines can now be publicised with less reticence.

Bouchard's investment will be important to this renewed export trade. His presence enhances the credibility of the Cape's premium wines.

The Cape's deluxe wine producers have made great progress since SA lost its toehold in Western Europe.

The wines that are now available for these markets will surprise many of the consumers who remember the South African wines of the 1970s. What is being produced at our boutique wineries today is of a quality which may unseat several of the more dominant New World wine producers.

### Convincing

Bouchard's statement about SA and its vineyards provides a vital marketing message in this context. The Rothschilds and Moët did the same for Napa, and Roederer gave Tasmania immediate international credibility.

Such statements, however, are meaningless if the wines are not equal to their claims. A brief visit to the new Bouchard-Finlayson winery two weeks ago provided convincing proof that Paul Bouchard's decision to invest in the Cape is based on a real estimate of potential.

The wines that Finlayson has made this year are all results of cool climate viticulture. The grapes were bought in, mainly from experimental blocks in the Elgin region. There is an exceptional Pinot Noir, full-flavoured, packed with colour, fruit and intensity.

The Chardonnay is rich and powerful, a benchmark New World wine. The Sauvignon Blanc is unwooded, racy and crisp, very French in style. Bouchard, with whom I tasted the wines, was delighted with its length and finesse.

Finlayson will be making wines each year with Bouchard in Beaune. He will bring the knowledge of new techniques back to SA. The association will also provide access to world markets.

These two factors alone must be of enormous benefit to the Cape wine industry.

MICHAEL FRIDJHON



# Paper backs trade idea

HARARE - Backing for a regional trading bloc in Southern Africa came today from Zimbabwe's main newspaper, *The Herald*.

It endorsed the support given by top businessmen who attended the Institute of Directors convention here this week on the challenges facing Southern Africa in the post-apartheid era.

The paper said such a bloc, soundly based on mutual trust, would create a powerful economic unit which the rest of the world, normally dismissive of the Third World, would have to notice.

It said South Africa was of extreme

## Sowetan Africa News Service

importance to the region but with the world in upheaval, the climate for investment, which now looked promising as South Africa moves towards change, could very quickly change for the worse.

The *Herald* said it was not certain that a democratic South Africa would in the end see any advantage in a regional grouping.

Zimbabwe was in a position to contribute and benefit from any trading pact embracing South Africa.

# Criminals paraded

BELING - Authorities in Lhasa paraded 44 criminals before a public rally as part of a crackdown on crime before the 40th anniversary of Chinese communist rule over Tibet, a local newspaper said.

"Our public security officers will work tirelessly to ensure the anniversary celebrations go smoothly in a good social environment," the *Tibet Daily* from April 15, seen in Beijing yesterday, quoted a police official as saying. - Sapa-Reuter.

# SA critic urges IMF squeeze

NEW YORK - *The New York Times*, one of the keenest - and often most intemperate - critics of South Africa in the United States has called for a new shifting of the goalposts when US sanctions are lifted.

In an editorial yesterday the newspaper urged Washington policymakers to preserve US leverage "even as sanctions phase out" by continuing to insist that the International Monetary Fund deny

## Sowetan Foreign Service

loans to South Africa.

Recognising that by next month South Africa will "probably" have complied with the minimum conditions for lifting sanctions as set out in the anti-apartheid legislation adopted by Congress in 1986, the paper asked:

"What then? Should Americans declare victory and embrace Pretoria as a penitent prodigal?"

Not quite, said the paper, answering its own question.

Eliminating repressive racial laws is only part of the job. Still ahead is the task of writing a new constitution that respects democratic rights of all South Africans.

The paper added: "This does not mean that Washington should defer lifting sanctions when stipulated conditions have been met. But it should not abandon other forms of leverage until the job is done."

**Govt. reform amble to end**



# FW has 'message of hope'

CMC 7.2.75 27/4/91

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LONDON. — South Africa's honourable and credible return to the international community was being turned from a possibility into reality, President F W de Klerk said yesterday on his way home from a three-nation European tour seeking foreign investment to fund his vision of a new, apartheid-free democracy.

"I am coming back with a message of hope and encouragement for our country... a new era in our international relations is dawning," was how he summed up his tour of Britain, Denmark and Ireland for breakthrough political meetings with government and opposition leaders and major potential investors.

"We are now in tandem with the international community, and will be supported when we take reasonable action to maintain stability and order in South Africa," he said in reference to his plans to stop the violence standing in the way of negotiations.

"Essentially, my message to South Africa is the same as after my last visit to Europe. Our objective, of returning South Africa to its proper place in the international community with honour and credibility, is no longer merely possible — we are making it a reality. Mr De Klerk and his entourage, which includes Deputy Foreign Minister Mr Leon

## FW 'an example to Irish'

From PATRICK CULL

LONDON. — President F W de Klerk's initiative in South Africa is being held up as an example to the unionists in Northern Ireland as preliminary talks begin to end the festering violence there.

An editorial in the Irish Times yesterday morning on the president's visit to Ireland said that as the "white South African leader" had broken out of a "closed system of entrenched attitudes, then why can't the Unionists do the same?"

Editorials generally were favourable after the president's 24-hour stay in Ireland during which he met Irish leader Mr Charles Haughey and won a commitment from him for a total review of Ireland's policies on South Africa.

That includes sanctions — particularly

Wessels, were on a scheduled SAA flight from London to Johannesburg last night.

But these diplomatic advances were offset by a failure to persuade bankers and business leaders to make immediate offers of new

those on fruit and vegetables which have been legislated by the Dail, the Irish parliament.

The editorial adds that Mr Haughey had been correct in stating that the South African president needed political support if he was to be able to persevere with plans to rid the country of apartheid.

Sanctions, it adds, should be reviewed in the light of progress made, and any review of Irish attitudes should take cognisance of the need to get substantive talks under way.

It adds that continued dialogue with black leaders as well is needed for the government to retain a correct perspective.

The Independent said President De Klerk would return to South Africa knowing that within the European community, Ireland would be adopting a friendlier stance on sanctions than had been its policy in recent years.

investment in SA because of continuing violence and political instability.

"I think he was successful in communicating the important role that foreign capital and investment has to play in ensuring the

success of political reforms... but less successful in persuading businesses to go ahead and invest immediately," said Mr Jonathan Leape of the London School of Economics.

British banking sources said investors were waiting for clearer signals of what political and economic structures would emerge in a post-apartheid government.

Investors also wanted to see concrete moves to end the violence.

"There is some way to go before companies feel it is safe to get in there," said Mr Gordon Leak, spokesman for Britain's Institute of Directors.

Yesterday Mr De Klerk met New Zealand's Deputy Prime Minister, Mr Don McKinnon, in London for half-an-hour of discussions at Mr McKinnon's specific request, South African officials said.

Mr McKinnon said afterwards that he had found the president "a very determined man" regarding his reform plans.

And at a meeting of leading British industrialists yesterday, Mr De Klerk said South Africa was poised for fundamental revision of the financial and exchange controls the moment US sanctions were lifted and relations with the International Monetary Fund and the World Bank were normalised. — Sapa-Reuter



## SHUTTLE DIPLOMACY

**T**HE ANC's May 9 deadline for the government to meet its demands remained firm, ANC deputy president Nelson Mandela said after flying in from his visits to England and Japan on Friday.

"Unless the government addresses our demands before May 9, there will be no discussions with them on an all-party conference or a future constitution," he said at Johannesburg's Jan Smuts airport.

Mandela had "cordial and very constructive" talks with British premier John Major, on whose invitation he had visited England — but the two disagreed on sanctions. British Conservative Party governments have opposed sanctions as a means of promoting reform in South Africa for the past 12 years.

However, British officials, who described the meeting as "friendly and energetic", said Major and Mandela agreed on a common objective — a need to end apartheid and introduce a non-racial democratic system of government in South Africa.

Mandela said they took a common position on several issues and agreed to "keep in touch and to meet from time to time".

He later told newsmen sanctions had been imposed "to give the vote to all the people of South Africa and to scrap apartheid" and that sanctions had to be maintained because neither of these ob-

# ANC stands firm on its deadline for demands to be met

jectives had been achieved.

Officials said Major's response was that the British and European Community (EC) position was that the lifting of sanctions was not designed to favour the South African Government, but to encourage the reform process.

"Britain remains committed to securing the dismantling of apartheid at the earliest possible date, but it also believes that Pretoria now deserves to be encouraged to press on with its reforms," said one official.

Last week, the EC said bans on imports of gold coins, iron and steel from South Africa would be lifted.

But Mandela had won support from British opposition leader Neil Kinnock on Thursday for keeping up sanctions pressure against the South African Government. Mandela held talks with Kinnock and other top Labour Party officials.

The main purpose of Mandela's trip to Britain was to brief ANC president Oliver Tambo, who is currently recuperating

in Britain from his earlier partial stroke.

ANC officials said the two leaders discussed developments in South Africa ahead of the movement's congress in late June — its first annual congress in the country since its unbanning.

His plane from Japan had touched down at Heathrow on Wednesday one hour after State President FW de Klerk flew out for Copenhagen after two days of talks, which also included a meeting with Major and appeals for new British investments in South Africa. Major had told De Klerk he would continue pushing within the EC and the Commonwealth for the remaining sanctions to be lifted.

Back home, Mandela said he might meet De Klerk again, but stressed he would definitely not meet him after May 9 if the government did not address the ANC's recent demands, which included that he sack Defence Minister Magnus Malan and Law and Order Minister Adrian Vlok and bring an end to the township violence, which has

led to the death of at least 600 people this year.

"We have made these demands in order to induce the government to end the violence that is raging in the country and, equally importantly, to save the peace process. Therefore we insist on them being addressed before May 9," he had earlier told journalists at a London press conference. ■ Meanwhile, it is reported from Buenos Aires that Argentina plans to restore diplomatic relations with South Africa after Mandela has visited the country in July.

"Argentina started to consider resuming diplomatic links late in 1989 after South African President Frederik de Klerk announced he would dismantle apartheid's legal structure," said a senior Foreign Affairs official, who asked not to be identified.

The Argentine official said his country would seek to boost bilateral trade once full diplomatic ties resumed.

■ Also on Friday, Mandela hit at an exploratory visit by Japanese businessmen to South Africa,

saying: "The Japanese must not act prematurely on the lifting of sanctions."

He was speaking after meeting the high-powered delegation headed by Bank of Tokyo deputy president Otsu Yamaguchi. Yamaguchi said Mandela had repeated sentiments he had earlier expressed in Japan. The delegation left yesterday.

■ Governments which wished to re-establish relations with South Africa should follow the example of the US and speak to both South Africa's government and, its black residents on the handling of sanctions, Mandela told an international conference of journalists in Kyoto, Japan, on Monday evening.

"While we do appreciate the concerns of foreign governments and business people who wish to re-establish relations with South Africa, we still insist that it would improve matters greatly if the victims of apartheid were consulted before such precipitate steps were taken," he said.

Mandela lauded "the exemplary attitude displayed by the USA."

He said the US "has been in regular contact with us from the highest quarters in the administration" and had not treated "the issue of sanctions as if the only people who matter are the South African government." — Sapa-Reuter.



**T**HE most notable aspect of MK chief Chris Hani's current US tour is how unnoted it has been, especially by conservatives who might have been expected to make much of the fact one of the major pretenders to Nelson Mandela's mantle was here as the guest of the American Communist Party.

A few years ago, before the advent of President FW De Klerk, a Hani press conference at the National Press Club would have attracted a hundred or so reporters and a bank of television cameras.

On Wednesday, there was one camera (from a public access cable channel), maybe 20 journalists and only one, rather perfunctory, story in a major US newspaper (the Washington Post) the following day.

Back in the bad old days, there would also very likely have been a knot of demonstrators outside the club, futilely trying to convince bypassers that Hani was a terrorist thug.

**E**VEN the radioactive right seems to have lost interest. Hani's visit could not have been less controversial had he been the foreign minister of Luxemburg.

Clearly, South Africa no longer arouses passions in the way it once did. Some may find that encouraging. They should not. To paraphrase Oscar Wilde, there is only one thing worse than being an issue in Washington, and that is not being an issue.

South Africa is coming perilously close to being stamped "solved" and consigned, with a sigh of relief, to the foreign policy archive along with such



## SIMON BARBER's Washington

280 Diary  
STimes 28/4/91

countries as Nicaragua and Namibia. Hastening that day is the principal thrust of current US policy.

There can be little question that most sanctions will be lifted within the next three months. The Congressional Black Caucus will indulge in some ritual name-calling when it happens, but the serious unpleasantness will blow over fast enough. The case will then, to all intents, be closed.

Hani may feel bitter about the sanctions coming off. South Africa's international isolation is, after all, one of the ANC's "four pillars of the people's war". But he should not worry too much. Sanctions have kept the US focused not only on Pretoria but also, if to a somewhat less rigorous extent, on its opponents.

Without sanctions, Hani is home free — in international terms at least — to pursue his political agenda

for, inasmuch as they undermined South Africa's economy, they also gave those concerned about the ANC/SACP's programme and ideology the "space" within which to operate.

If the sanctions debate were still in full swing, what Hani had to say here this week would have become part of it. His confident prediction that South Africa would ultimately have a communist government (albeit one that would not make the mistakes of Eastern Europe) would have been news.

Sanctions opponents would be jumping all over the ANC's Committees for the Defence of the Revolution ... sorry, self-defence units. They would have revelled in Hani's assertion that the SACP and ANC would not become discrete parties until after "liberation". Mass mobilisation would be subjected to serious examination. Attention, in short, would be paid.

**A**S things stand, nobody cares any more. The conservatives, the neo-conservatives and the tough-minded liberals who might have gone to bat heretofore are not going to waste their breath, or run the risk of being called racist.

The debate is over. The only warrior left on the field is Senator Jesse Helms. Hani could scarcely hope for a better ally.

When asked last week at the Carnegie Endowment for International Peace whether he was a communist by conviction or for convenience, he swiftly defused the issue by invoking the name of Helms. The audience tittered appreciatively.

By MIKE ROBERTSON  
Political Correspondent

**BRITISH Prime Minister John Major gave a personal pledge to President FW de Klerk that he would end sports sanctions against South Africa.**

Mr Major, a cricket enthusiast, told President De Klerk that he would campaign for the scrapping of the Gleneagles agreement at the next meeting of the Commonwealth heads of government in Harare later this year.

This private commitment, disclosed by diplomats, is stronger than Mr Major's public statements on sport.

The two leaders met for the first time during Mr De Klerk's visit to Europe this week.

In another breakthrough for South African sport, Irish Prime Minister Charles Haughey, until recently a firm sanctions advocate, called on the European Community to develop sporting contact with South Africa.

Mr De Klerk, overjoyed by the good news for South African sport, predicted in Dublin that the Springboks would soon be competing against teams around the world.

On arrival at Jan Smuts airport yesterday he joked that the only thing he and Mr Major firmly disagreed about was whether the Boks or the English would win the first cricket Test.

### Support

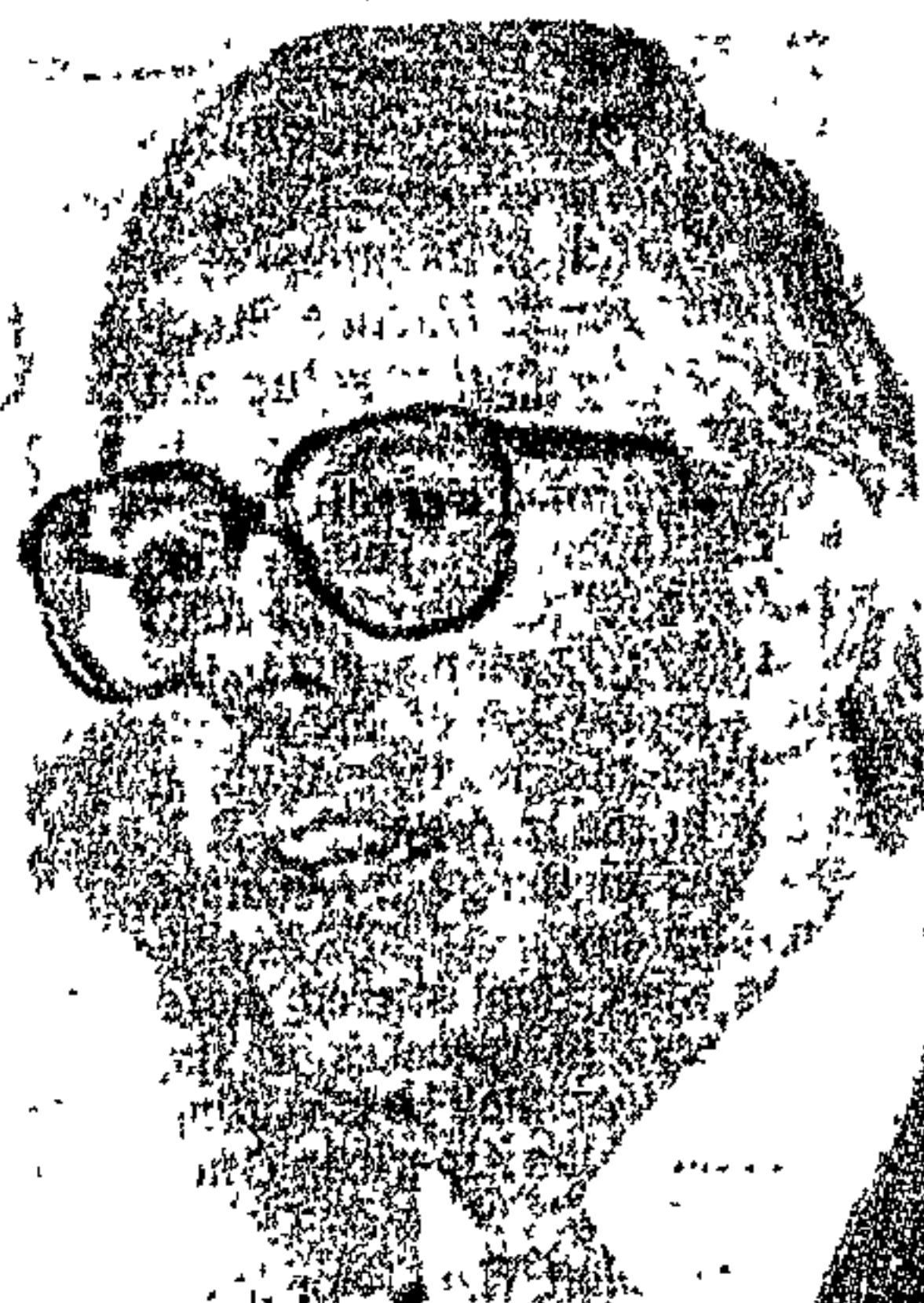
"There was obvious agreement that there must be a cricket tour as soon as possible," he said.

At the meeting in Harare, Mr Major will have the support of Canada's Brian Mulroney and Australia's Bob Hawke for scrapping the Gleneagles sports boycott.

Both countries called for the total lifting of sporting sanctions at a meeting of Commonwealth foreign ministers in London earlier this year.

At that meeting the only significant opposition to the lifting of any Commonwealth sanctions came from Zimbabwean Foreign Minister Nathan Shamuyarira.

Mr Shamuyarira even questioned the ANC's international chief, Thabo



JOHN MAJOR ... made commitment

## De Klerk given a private pledge about the end of sports sanctions

Mbeki, who supported the quick return of South African sportsmen to the international arena provided unity talks were concluded.

South African diplomats believe Mr Major will be a far more successful advocate for the lifting of Commonwealth sanctions than his predecessor, Margaret Thatcher.

Mrs Thatcher's combative approach, they argue, was essential at the time when she almost single-handedly stopped the sanctions bandwagon.

South African diplomats believe the far more congenial Mr Major will be a much more effective ally of South Africa now that the emphasis has switched to a timetable for lifting sanctions.

After meeting Mr De Klerk on Monday, Mr

Major announced that the British government was making an unspecified amount available for the purchase of cricketing equipment for black schoolchildren.

In Johannesburg on Thursday, outgoing British ambassador Sir Robin Renwick said South Africa stood an "excellent chance" of readmission to the International Cricket Council in June.

Speaking at the Wanderers Club in Johannesburg, where he presented 260 cricket bats worth R25 000 to the newly formed United Cricket Board of SA, Sir Robin said: "Our prime minister is an ardent cricket fan and the British people look forward to the day when we can play South Africa again — at the Wanderers and in Soweto."



# The President had a ball at the Royal Albert Hall

LIKE Hugh Masekela, FW de Klerk this week took the Royal Albert Hall by storm.

The then-exiled artist featured on Paul Simon's Graceland Tour which raised international recognition for South African music to new highs.

Mr De Klerk addressed Britain's top businessmen, members of the Institute of Directors, and gave an equally virtuoso performance which left no doubt that he had their approval and admiration.

The only thing lacking was their support — in the form of firm commitments to invest in South Africa. There's the rub.

This week Mr De Klerk visited Britain for the fourth time in two years. His first meeting with the new British prime minister, John Major, began coolly as they assessed each other but, by all accounts, proceeded splendidly as each began to like what they saw in the other.

By the end Mr Major had given a personal undertaking to intervene in the unravelling of sporting sanctions against SA, knowing the tremendous psychological impact this would have within the country.

## THE SUNDAY ASSESSMENT

By MIKE ROBERTSON  
Political Correspondent

It was all Mr De Klerk could, in the circumstances, have asked of him.

In large part due to his predecessor, Mrs Margaret Thatcher, European trade sanctions against SA are a thing of the past. Even in the Nordic countries businessmen are queuing up to buy cheap SA wine and establish new markets for their produce in Johannesburg, Durban and Cape Town.

Ireland, formerly a staunch sanctions advocate, is having a complete re-think, according to Prime Minister Charles Haughey.

Trade sanctions, however, have never been the problem. Financial sanctions have. If Finance Minister Barend du Plessis's assessment is correct, SA needs large-scale finan-

cial investment now, if it is to avoid chaos.

The private sector, not the government, will have to provide this and, despite the thunderous applause, it is still not forthcoming from Britain's businessmen and bankers.

The reason, as was made clear to Mr De Klerk time and time again, is the present violence, as well as a continuing scepticism about the future stability of SA.

Given that he has heard these arguments on every visit to Europe since his election as president, it was not surprising that Mr De Klerk began to display a degree of frustration, even pleading, when he argued to the Institute of Directors that "Foreign investors... should not be mesmerised by events in Eastern Europe. SA has a first-class infrastructure and can call on abundant natural and human resources; moreover, it is a terrain familiar to overseas investors, and British investors in particular."

This frustration was probably also the reason for his loose talk in a subsequent appearance before the

Royal Institute of International Affairs.

Mr De Klerk said hundreds of millions of rands in risk capital were being invested in SA, adding that those who were over-cautious would find that others were getting in on the ground floor.

## Scheduled

The first part of the statement might well be accurate, but Mr De Klerk risks being guilty of overstatement. The implied "you might miss the boat" threat in the second part is plainly silly.

Mr De Klerk's remarks were made in response to a question from Lloyds Bank director and former adviser to Mrs Thatcher, Sir Robin Ibbot.

He pinpointed a key element in bankers' reluctance to extend new long-term loans to SA — its status as a scheduled country.

To change this in the near future, SA would need an International Monetary Fund facility. To get that would require the intervention of the US administration.

The thinking among senior South

African foreign affairs officials is that the Bush administration would only attempt such a step if assured of getting it through Congress.

And when an influential newspaper like the New York Times argues, as it did this week, that access to the IMF should be denied SA until a new constitution has been adopted, this assurance is by no means guaranteed.

On this trip Mr De Klerk met, for the first time, British Labour Party leader Neil Kinnock and Danish Social Democratic Party leader Svend Auken.

In much the same vein as the New York Times and those in the US sanctions lobby they stated that they would only agree to the lifting of sanctions once there were clear indications that negotiations on a democratic constitution were well advanced.

In dealing with these people Mr De Klerk has entered ANC territory — they believe sanctions have worked in forcing the government to change and can continue to work. While praising him for changes introduced, they remain to be convinced that he

is prepared to go the whole way.

Like the ANC, they question failure to deal adequately with the vexing problem of violence and allegations of security force excesses, his continued support for Defer Minister Magnus Malan despite the CCB scandal, and the retention of the Internal Security Act.

Opening a dialogue with the represents a major step forward for Mr De Klerk. But as in dealings with bankers, he will have to deliver the home front before they will shut

## Boost

Mr Major and the US government have, by strongly endorsing it, given a boost to his multi-party conference on violence.

Ending violence is the first step. The other issues will, however, have to be resolved in a manner that meets approval of all parties before

President Bush will feel confident enough to act on reopening access to IMF facilities and international bankers come forward with new investments on the scale needed to avoid the chaos envisaged by Mr Plessis.

# Dutch universities

By ISABEL CONWAY: The Hague

**LINKS between Dutch and South African universities, severed by the academic boycott 15 years ago, are now being re-established.**

Three Dutch universities have already pledged support for the University of the Western Cape and plans are afoot to help other educational institutions in South Africa.

Despite the continued existence of the academic boycott, the Free University of Amsterdam, the University of Amsterdam and the University of Utrecht have offered help in the form of funding and manpower expertise.

An Amsterdam University spokesman said it was waiting for permission from the Dutch Education Ministry before plans could be finalised.

Some areas of co-operation pledged are a computer-based research faculty on dialects, a women's studies programme, an up-to-date geology centre and a schools-based experiment to improve standards in science subjects.

The spokesman said: "We feel more than one university in South Africa should be involved in this new era of co-operation."

"But we are treading carefully and will only choose those acceptable to

## ACADEMIC BOYCOTT IGNORED

Dutch anti-apartheid organisations."

Links that the Free University of Amsterdam had established with South Africa ended in 1976 after it had enjoyed a long association with Potchefstroom University.

### Dialects

Heimo Heringa, head of the International Co-operation Department at the Free University, said: "We had close ties, especially those regarding lan-

guage and theology.

"However, we could not accept their stand on apartheid and turned our attention to other southern African countries where we now have working programmes."

Dutch educationists believe the time is right to re-establish contacts and several missions will visit South Africa this year.

They hope to establish a programme with the UWC which will raise basic science standards in schools,

ensuring a lower failure rate at university levels.

A graduate course in Afrikaans dialects will also be initiated. Several lecturers in earth sciences are also being sent to South Africa to help re-organise existing courses.

### Fading

The Dutch believe the UWC geology department is outdated and in need of drastic overhauling.

The University of Utrecht is devoting its

entire anti-apartheid budget to a co-operation programme with UWC this year.

Spokesman Henk Van Rinsum said: "We believe the academic boycott is fading although it is formally still there. But selective support is certainly possible."

An exchange of lecturers in the arts faculties, including language and theatre, is part of a three-year plan drawn up with UWC vice-chancellor Jakes Gerwel.

280  
S/Times 28/4/91  
want ties  
renewed



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2 Cape Times, Monday, April 29, 1991

# Danish party in sanctions switch

COPENHAGEN. — Denmark's Radical Liberal Party, hitherto a major opponent of relaxing sanctions against South Africa, said yesterday that it favoured dropping sanctions in July.

"We should not just sit back and wait until the autumn to discuss withdrawing economic sanctions against South Africa if that country fulfils the necessary conditions," said Radical Liberal spokesman Mr Joergen Estrup.

The Radical Liberal Party, one of the smallest parties in parliament, holds the balance of power in Denmark's parliament between the minority non-socialist coalition's wish to abolish sanctions and a socialist-led opposition majority.

That majority, including the Radical Liberals, recently overturned Denmark's conservative-led government's decision to support a unanimous European Community relaxation of sanctions.

Led by the Social Democrats, the majority said it would not accept relaxing sanctions unless all apartheid laws were abolished.

But following a one-day working visit by President F W de Klerk last week, during which Radical Liberal politicians were invited to meet him, party officials suggested the party might change its policy.

"When South Africa gets rid of its apartheid laws it will be on a level with many other countries that Denmark does not boycott," said Mr Estrup.

During his visit, Mr De Klerk told Denmark's politicians that the last three apartheid laws would be removed from South Africa's statutes at the end of July.

"We have to find a balance between keeping up the pressure and at the same time encouraging South Africa," Mr Estrup said.

Denmark's Social Democrats say that sanctions against South Africa should remain until a new constitution is passed. — UPI



# Danes thwart EC sanctions vote

30/4/91

Own Correspondent

LONDON — A coalition of left-wing parties in the Danish parliament is effectively preventing European Community member states from formally implementing the EC decision earlier this month to lift the ban on the import of South African iron, steel and Krugerrands.

The decision was taken unanimously by the EC Foreign Ministers' Council in Luxembourg on April 15.

However, Danish Foreign Minister Mr Uffe Ellemann-Jansen, who represents a right-wing coalition government comprising the Conservative and Liberal parties, was later confronted with a vote in the Danish parliament in favour of retaining sanctions.

While the coalition government has the support of several small centrist parties on most issues, the major opposition party, the Social Democrats, commands their support on sanctions.

A spokesman for the European Community said from Brussels yesterday that as long as the view of the Danish parliament remained that sanctions should stay, the new EC decision could not be put into effect.

The issue will again be discussed when the European Foreign Ministers' Council meets on May 13 and 14.

610 am 30/4/91 -

## End to UN's blacklisting of coaches hailed

LESLEY LAMBERT

CAPE TOWN — A decision by the UN's Special Committee Against Apartheid to stop blacklisting foreign coaches who coach non-racial sports in SA has been welcomed by National Education Minister Louis Pienaar. (280)

Efforts to allow foreign coaches to coach non-racial sport in SA without fear of reprisal began last year when anti-apartheid sporting groups decided to exempt them from the blacklist. (280-286)

Pienaar also welcomed a similar announcement by Ghana's ambassador at the UN and said SA would like to extend its relationships with African countries.

"I believe that the questioning of the continuation of the blacklist is a step in the right direction and will benefit sport, not only in SA, but across the globe," he said.

"These developments give recognition to the SA government's irreversible reform initiatives.

"I trust that other countries will soon follow suit with real steps in support of the constitutional changes in SA and that normal sports contact between SA and the rest of the international community will shortly become a reality," Pienaar said.



# US bank ends SA share service

By Ramsay Milne  
Star Bureau

Star 11/9/91  
280

NEW YORK — As the US government and Congress discuss the lifting of sanctions, South Africa was dealt an economic blow from an unexpected source this week.

Bowing to intense behind-the-scenes pressure from the US anti-apartheid movement, J P Morgan, one of America's biggest banks, has said it will no longer process American Depository Receipts, which facilitate investment in South African stocks.

Though little-known to the general public, ADRs allow American investors to effectively own shares in South African

companies (or other foreign companies) and are now the largest single source of American equity investment in South African firms.

US Securities and Exchange Commission records show that the bank registered receipts to the value of \$1 billion.

The move came nearly three weeks after the Amalgamated Clothing and Textile Workers Union, acting in collaboration with the ANC and Cosatu, began a nation-wide campaign to publicise J P Morgan's involvement in the receipts.

The bank initially rejected the accusations but changed its position after Byron Rushing, a Democrat in the Massachusetts State legislature, led members

of the legislature's black caucus in a motion asking for an investigation of the bank's financial dealings in several public undertakings in Boston, including a hospital and a transportation undertaking.

This, in turn, led to fear that J P Morgan's links with the South African investment receipts might cause it to lose out to other investment institutions vying for a place on a Massachusetts State syndicate that controls the allocation of bank borrowings for state projects.

J P Morgan's decision now clears the way for it to be considered as one of the 26 co-managing underwriters being chosen to issue \$2 billion or more of Massachusetts state bonds over the next two years.

British move on sanctions, but . . .

# US to block SA access to IMF aid

WASHINGTON — In order to maintain "leverage" over Pretoria, the US would continue to block SA's access to the IMF even if President George Bush decided to terminate sanctions under the Comprehensive Anti-Apartheid Act (CAAA), assistant Secretary of State for Africa Herman Cohen told Congress on Tuesday.

But at the same time he made the administration's most unambiguous statement yet that CAAA sanctions could be removed within the next several months.

And yesterday the British government came out firmly in favour of lifting sanctions in a policy document presented to the House of Commons by Foreign Secretary Douglas Hurd.

KIN BENTLEY reports that in its reply to a report on SA by the Commons Foreign Affairs Committee, the British government welcomed the committee's view in favour of lifting all but arms sanctions, and restoring sporting relations.

Hurd also signalled Britain's intention to expand its trade links with SA by giving notice that SA had been designated a "target market" for UK exports, which were already worth more than £1bn a year.

In testimony before the US House Africa sub-committee, Cohen said the Rangel Amendment, which effectively imposes double taxation on US firms in SA, would be among the measures the US could lift soon.

The US Treasury Secretary is obliged to terminate the Rangel provision when he receives a written certification from the Secretary of State that the CAAA's condi-

SIMON BARBER

tions have been fully complied with. No congressional consent is required.

However, the Gramm Amendment, which requires the US to block any SA application for IMF finance, "would remain in place" since it was not covered by the CAAA, said Cohen. The same applied to the arms embargo and exports to the SA military and police.

Officials indicated that the administration felt keeping the Gramm Amendment was a necessary political tradeoff, especially since the Treasury was asking Congress for funds to replenish the US contribution to the IMF and World Bank.

Cohen said the remaining obstacles to lifting the CAAA sanctions, which include bans on new US investment and embargoes on SA iron, steel, uranium, coal, textile and agricultural products, were the repeal of the Population Registration and Group Areas Acts and the release of political prisoners.

On the latter question, he made it clear the administration was prepared to decide whether requirements had been met on the basis of its own definition of a political prisoner.

That definition, contained in the State Department's annual human rights report, is considerably narrower than that agreed to by the ANC and government and covers only "those imprisoned for essentially political beliefs or non-violent acts of dissent or expression, regardless of the actual crime".

□ To Page 2

IMF B10 am 215791.

The CAAA calls for the release of "all persons persecuted for their political beliefs or detained unduly without trial".

An official said the administration would "wait for the dust to settle" before making a final determination.

Hurd said yesterday the British government specifically endorsed the view expressed in the Commons report that the time was "fast approaching for the UK to remove all economic sanctions against SA".

Government also accepted the committee's view that all except military sanctions should go upon the enactment of legislation to repeal the Group Areas, Land and Population Registration Acts.

In a policy statement, the British gov-

ernment said it supported the committee's view that, because access for SA to the IMF would require the consent of the US government and Congress, Britain should enter into discussions with the US to achieve this.

Hurd said there were good prospects for expanding UK trade with southern Africa, particularly exports to SA.

SA had been designated a target market in the second edition of the British Overseas Trade Board's forward plan, which was published recently.

He said that in consultation with the UK SA Trade Association (UKSATA), which advises the board, the Department of Trade and Industry would be more active in promoting business opportunities in SA.

□ From Page 1



## NUM resolves to convene conference on sanctions

VERA VON LIERES

DELEGATES to the NUM's seventh national congress have resolved to convene a conference on sanctions involving all parties who earlier called for punitive measures.

NUM assistant general secretary Marcel Golding said this week the conference would be based on the understanding that sanctions could not be lifted until reforms were irreversible and that an "investment code" had to be formulated. Conference details had to be finalised.

NUM general secretary Cyril Ramaphosa told more than 500 delegates from 16 NUM regions at the national congress that the union and the Chamber of Mines would jointly invite government to a three-party conference to tackle the crisis in the industry.

The congress theme, Restructuring the Mining Industry, was discussed in a separate congress session last week. Delegates resolved among other things that effective structures had to be set up to enable workers to participate at mine and industry level. The demand for the industry's restructuring was closely linked to the question of an industry summit, Golding said. Support for a constituent assembly was reaffirmed.

SIMON BARBER

WASHINGTON — If the US lifted sanctions, the ANC would deliberately destabilise SA to discourage investment, Umkhonto we Sizwe chief of staff Chris Hani said in a radio interview yesterday.

"It is not in our interest to stabilise the country," Hani told National Public Radio. "Apartheid is oppressive and we do not want apartheid to be healthy, fresh and kicking." *610am 2/5/91*

The ANC was "not afraid" that it would be weakened if US President George Bush decided to terminate the sanctions contained in the Comprehensive Anti-Apartheid Act.

This was because it would be able to achieve the same effect as sanctions "by

## Hani's threat to <sup>(280)</sup> bar new investment

struggle, boycotts, marches, by almost everything.

"What businessman in America, or Europe or Russia will invest in a country where there is no social order?"

ANC deputy president Nelson Mandela recently warned of "mass action" if sanctions were lifted, but indicated this would be a reflexive response rather than a deliberate one as indicated by Hani.

The MK leader is on a 10-city tour of the US sponsored by the Communist Party of America. He said he was speaking mostly to "hardline anti-apartheid people".





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is trust's  
lib used  
BERT BOTHA

# Danish opposition party calls for a new constitution in SA

Bipay - 2/5/91 KIN BENTLEY (280)

LONDON — The major opposition party in the Danish parliament, which is preventing the EC from implementing its decision to lift trade sanctions against SA, has spelt out its demands.

SA, says the Danish Social Democratic Party, should begin the process of reform by introducing a new apartheid-free constitution from the outset, thereby automatically scrapping the various apartheid laws like the Group Areas and Land Acts.

The Social Democratic Party (SDP) and two small centrist parties have effectively blocked the EC's recent decision to lift trade sanctions against SA.

The SDP is not satisfied with draft legislation which is supposed to replace the Group Areas, Land and Population Registration Acts this month, saying it will retain apartheid in another guise.

The SDP adds that until apartheid is eradicated in its entirety, the party and its allies will continue to block the EC decision to lift the ban.

Although all 12 EC countries on April 15 voted to lift the ban on imports of SA iron, steel and Krugerrands, a subsequent vote within the Danish parliament saw a pro-sanctions alliance headed by the opposition Social Democrats vote against the decision.

With the removal of consensus, the formerly unanimous EC foreign ministers' decision to lift the trade bans has apparently been stymied.

Social Democrats spokesman Pernille Forchhammer said the decision to block the move was taken after analysis of the Bills to replace the Group Areas, Land and Population Registration Acts. All three, she said, perpetuated white domination in another guise.

She said the European Commission might try to force through the decision to lift trading in Krugerrands by putting it to the Council of Trade Ministers, where only a two thirds majority was required.

However, she said, because they were governed by the European Steel and Coal Treaty, an EC decision to repeal the ban on SA imports of iron and steel had to go through the Council of Foreign Ministers — which required unanimity, currently denied it by the Danish decision.

Forchhammer noted that the Social Democrats would only change their stance when apartheid had been completely removed. Instead of tinkering with laws, she said, the SA government should tackle the apartheid constitution itself, from which the laws flowed.

A new constitution would entrench civil rights, the right to live where one wanted, nonracial schooling and so on. This would obviate having to then remove each apartheid law piecemeal.

## UK to back SA Commonwealth bid — Hurd

81aw 215191  
LONDON — Britain would support an application from South Africa to rejoin the Commonwealth once apartheid had been abolished, Foreign Secretary Douglas Hurd said yesterday.

In a report responding to a parliamentary committee study on South Africa, Mr Hurd said the majority of the Commonwealth's 50 member countries needed to adjust their approach to take into account recent changes there.

He was apparently referring to opposition by some southern African states and other Commonwealth countries to South African membership in the near

future.

The government report made it clear Britain would support South Africa's return only when it had finally abolished the apartheid system.

"Britain would support any application from a post-apartheid South Africa to join the Commonwealth," it said.

South Africa withdrew from the grouping of former British dominions and colonies in 1961 following objections to its racial policies.

The report said the government believed the current reforms in South Africa were unlikely to be reversed under the

present administration led by President de Klerk.

The South African leader visited London last month to press his case for foreign investment.

The report by Mr Hurd said, however, that "the continuing violence in the townships is a cause for serious concern, as is the problem of exaggerated expectations".

"This underlines the importance of restoring growth to the economy and of taking steps to ensure that a post-apartheid South Africa can attract finance and investment, not least from overseas." — Sapa-Reuter.



# Don't ease sanctions — US resolution

By David Braun  
Star Bureau

WASHINGTON — A draft resolution has been introduced in the US Congress calling on President Bush not to ease or lift sanctions against South Africa until all the preconditions of the Comprehensive Anti-Apartheid Act (CAAA) are met and the process towards the establishment of a nonracial democracy is irreversible.

The resolution was introduced by Congressman Kweisi Mfume, a representative from Maryland and a member of the Congressional Black Caucus.

The resolution, which has also been introduced in the Senate, calls upon the South African Government to repeal all racial laws and all repressive legislation that maintains apartheid, to release all remaining political prisoners, terminate the policy of detention without trial, cease all executions of political prisoners and grant all black South African exiles the opportunity to return home.

It also urges President Bush, through the US Secretary of State, to investigate the South African Government's role in the factional fighting affecting black townships and reports of official death squads.

Most significantly, however, the resolution calls on Mr Bush not to ease or lift sanctions until all the conditions of the CAAA have been met.

The CAAA allows the president to amend or suspend some sanctions if only four out of five conditions have been met.

Last week, senior Bush administration officials indicated to ANC National Executive Committee member, Chris Hani, that some sanctions were likely to be lifted within the next few months.

Mr Mfume earlier this week told a hearing of the House of Representatives Africa Sub-

committee on South Africa: "To retreat from sanctions at this juncture could be dangerous. There is no guarantee that more progress and less violence will result from decreasing SA's international isolation."

"I am of the opinion there is far too much progress to be made regarding the dismantling of apartheid in South Africa to offer a carrot to the Pretoria government."

US Assistant Secretary of State for African Affairs Hank Cohen has told a joint hearing of two sub-committees that Mr Bush felt that the conditions of the CAAA were clear-cut and not open to re-interpretation.

However, Mr Cohen pointed out that should CAAA sanctions be terminated, other sanctions, such as the arms embargo and exports to the military and the police, would remain in place.

US restrictions on International Monetary Fund loans would also stay as continued leverage against South Africa, Mr Cohen said.

Earlier in his testimony, Mr Cohen said South Africa had made unquestioned progress towards achieving the objectives of the CAAA.

Mr Cohen said ways had to be found to stimulate economic growth. This was necessary for the future of South Africa and for the region as a whole.

He told the panel it was the administration's view that three out of the five conditions of the Comprehensive Anti-Apartheid Act had been met.

The two still to be met were the repeal of the Group Areas Act and the Population Registration Act, and the release of all political prisoners.

Mr Cohen was fighting a rearguard action on the issue of sanctions as a majority of members of the two subcommittees (the subcommittee on Africa and the subcommittee on International Economic Policy and Trade), as well as a majority of witnesses at the hearing, were clearly in favour of retaining sanctions.

Argus 2/5/91



PO

## US firm on release of prisoners

The Argus Foreign Service

WASHINGTON. — So long as the American government believed a single prisoner of conscience was still in jail, the position of the Bush Administration would be that the Comprehensive Anti-Apartheid Act (CAAA) had not been complied with.

This was stated by the United States Assistant Secretary of State for African Affairs, Mr Hank Cohen, at a hearing of the House of Representatives Sub-committee on Africa on Tuesday.

Mr Cohen was answering questions put to him by congressmen on the administration's position on sanctions against South Africa.

He said he had told the South African government that once all political prisoners had been released if he saw someone being detained for more than two weeks under security legislation South Africa would again trigger the provisions of the CAAA, which imposed sanctions until certain criteria had been met.



Mr Hank Cohen



# Sanctions: Hani <sup>CAPL Tm 15</sup> threatens disorder <sup>2/5/91</sup>

Own Correspondent <sup>280</sup>

WASHINGTON. — If the US lifted sanctions, the ANC would deliberately destabilise South Africa to discourage investment, ANC military leader Mr Chris Hani said in a radio interview here yesterday.

He was speaking amid indications from both the US and British governments that they intended lifting sanctions.

US Assistant Secretary of State for Africa Mr Herman Cohen said yesterday President George Bush would move to end the sanctions contained in the Comprehensive Anti-Apartheid Act (CAAA) as soon as remaining political prisoners had been released, and the Population Registration and Group Areas Acts repealed.

## **Report endorsed**

Mr Cohen said the act's other conditions — the unbanning of political activity, the lifting of the state of emergency and the government's commitment to enter negotiations — had already been met.

And in London, British Foreign Secretary Mr Douglas Hurd endorsed a parliamentary report calling for an end to sanctions.

But Mr Hani said that the ANC was "not afraid" that it would be weakened if Mr Bush decided to end the sanctions contained in the CAAA.

He said the ANC could deter investment "by struggle, boycotts, marches, by almost everything".

"What businessman in America, or Europe or Russia will invest in a country where there is no social order?" Mr Hani asked.

● US urges lifting sanctions — Page 7

# NUM reviews sanctions

W/way 3/5-91 5/91

**T**HE National Union of Mineworkers has called for an urgent African National Congress-convened conference to take a fresh look at the sanctions campaign against South Africa.

The NUM congress decision reiterates support for sanctions, stressing they should not be lifted before political change is "irreversible" and an investment code is in place.

But sources say it reflects widespread union fears that the liberation movement is losing the initiative as sanctions crumble.

The conference is envisaged as involving all organisations behind the sanctions drive, including those overseas.

In a separate resolution, the union spelt out demands for an investment code, saying it should compel companies to pay a living wage, provide housing, training and promotion opportunities and promote worker participation in decision-making. The congress threw its weight behind public ownership of key sectors, including the mines — but signalled that labour is moving from slogans to a more nuanced view which takes account of abortive state industries in Africa and Eastern Europe. Rejecting "unplanned or landslide" nationalisa-

Sanctions, nationalisation and the crisis in the mining industry all came under the spotlight at the National Union of Mineworkers' congress held last weekend.

By DREW FORREST

tion, it called for a new government to formulate an economic plan, in consultation with unions, which would incorporate expanded public ownership.

Delegates also committed themselves to a socialist South Africa, but with a clear awareness of the Eastern European debacle.

Constitutionally guaranteed worker rights and a multiparty system were endorsed as central to democratic socialism.

Sharpest debate, sources say, was on the "two-hats" issue — the Secunda branch had proposed that union leaders with party political posts choose hats within 30 days.

Congress finally opted for a compromise motion, earlier adopted by the national executive committee, "encouraging" worker leadership of "fraternal" political parties, providing NUM interests remain primary.

Other important congress resolutions demanded:

● No compromise on an interim government and constituent assembly, and a union push to build a strong ANC.

● Industry restructuring, entailing worker participation in management and provision for training, retraining and literacy.

● Withdrawal of the Minerals Bill, now before parliament, to allow for negotiations between the NUM and Chamber of Mines, and a separate mine health and safety Bill.

The NUM also called for union involvement in accident inquiries, and jointly run retraining schemes for disabled miners.

● An anti-race discrimination charter on the mines.

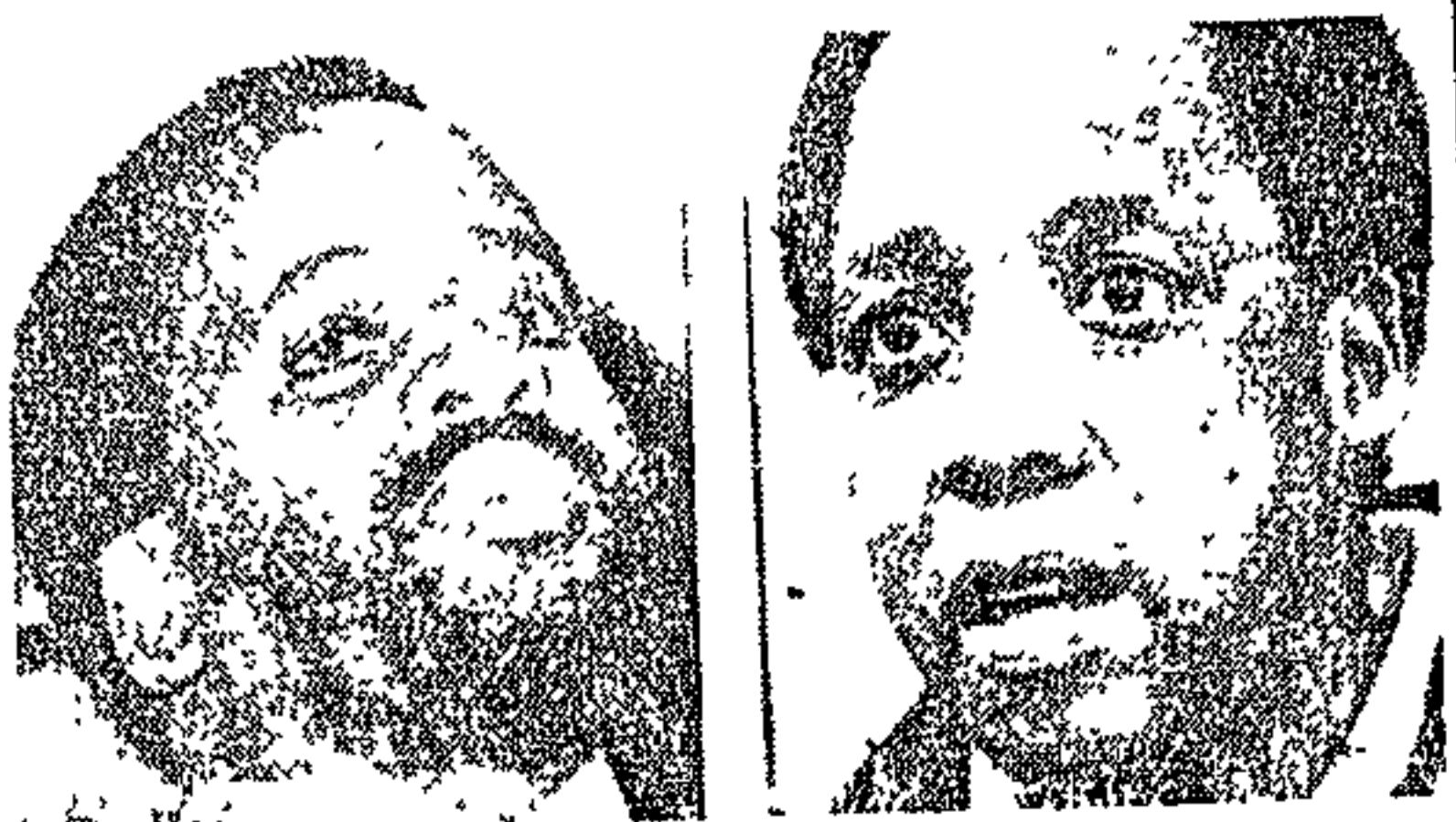
● A national mine retrenchment deal, and a moratorium on retrenchments.

● An industry Aids policy, encompassing an education programme and the removal of conditions fuelling Aids — a reference to the hostel system.

"The congress vision was that structural change in mining is inevitable, and we must be part of it," said the NUM's Marcel Golding.

The union leadership was re-elected intact, scorching reports that general secretary Cyril Ramaphosa would not stand.





DISTANCES ...  
Pallo Jordan

ATTACKS ...  
Chris Hani

## Hani statement 'not ANC policy'

*CNT Times 3/5/91*  
Own Correspondent

JOHANNESBURG. — The ANC yesterday dissociated itself from reported comments by Umkhonto we Sizwe chief of staff Mr Chris Hani that the organisation would destabilise SA to discourage investment if the US lifted sanctions.

Mr Hani was reported to have said in an interview with National Public Radio in the US that "it is not in our interest to stabilise the country".

ANC publicity chief Mr Pallo Jordan yesterday reiterated statements by ANC deputy president Mr Nelson Mandela that blacks would feel "deserted" if US sanctions were lifted and this would result in unrest.

Mr Jordan said he did not know whether Mr Hani had been incorrectly quoted or whether he had made the comments, but the ANC's official position had been specified by Mr Mandela.

Sapa reports that Mr Michael Abraham (DP Tongaat) said yesterday that Mr Hani's utterances were irresponsible.

Speaking in the State President's Budget Vote, Mr Abraham said: "The problem with Mr Hani is that he wants to go forward in reverse gear."

Uman 315-915191  
**Nigeria considers  
lifting SA sanctions**

PRESIDENT Ibrahim Babangida of Nigeria has upset several key Commonwealth countries by disclosing his government is considering lifting most sanctions against South Africa. The major shift by Africa's biggest country was made conditional on the repeal of all remaining apartheid laws.

(280) (280)  
Babangida, in a little-noticed speech, recently cited what he called "President Frederick de Klerk's commitment to a peace process" as his reason for contemplating the lifting of sanctions.



# US bank bows to black pressure

Sowetan 3/5/91

324

280

**NEW YORK** -One of America's biggest banks has bowed to intense behind-the-scenes pressure from the US anti-apartheid movement.

The bank, JP Morgan, has said it will no longer process American Depository Receipts, which facilitate investment in South African stocks.

The move has caused dismay in US banking circles, especially in view of JP Morgan's firm resistance to earlier pressure to abandon its processing of ADRs, which, it maintains, does nothing to "support apartheid," as its detractors claim.

Though little-known to the general public, ADRs allow American investors to effectively own shares in South African (or other foreign) companies and are now the largest single source of American equity investment in South African firms.

## Big blow

US Securities and Exchange Commission records show that the bank registered 160 million of the receipts pegged to shares in South African companies.

One estimate puts the value of the receipts at R2,5 billion. If this estimate is correct, it will mean that South Africa will have been dealt one of the biggest single blows by the US anti-apartheid movements.

It is also forecast that other US banks may follow JP Morgan's example.

The move came nearly three weeks after the Amalgamated Clothing

and Textile Workers Union, acting in collaboration with the ANC and Cosatu, began a nation-wide campaign to publicise JP Morgan's involvement in the receipts.

The bank initially rejected the accusations that it was acting as a conduit for investment funds that supported apartheid. But it changed its position

dramatically on Friday after Rep. Byron Rushing, a Democrat in the Massachusetts State legislature, led members of the legislature's black caucus in a motion asking for an investigation of the bank's financial dealings in several public undertakings in Boston, including a hospital and a transportation undertaking.

This, in turn, led to fear that JP Morgan's links with the South African investment receipts might cause it to lose out to other investment institutions vying for a place on a Massachusetts State syndicate that controls the allocation of bank borrowings for state projects. - Sowetan Correspondent

HELPING HANDS: A policeman and a local resident joined forces to extinguish a fire, believed to have been started by hostel dwellers, at a Meadowlands home. ● Photograph: Jacob Rykliff.

# SA back in world money markets

The South African Government is continuing to reap substantial international financial benefits from its reform programme.

Only weeks after the European Community lifted sanctions against South African iron and steel, the Government has managed to secure a \$50 million refinancing package through international capital markets.

Although the issue, negotiated by Swiss and other European banks, is a relatively small refinancing measure, and does not attract new money to South Africa, it is regarded as a success. South Africa's re-entry into the inter-

national capital market was within weeks of President F W de Klerk's visit to Europe. Bankers were most impressed with Mr de Klerk's performance, Neil Behrmann writes from London.

The refinancing package allows the Government to spread its foreign debt repayments over a longer period, rather than stick to the tight schedule prescribed by creditor banks according to its debt rescheduling agreement with the SA Government.

These measures are also known as debt roll-overs. About half of SA's debt in 1990

was rolled over and a further \$1 billion of this year's total \$2.1 billion debt is expected to be rolled over.

But the latest re-financing package is significant in that economists believe that previous roll-overs were extended almost exclusively to parastatals, like Eskom and Transnet, and not to the SA Government.

Furthermore the refinancing package was placed on international capital markets, whereas other roll-overs in the main involve the simple extension of the original debt repayments.

While the reform programme has

## Money

FROM PAGE 1.

made it significantly easier to extend the debt repayments and ease the balance of payments pressures on the economy, new loans to this country are a different matter, say international economists.

International banks are likely to take their cue from the International Monetary Fund and the World Bank, but loans from the multinational agencies will not be forthcoming until the US lifts its veto on new loans to SA.

The US Assistant Secretary of State for Africa, Herman Cohen, said this week that the US,

in order to maintain leverage over SA, would continue to block SA's access to IMF funds even if the Comprehensive Anti-Apartheid Act was lifted.

International bankers have also indicated that the escalating violence in the townships was rapidly emerging as a major stumbling block to new loans.

Dr Karl-Heinz Schlotthauer, the senior international economist at the Deutsche Bank, Europe's largest bank, said last week that the violence could well dampen the enthusiasm of foreign banks to extend new loans to companies operating in South Africa.

● Details of the loan See Page 16



HELPING HANDS: A policeman and a local resident joined forces to extinguish a fire, believed to have been started by hostel dwellers, at a Meadowlands home. ● Photograph: Jacob Rykliff.

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# BANKERS IMPRESSED BY FW'S RECENT OVERSEAS TOUR

# SAISON FINANCIAL

20/10/91 4/5/91

58 286

LONDON. — South Africa is discreetly returning to international capital markets and has successfully extended a R135 million loan, say bankers.

Returns for investors are generous as the yield of the three-year loan has been placed at 10 percent, about 2.5 percent above dollar bonds of similar duration.

The privately placed bonds were extended in the past few weeks, the sources said. Although the issue, negotiated by Swiss and other European banks, is a refinancing measure and does not attract new money to South Africa, it is regarded as a success.

It follows a Deutschmark R192-million loan refinancing package for Eskom and the response for that privately placed issue was also good. This is hardly surprising. South Africa's repayment record is impeccable and the yield at 10.75 percent on that four-year loan is about 2 percent higher than other Deutschmark bonds.

South Africa's re-entry into the international capital market was within weeks of President De Klerk's visit to Europe. Bankers were impressed with his performance. Initial international financing is expensive for the borrower, but there is little alternative so far.

Bankers believe that the yield premium of the bonds will remain high until the debt moratorium is relegated to history. Moreover, there is continual concern about violence, uncertainty about the intentions of the African National Congress and worries about the South African economy with its high inflation rate.

## 'New spirit of co-operation'

Although reflecting an impressive improvement in confidence, South African debt has soared to 87 cents in the dollar from 81 cents a month ago and only 70 cents last August. It compares with Brazil's tradeable debt of 28 cents in the dollar, Argentina 22 cents, Mexico 57 cents, Venezuela 62 cents and Chile 86 cents.

The financial rand discount has narrowed to 17 percent, from around 30 percent nine months ago. It is down to levels in the early eighties just before the Reserve Bank scrapped the investment currency temporarily.

Eskom, meanwhile, is working in a "new spirit of co-operation" with Portugal and Mozambique in arranging finance for the repair of Cahora Bassa, says Mr Francois Botha, assistant general manager international financing of Eskom.

The splendid performance of rand bonds on international markets has also boosted confidence. Since November, when Reserve Bank governor Mr Chris Stals hinted that the dual currency would be gradually abandoned, the financial rand has appreciated by 10 percent against the dollar.

For European investors this has proved to be a boon, because the appreciation in terms of their own currencies is more than 20 percent. Meanwhile, interest income from those bonds amounted to about 11.5 percent in the same timespan.

Mr Botha estimates that 44 percent of local registered rand bonds is held by foreigners. More than 50 percent of the R30 billion Eskom debt, denominated in all currencies, is in the hands of foreign investors and most of them are private individuals.

These measures are also known as debt roll-overs. About half of South Africa's debt in 1990 was rolled over and a further R1 billion of this year's total R2.1 billion debt is expected to be rolled over.

But the latest re-financing package is significant in that economists believe that previous roll-overs were extended almost exclusively to parastatals, like Eskom and Transnet, and not to the government.

Furthermore, the refinancing package was placed on international capital markets, whereas other roll-overs in the main involve the simple extension of the original debt repayments.

While the reform programme has made it significantly easier to extend the debt repayments and ease the balance of payments pressures on the economy, new loans to this country are a different matter.

The US Assistant Secretary of State for Africa, Mr Herman Cohen, said this week that the US would maintain leverage over South Africa by continuing to block the government's access to IMF funds even if the Comprehensive Anti-Apartheid Act was lifted.



# Dollars to roll as SA rejoins world

(280) (S)

(S) Times (S) Times) 5/5/91

## Absa beds down four different companies

By IAN SMITH

ABSA BANKING group, born of the bitterly contested takeover of Allied and the merger with United, Volkskas and part of Sage Financial Services, is shaking down well, says chief executive Piet Badenhorst.

The head-office structure of the R50-billion group will be in place in Johannesburg's United Towers in four weeks.

All the companies have been brought into line with a uniform set of accounting practices. The group's first results are due on May 27.

Six computer centres which served the separate companies will be reduced to three at United Towers East, Allied Park in Sandton and another United operation at Bedfordview.

Hardware will be sold and premises will be available for letting in the interim.

The executive committee set up by Mr Badenhorst has not yet turned its attention to its biggest task — rationalisation of 1 000 branches conducting the group's retail operations.

"This will be a difficult task," says Mr Badenhorst.

### Response

The Allied's head office and other group executives have moved to Allied Bank Centre in central Johannesburg. Allied Park will be devoted to computer operations, with programming staff working in former executive offices.

The first Absa main board meeting has been held. All boards of operating subsidiaries and their audit committees are in place.

"We are not wasting any time, but neither can we rush," says Mr Badenhorst.

He says the opportunity to choose executives from all four elements of Absa has given the board a chance to build an "outstanding" banking group.

He is pleased by the response to the formation of Absa from foreign bankers.

"Our much bigger clout has caused everyone to look at us with new eyes."

"Even in SA people who have not dealt with any of our three constituent banks are taking another look."



NICO CZYPIONKA. Never so many delegations from abroad as now

## Saambou hit by bad debts

By DIRK TIEMANN

BAD DEBTS knocked Saambou group's results, default on bond repayments leading to a sharp rise in property repossessions.

An extraordinary provision of R28.1-million is made in the accounts for the year to March 31 for the bank, building society and Saambou Woning.

Township unrest and the higher risk involved in lending to this market are also given as reasons for the provision.

There is, however, talk that a R91-million exposure to gilts played a major role in it. But Saambou managing director Johan Myburgh says: "We have not provided for the gilts because interest rates are falling and we can only do better."

Even if the provision is ignored, Saambou group did badly. Net operating income fell to R4-million from R29.2-million in 1990. Net pre-tax income became a deficit of R24.1-million.

Attributable income became a deficit of R28.3-million compared with a positive R18.6-million in 1990. Mr Myburgh says margins are being squeezed because the old tax-free and semi-tax free investments are maturing and the money is being reinvested at higher interest rates.

"We have also lost savings market share, mainly because of our lack of innovative products. Our only new product of late, the Money Manager, is no longer advertised on TV because of our computer problems."

Interest paid on deposits rose 30% to R629-million.

Mr Myburgh says a dividend will be paid because many individuals depend on it.

"We view these results as a temporary setback. Unrest should improve and we should be able to reduce our provisions. The rationalisation and retrenchment that we have undertaken should also help. We must improve margins and lift productivity."

Mr Myburgh says that because of the poor performance, the directors are anxious to push the Fedure deal through — the threat of a hostile takeover is real.

"Fedure is important to us because it can provide the capital we need in bad times."

Saambou's final dividend of 6c takes the year's total to 11.5c.

Assets rose 12.2% to R4.1-billion, of which advances increased by 19.4% to R3-billion.

AS SANCTIONS start to crumble, dozens of bankers and industrialists from many countries are visiting South Africa to investigate business possibilities.

Among high-powered delegations that have been here in the past two months are:

- Three teams from the World Bank

- Representatives of the Rockefeller Foundation

- Fourteen members of the Keldanren, a federation of Japanese economic organisations, led by Tamamotsu Yamaguchi, deputy president of the Bank of Tokyo

- Trade delegations from France, West Germany, Italy and the UK

- Delegations from nearly all the East European countries.

- Groups from countries that were previously aggressive sanctioners, such as Scandinavia and some African nations.

President De Klerk told Parliament this week that R1-billion of foreign capital had flowed in and he expected another R2-billion from the US this year.

Nearly every East and Central European country, including the Soviet Union, plans to open a representative office, mainly with a view to trade.

Interest among airlines has increased. American Airlines already has a sales office in SA and Cathay Pacific, Austrian Airlines and Singapore Airlines will be opening for business within a year.

Restoration of SAA's direct route to New York is expected to be the first American sanction to be lifted should Congress act on President Bush's desire to lift or ameliorate the Comprehensive Anti-Apartheid Act.

Nedcor group managing director Chris Liebenberg says "Interest in SA is enormous. I have met more foreigners in the past few months than in the previous five years."

### Survey

First National Bank managing director Barry Swart says "Interest is definitely reviving. This week I entertained members of one big British and one large Californian company. The Institutional Investor magazine has been here trying to sell an advertisement in a survey about SA."

UK banks are not surprised at the interest in SA. They say that in trade finance it has mostly been business as usual for them since 1985.

But they consider SA to be a sound, reliable debtor and accept that the debt moratorium was forced on it by the "irresponsible" attitude of US banks.

However, they do not believe material developments will come before SA's resumed access to the Interna-

By DAVID CARTE and IAN SMITH

tional Monetary Fund once US restrictions are removed.

Chief executive of new Absa bank giant Piet Badenhorst is surprised at the interest in the new group and SA.

"I have had calls from around the world."

Reserve Bank Deputy Governor Jaap Meijer confirms there has been a surge of "global interest" in SA. "We had an objective, and to some extent sympathetic report from the World Bank."

Bankers believe most of the R1-billion that entered SA early this year is trade-related finance.

The economy has also benefited from renewed willingness among foreign bankers to roll over debt. This could ease this year's heavy debt burden as more banks understand the structural reform being undertaken by the Reserve Bank.

Frans van Rensburg of the Development Bank of Africa confirms that the Rockefeller Foundation has appointed a committee to investigate a development drive that could run to billions of dollars in the next few years.

### Gateway

Former First National managing director Chris Ball is on the committee.

"Our advice is that they should act through us. It would be silly to duplicate our activities."

Standard Bank group economist Nico Czipionka says he has never met so many delegations.

He reports that all countries bar the US are investigating SA. The Japanese will not act on their inquiries until their government permits them to. The Japanese government will take its cue from the Americans.

Mr Czipionka says "These visits represent much more than idle curiosity. The visitors are looking at what they can sell and what they can buy."

"They are also looking at investment. Many see us as the gateway to Africa."

"With our infrastructure and low level of debt, we are attractive relative to Eastern Europe, South America and other developing countries."

Mr Czipionka thinks foreigners are excited by SA's tourism potential and by the possibility of stepped-up capital investment once money flows become positive again.

"It is well known we have to invest in upgrading oil refineries. Foreigners have al-

ready put many millions into plants for catalytic converters for car engines. There is considerable potential in vehicle parts exports.

"Once we staunch capital outflows, which have run to R30-billion in the past few years, we can invest in industry, housing and education as well."

"True, we have political problems and violence is a deterrent, but we have a lot going for us. Foreigners may see the upside more clearly than we who live among the violence do."

### Gateway to business

INTEREST in Mozambique is growing, particularly among businessmen and tourists. Increasing opportunities are opening up as South Africa re-enters international trade.

Business Times looks at Mozambique and the Indian Ocean islands in a feature beginning on Page 4.

In this changing world we must learn to create new opportunities and habits. ICL's open such thinking.





# Future 'lies in the hands of business'

BIDAY  
6/5/91

280  
GILLIAN HAYNE

A POOR return on investment rather than the current violence was the only factor that would jeopardise international investment in SA, and as such the business community controlled the future of SA, Jatta International Investment president Ophelia Jeppa has said.

Speaking at the national convention of the Institute of Life and Pension Advisers on Friday, Jeppa said businesses had to be proactive and create the opportunities for the future.

She said companies had to go into the townships and "see how trade is transacted. There is a lot of business opportunity in black townships — blacks are the ones with the disposable incomes".

Businesses also had to take note of what the international investment community was doing. She said although there had been a lot of "paper pullouts", there was no real disinvestment.

"The debt moratorium was an excellent way for companies to be seen to disinvest without having to move their investment out of SA."

Similarly, businesses had to look at the movements of the major companies in SA, which were still putting money into property and investments.

However, Tax Advisory Committee chairman Michael Katz argued that a stable SA was essential for economic growth and increased foreign investment.

He said increasing investment in fixed plant and machinery was the most important objective of economic policy.

The dilemma in the 1991 Budget was to attempt to reconcile the requirements of immediate assistance to the Third World section of population and creating more economic opportunities for all. Government had tried to tackle the issue through commitment to stability, reducing the surcharge on imported goods, reducing the corporate rate from 50% to 48% and allowing full credit for capital and intermediate goods under VAT.

Other major economic problems were the lack of discretionary savings and the fight against inflation, Katz said.

## ANC challenges police with own unrest report

THE ANC plans to launch its own daily unrest report today to counter what it says is the SAP's misinterpretation of events.

Spokesman Saki Macozoma said police failed to report accurately on the reality people experienced and often created an incorrect picture favouring themselves.

Monitoring mechanisms were already in place in some townships and being established in others, so the ANC could ensure information received was reliable and verifiable.

Macozoma said the ANC report's success would rest on its reliability. The ANC would use its monitoring structures to test the veracity of information before it was utilised.

The organisation hoped other monitoring structures such as Lawyers for Human Rights would also provide information.

Police often reported

township deaths without outlining their circumstances, making it impossible for people to gain an understanding of violence and how it manifested itself, Macozoma said.

They would be able to read the ANC and police reports and determine what they wanted to believe.

Macozoma said an example of how police distorted events was their attribution of practically all incidents to tribal fighting.

"Their aim is to promote ethnicity, which suits their own purposes."

The ANC felt it would be allowing wrong information to go unchallenged if it did not make its own information available.

Macozoma expected police to dismiss the report as propaganda and said the ANC feared police might harass township sources.

JONATHAN REES

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INTERNATIONAL



# Influential UK business group arrives in Jo'burg

TIM COHEN

AN influential delegation from the London Chamber of Commerce and Industry (LCCI) arrived in Johannesburg yesterday on a two-week trade mission to SA.

The visit, which reflects growing interest in SA following the lifting of sanctions by the EC, was organised by the British consul in SA.

An LCCI spokesman said from London that the visit reflected the growing confidence in SA's future and the UK government's sympathy for the mission.

Other missions to follow would have the financial support of the British government, she said.

The spokesman said the visit would pave the way for a major British delegation next March.

The delegation includes Barclays Bank deputy export director Stephen Cutler, Lloyds of London Business Press CE Alfred Rolington, Export Market Development director Paul Hayball, mission leader ITW Adhesives GM Michael Underwood, ACO Polymer Products export manager Keith Lambourne and Rockwell International area manager David Williams.

The group, whose visit takes in Cape Town and Durban, was welcomed by representatives from local chambers of commerce and industry.



British consulate-general representative Jacobus Heyns, right, welcomes members of the London Chamber of Commerce and Industry trade mission on their arrival in Johannesburg yesterday.

Picture ROBERT BOTHA





Archbishop Tutu at UCT last night.

# 'End of violence key to sanctions relief'

By DENNIS CRUYWAGEN  
Political Staff

THE government had to stop the violence if it wanted black leaders to call for sanctions to be lifted, Archbishop Desmond Tutu told University of Cape Town students.

He said South Africa would be denuded if the violence did not stop.

"There will be no investments. If you want us to say 'lift sanctions' I want to say to you 'end the violence'."

Then South Africans, black and white, could walk together, hand in hand, he said.

He said people would respond to calls for an end to sanctions by saying: "How can you dispose of the non-violent lever you have?"

Earlier he told a packed Jameson Hall that the term "black-on-black violence" was loaded and racist.

He said South Africa had never known a culture of tolerance, adding that the atmosphere was saturated with violence.

There was a third force at play, he added.

"The police are not a professional peacekeeping force. They knew us as enemies. They

have not changed and are not saying that Archbishop Desmond Tutu, Dr Allan Boesak and others are nice people.

It was crucial that calls were made for a radical purge of the police force.

He hoped that UCT students would prove wrong the people who were saying that a non-racial and non-sexist society was not possible.

He also hoped that they would say "we differ with you but we respect your right to your opinion".

Mr Jan van Eck, DP MP for Claremont, said elements among the security forces and conservative blacks were the sources of violence.

These groupings and hard-line anti-negotiation elements in the National Party were benefiting from violence, not the ANC, he said.

He said unless the police played the role of a neutral monitor of law and order, every political organisation would form its own police force.

"If this happens, if the violence goes out of control, I believe there will be people considering the possibility of a coup to put order back into the country."



**L**ITTLE noticed in the audience at last week's House Africa sub-committee show on SA was Denis Goldberg, the Operation Mayibuye explosives expert, Rivonia trialist and ACP stalwart.

He arrived with the ANC's chief IS representative, Lindiwe Mabuza, who made sure he was introduced personally to the panel's chairman, congressman Mervyn Dymally. Goldberg had the dishevelled air of a lightly embarrassed relative, and listened to proceedings with a look of benign amusement.

No doubt he was there in a strictly jurist capacity, having just happened to be in town that day. No doubt, too, the coincidence between his presence and the US Communist Party-sponsored American tour of his comrade, MK chief of staff Chris Lani, was just that: a coincidence. Spring is the best time of year to visit the US and, besides, the sanctions debate is starting to come to a head.

The general consensus is that the hearing went well for Pretoria. Assistant Secretary of State for Africa Herman Cohen defended, with unusual vigour, the proposition that resident FW de Klerk had managed to satisfy three of the Comprehensive Anti-Apartheid Act's 'AAA's' five conditions.

**C**ohen also strongly implied that the administration expected the remaining two to be fulfilled shortly, triggering termination of the Act's sanctions and also the related Ranel Amendment which denies American companies credit against their US taxes for taxes paid in SA.

The only bad news was that, in order to retain "continued leverage", the US would continue to oppose SA access to IMF facilities as required by the Gramm Amendment. However, officials suggested this was not quite as depressing as it sounded.

For political reasons unrelated to A, the argument runs, Gramm has appeared sacrosanct for the time being. The administration is asking for a major replenishment of its contribution to the IMF and the World

# Wheels falling off, but US sanctions bus is rolling on

by 7/5/91

**SIMON BARBER in Washington**

Bank this year. Tampering with Gramm could bring opposition to the replenishment to critical mass. Once congress has voted the money, the issue will be revisited in line with the administration's commitment to promoting SA's economic growth.

Looked at solely from the perspective of sanctions and how long it will be before the US brings its policy into line with the rest of the world, including most of Africa, the administration's performance must be judged encouraging. Cohen will not, apparently, be counselling President George Bush to nuzzle over the outstanding CAAA conditions, the release of political prisoners and the repeal of the Group Areas and Population Registration Acts.

If South Africans cannot agree among themselves that the relevant "prisoners of conscience" have been freed, Cohen said he was prepared to "examine each case based on our own criteria" — criteria rather narrower than those already agreed to by the ANC and government. A political prisoner, as officially defined in the State Department's annual human rights report, is a person "imprisoned for essentially political beliefs or non-violent acts of expression or dissent, regardless of

the actual charge".

As for the repeal of the two laws, Cohen opined that this was well in hand.

It is also noteworthy that he chose to remind the panel of why the CAAA had been passed in the first place — to "promote a process of change and negotiations", not to dictate an outcome. The Act "wisely recognised that once the transition process got well under way, renewed external contacts, trade and communication would play a vital role in encouraging progress and laying a sound economic basis for renewed growth in post-apartheid SA".

**T**here can be little doubt that on present trends, Bush will move to lift the Act's sanctions as soon — early July, perhaps — as he has a defensible case that the conditions have been met. As devoutly as that is to be wished, the immediate effects on SA's economy will be negligible. More important, at the outset anyway, will be the political signal. Bush will be granting the US's formal stamp of approval to the path down which De Klerk has chosen to proceed. This, rather than any economic

benefit that might accrue to SA, is the critical issue.

Sanctions, as Hani pointed out here last week, can be maintained on a de facto basis by mob rule at home. "What businessman, American, European or Russian, will invest in a country where there is no social order?" The MK chief asked, adding that he meant to see to it that there was no such order.

His remarks in private sessions with "hardline anti-apartheid people", as he calls them, have been scarcely more reassuring. He has reportedly indicated that the ANC, or at least his faction of the ANC/SACP alliance, has no real interest in negotiation and remains committed to outright seizure of power.

Whether or not the outside world continues its sanctions is of little consequence to such a project, since sanctions can be homemade. Far more important is the attitude of the international community to the process De Klerk and more moderate elements in the ANC have agreed to embark upon. If the US and other powers remain indifferent or even hesitant about the legitimacy of the process, the more space the maximalists will have within which to work at its destruction.

For this reason, the rhetoric of the

US sanctions lobby, much of it ANC-inspired, remains troubling, the imminent demise of sanctions notwithstanding. To make their case, Randall Robinson and his cohorts in the Congressional Black Caucus must whittle away at the premise on which sanctions are being lifted worldwide: namely that De Klerk is sincere in his desire to break with the past and that the means he has chosen are legitimate.

Because the sanctioners are losing their principal battle (and source of employment), it is tempting to dismiss what they have to say. When Robinson told the panel about the "complicity of SA government agencies in the horrendous violence now unleashed in SA" or contended that there was no "evidence to suggest that the De Klerk government is prepared to grant black South Africans the pure and basic democratic right to cast a vote", it was easy to groan.

Likewise, one had to stifle a yawn when Gay MacDougall of the US Lawyers Committee for Civil Rights Under Law argued that "in assessing good faith, the government's actions to date must be scrutinised more closely... What emerges is a consistent pattern of half measures and broken promises, endless tactical stonewalling, creating and exploiting loopholes, unilateral actions and constant shifting of goalposts".

**T**hough they may no longer impede the end of sanctions, such statements — especially when accompanied by TV pictures of a white policeman suggesting to a Zulu streetfighter that he murder Nelson Mandela — are resonant. The speakers do retain sufficient clout to keep the US body politic on edge as to Pretoria's true intentions and thus to provide cover should the Hani succeed in derailing negotiations.

Put another way, sanctions may be coming off but De Klerk is still far from achieving the kind of international political support that would permit him to deal effectively with concerted subversion without setting back Pretoria's credibility by 10 years. One wonders whether Goldberg got the point.

# UK trade mission not put off by violence

Star 7/5/91  
By Frank Jeans

Township violence, while disappointing to British businessmen generally, is no deterrent to their drive to renew profitable two-way links with South Africa.

This is the message from the London Chamber of Commerce and Industry trade mission which is in this country until May 18.

At a Press briefing in Johannesburg yesterday, mission leaders were unanimous that they were in South Africa to "see for themselves" rather than accept as fact, the often unfavourable reports in

the UK about the situation here.

While township unrest had, to some extent, nullified the recent initiative by State President F W de Klerk during his visit to Britain, Ireland and Denmark, mission members were emphatic that the violence "has not put us off".

They said they were hopeful of taking back a more balanced view.

Alfred Rolington, chief executive of Lloyd's of London Business Press, who is due to meet an ANC delegation, said: "I hope to get some assurance from ANC representatives that they are pre-

pared to go to the negotiating table."

Mission members were unanimous that the potential of the South African marketplace was much greater than that of Eastern Europe.

Paul Hayball, director of Export Market Development of Hampshire, who is marketing new environmental pollution technology for the oil and chemical industries, said: "The long-term business prospects are infinitely better in South Africa."

"British businessmen know the SA market has to be looked at and they are excited about prospects."



# Playwrights and politicians debate cultural boycott

280

*B/Day 8/5/91*  
DIVERGENT views on whether the cultural boycott should be maintained were aired yesterday when the ANC, playwrights and theatre representatives debated the issue at Wits University.

Playwright and self-proclaimed Africanist Maishe Mponya told the debate, organised by the Wits Debating Union, that he fully supported maintaining the boycott because the "African culture is under siege".

## Pressure

"My support for the maintenance of the cultural boycott is based somewhat on my Africanist background. The African culture is under siege and if cultural exchanges went unchecked our culture is going to be eroded by Western culture as there are no safeguards in the form of a cultural constitution," Mponya said.

ANC Women's League secretary-general Baleka Kgosisile agreed that the boycott should remain.

It should be seen as an overall strategy aimed at putting pressure on the government until all vestiges of apartheid had been

WILSON ZWANE

removed "it should remain in place", Kgosisile said.

"The boycott should be maintained until apartheid has gone totally. It is not the cultural boycott which has deprived the people — both the privileged and oppressed — of the cultural exchanges with the rest of the world. Apartheid has."

However, the boycott was no longer a "blanket" one as a certain amount of cultural exchange was now allowed.

But Nicholas Ellenbogen of the Theatre For Africa, a cultural organisation which had broken the cultural boycott by performing overseas without the blessings of the ANC's Cultural Desk, said he was opposed to the "selective" nature of the cultural boycott.

"I found it hypocritical for the Cultural Desk to allow some artists to perform overseas and not allow others, and that is why I broke the cultural boycott and performed overseas."

"The quality of art in this country had been held back by the cultural boycott. We need the cultural input from other African artists," Ellenbogen said.

# Keep sanctions

280

## Malaysia

Sowetan 8/5/91

**KUALA LUMPUR** - Sanctions against South Africa should continue until there is clear evidence it has ended its apartheid policy, Malaysian Foreign Minister Abdullah Ahmad Badawi said yesterday.

"Apartheid cannot be reformed. This blight against humanity must be completely removed," the national *Bernama* news agency quoted him as saying at the opening of an Africa Fund meeting.

Africa (Action For Resisting Invasion, Colonialism and Apartheid) Fund was established by the Non-Aligned Movement in 1986 to support liberation move-

ments in Africa and strengthen the economies of Front-line States opposing Pretoria.

"Despite recent reforms introduced by Pretoria, the pillars of apartheid remain," Abdullah said.

### Dangerous game

Tanzania's Foreign Affairs and International Cooperation Minister Ahmed Hassan Diria told the meeting of senior officials that countries which wanted to reward South Africa by lifting sanctions were playing a dangerous game.

"South Africa is going to experience more turmoil and the current stage of the liberation struggle is much

more difficult than ever before," he said.

Officials said the five-day meeting would submit a report on the fund, which has obtained pledges of about R1 105 million to a non-aligned foreign ministers meeting in September in Ghana. - *Sapa-Reuter*.

### Death leap protest

**SEOUL** - A detained South Korean labour activist jumped to his death in a protest against the fatal police beating of a student. The beating prompted nationwide demonstrations and a deepening political crisis. - *Sapa-Reuter-AP*.



BUSINESS

# Sanctions pressure on ADRs

**T**HE recent decision by major US bank JP Morgan & Co to cut a technical trading link with South Africa may have little overall effect.

JP Morgan succumbed to pressure to cut ties with South Africa and announced it would stop processing American Depositary Receipts.

ADRs are slightly technical in operation. Simply, they are designed to allow investors to trade easily and quickly in South African shares, using an American bank as a subsidiary.

It is unclear what effect JP Morgan's move may have, but it would seem to have little effect on present investment. Another US bank could take over where JP Morgan left off. There is no legal bar.

In a press statement JP Morgan noted:

"Un-sponsored ADR programmes for pre-1986 shares of South African companies were specifically permitted by the sanctions legislation, and we believe they do not facilitate new investment in South Africa or in any way support apartheid."

Archie Shapiro of Frankel Max Polak says South African banks have had no directive to stop trading in ADRs. However, the position is still uncertain. "If they did decide to stop processing ADRs this would make trading very difficult. But I don't believe this will come about."

How do ADRs work? What happens, says Shapiro, is that

JP Morgan's decision to stop processing American Depositary Receipts for South Africa is unlikely to have much effect, reports **REG RUNNEY**

when, say, a New York buyer wants say 5 000 De Beers, he approaches the bank, which used to be JP Morgan.

JP Morgan instructs a South African bank which tells the South African broker to buy the shares. On delivery to the South African bank, that bank pays the broker immediately. The South African bank pays the US bank.

In the US, the New York buyer pays

the US bank, and in return gets a receipt from the bank. That receipt, the ADR, is tradeable as if it were a share. No actual shares have to be delivered, and they do not leave South Africa.

The bank also handles the paying of dividends to the US investor.

Shapiro says the business was very lucrative for JP Morgan, with big fees being charged for handling the ADRs and paying the dividends.

A statement from the Amalgamated Clothing and Textile Workers' Union, which put pressure on the bank, claims currently outstanding ADRs exceed in value all US investments in South African subsidiaries and affiliates. The

South African ADR market in the US is valued at over \$1-billion.

"Over the last 10 months JP Morgan has increased its inventory of registered ADRs, adding 160-million ADRs in South African companies in filings (with) the US Securities and Exchange Commission."

"JP Morgan's ADR business causes the company to maintain nominee accounts in three of South Africa's largest banks and to trade South African currency. In addition, Morgan has correspondent banking relationships with six other South African banks."

"US investment through ADRs provides as much as 20 percent of the equity of some South African companies. JP Morgan issues ADRs for South African companies that represent some of the pillars of the apartheid system."

## NEWS IN BRIEF

8/00ay 10/5/91  
**Lift sanctions, Tokyo urged** (280)

JAPAN's biggest business organisation, the Keidanren, is pushing the Tokyo government to follow the EC's lead and step up moves to lift more sanctions against SA. Keidanren chairman Gaishi Hiraiwa told a news conference on Wednesday the organisation would submit a report to the government, following a mission to SA late last month.





# Selective boycott will stay

Wk mail 10/5-16/5/91

THE fate of the cultural boycott will be decided at a meeting between South African cultural workers and the United Nations Special Committee Against Apartheid at a conference in Los Angeles today.

It is likely that the selective boycott will remain in force for at least the next six months, though its guidelines will be more firmly established. It has been in a state of flux since the return of the liberation movements, and strong motions have been made to end it completely. But it remains in effect, if in somewhat altered form.

Since the replacement of the blanket boycott with a selective one in 1986, there has been a certain amount of confusion as to its role and dissatisfaction with the way it was administered by bodies within South Africa like the Cultural Desk.

The cultural boycott has been in a state of uncertainty since the return of the liberation movements. Today's meeting with the UN will determine its future.

**By SHAUN DE WAAL**

The unbannings of political organisations in early 1990 led to some speculation that the cultural boycott was on its way out. Fine-tuning of the boycott's guidelines has taken place, but it has not been scrapped, and nor is it likely to be done away with at the LA meeting.

Local cultural activists feel that the scrapping of the boycott would be premature. There are fears that South Africa's fragile cultural infrastructure could be damaged by a flood of big-

name overseas visitors. Local structures must be given a chance to develop.

The result of a meeting which took place two weeks ago between the African National Congress' Department of Arts and Culture and representatives of organisations outside the ANC's ambit gave rise to a resolution that the South African delegates to the LA symposium would support the enforcement of the selective boycott in more or less its present form.

In the wake of meetings with non-ANC groups, the notion of a "united front" of cultural organisations that cuts across ideological boundaries has been mooted — but key players say that the ANC has not been sufficiently aware of viewpoints outside its ranks and that the "united front" does not really exist.

The UN asked in February this year that South

African cultural bodies unite and that the delegates to the SCAA meeting be representative of a broad spectrum of political groups.

Although there was broad agreement at the conference two weeks ago on the formation of a "cultural patriotic front", some confusion still exists as to the representativity of the group of delegates who will meet the UN today.

Invitations were extended by the UN to the ANC DAC, to the Congress of South African Writers and to the South African Musicians' Alliance, to arts groups like the Thupelo Arts Foundation, and to individuals like playwright and director Maishe Maponya — but no official invitations have been received by the cultural wings of the Azanian People's Organisation and the Pan Africanist Congress.

● To PAGE 21

Wk Mail 10/5 - 16/5/91

## Cultural boycott will stay for now

This, says cultural activists, continues the marginalisation felt by these organisations, and, despite the ANC's consultation of such groups, will mean that the ANC, in effect, will speak for them at the UN meeting. There is also the perception that discipline-based groups like Cosaw and Sama are — though not overtly ANC-aligned — more-or-less within the ANC/Charterist camp, and this has not stilled the concerns felt by cultural activists outside the ANC.

Azapo cultural officer Don Mattera said that "all along there has been a feeling that Azapo and other black consciousness movement (BCM) structures have been marginalised — we were not invited to the meetings at Athens or Gaborone or the 'Culture in Another South Africa' conference in Amsterdam. This despite the fact that we are affected by the same oppression and we have been fighting apartheid culture for as long as we can remember."

"Azapo started the idea of a blacklist (of performers violating the boycott); we picketed the busters of the sports boycott. We have a history of activism in the cultural field."

Yet, said Mattera, Azapo — which originally rejected the selective boycott in favour of a blanket boycott — would support a firmly-outlined selective boycott:

"We feel that we can't further victimise the victims by isolating them from closer interaction with progressive artists from overseas. If an artist has a record of opposition to apartheid, we should welcome such a person. We are redefining what constitutes a friend or a foe."

"We would not object to people coming out to work with state-sponsored organisations like the performing arts councils, whose credibility has always been in question."

Yet there is still concern that the ANC has not taken sufficient notice of views outside its ranks — or has established a kind of hegemony that will seem to absorb these views into its own.

From PAGE 19

Ironically, the views on the boycott do not seem to differ widely, but there is a continuing resentment at the lack of consultation.

But perhaps the fault lies with non-ANC cultural groups and their somewhat diffuse agendas. Maponya, who was invited to the UN meeting in his personal capacity and not as a representative of any organisation, tried via a series of meetings in recent months to solicit firm views from Azapo, the BCM and the PAC.

But, he says, "Azapo and the PAC haven't taken up the challenge." He says he is concerned about the "flimsy" views of the PAC on the cultural boycott, and is equally concerned that the ANC has not taken cognisance of views outside the organisation.

The marginalisation of Azapo and the PAC may indeed be based in their own tendency to isolate themselves from the mainstream of cultural activism.

Maponya said: "Azapo is sitting in offices and arguing and creating documents and leaving them there, and the PAC is doing the same."

A representative of the ANC DAC commented that "the ANC has absolutely nothing to do with who got invited to the UN. The ANC has taken the initiative to engage the PAC and Azapo in discussion — at no stage did these organisations take the initiative on these issues."

She added that the UN had been notified of the necessity of inviting Azapo as an organisation, and said that "for the purposes of this conference, they agreed the boycott must remain as is, but that our allies overseas must be recognised and firm guidelines must be established."



10 1991

## 'Lift sanctions and help stop violence'

ARGUS 10/5/91

The Argus Foreign Service

WASHINGTON. — The international community could play a positive role towards ending the violence in South Africa and getting constitutional negotiations on track by lifting sanctions immediately, says Inkatha Freedom Party representative to the United States, the Rev Sipo Mzimela.

He made the comment on CNN's *International Hour* yesterday.

Mr Mzimela was interviewed after South African Ambassador Mr Harry Schwarz, and the African National Congress representative in the United States, Ms Lindiwe Mabuza.

She had insisted Mr Mzimela did not appear at the same time as her because, she said, she did want the ANC and IFP to be forced into a public confrontation at such a sensitive time when the two organisations were discussing ways to end the violence.

Mr Mzimela said the only way the violence could be ended would be for all parties involved to sit down and talk.

Earlier, Mr Schwarz said the latest meeting between President De Klerk and ANC deputy president Mr Nelson Mandela proved how talking could yield results.

Ms Mabuza said the time was not right for the IFP, ANC and the government to sit together in negotiations. The ANC was holding separate bilateral negotiations with each of the others because two completely different agendas were being discussed.

Mr Mzimela said he was optimistic about the prospects for negotiations because there were enough people who really wanted to see reconciliation.

He added that the international community could help by supporting the positive in South Africa and by lifting sanctions. Many people involved in the violence had no jobs or education and they ran around the streets burning people's homes.

The situation in South Africa had changed sufficiently for sanctions to be lifted so that the economy could move forward and absorb the energy that was being used to foment revolution, Mr Mzimela said.

## Japan takes top-level look at SA sanctions

8/11/91  
TOKYO — The Japanese government is reviewing its stance toward South Africa following a report by Japan's powerful Federation of Economic Organisations urging an end to anti-apartheid economic sanctions.

The topic was raised during a regular Cabinet meeting yesterday. The day before, the leader of

a recent business mission to South Africa formally asked that sanctions be lifted, Foreign Ministry spokesman Taizo Watanabe said.

The report, presented by Bank of Tokyo spokesman Tamotsu Yamaguchi, said progress made in South Africa toward eliminating apartheid's structure of racial discrimination is "irreversible" and

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MAL  
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that restrictions on investment and trade are no longer needed.

It raised speculation the Japanese government would lift sanctions next month, when key apartheid laws are due to be abolished.

Mr Watanabe said the Cabinet had agreed to study the issue.

— Sapa-AP



# Japan to lift sanctions against SA by June?

6/11/5/91  
TOKYO. — Japan may soon lift sanctions against South Africa, government spokesmen hinted yesterday.

Foreign Minister Mr Taro Nakayama said the government was reviewing its policy towards South Africa. Pretoria's planned abolition of key apartheid laws in June would be "a major impetus for lifting sanctions", he said.

Mr Nakayama was speaking after the cabinet discussed ways to balance Tokyo's vital business interests in South Africa with its stance against apartheid.

The government has come under pressure from Japan's business

leaders to end economic sanctions.

The powerful Keidanren (Federation of Economic Organizations) this week stressed the importance of South Africa as a supplier of natural resources to Japanese industry, and said restrictions on trade and investment were no longer needed.

Foreign Ministry spokesman Mr Taizo Watanabe said that Japan would most likely lift its strict sanctions on bilateral cultural and personnel exchanges first in order to avoid any mistaken impression that it was rushing ahead in lifting sanctions out of commercial interest. — Own Correspondent, UPI

# Foreign investors 'shy of violence'

By THEMBA KHUMALO

THERE would be no foreign investment in South Africa until violence ended, a visiting delegation said this week. *CIP news 12/5/91*

Comprising 25 French-speaking journalists, judges and professors, the delegation said at a forum organised by the South Africa Foundation in Johannesburg on Friday that "foreign investors would shy away from South Africa for as long as the violence lasts".

They appealed to black political organisations to "control their supporters if they hoped for a new South Africa with a flourishing economy".

Delegates said they "wanted their countries to lift sanctions to create job opportunities for blacks".

"After consulting widely with political leaders in this country we believe the high rate of unemployment is the major cause of violence."

They described violence as "part of any society that is moving towards democracy".

"All developing countries experience a certain degree of violence. South Africans should, however, guard against violence becoming endemic."

Massar Diop, a Paris-based Senegalese financial advisor, welcomed the ending of apartheid but said "West Africa would not have diplomatic ties with SA until all discriminatory laws are scrapped".

The delegation returns home today to report back to their respective governments and potential investors.

280



# Now Africa

## opens its arms

SITimes 12/17/91

280

AFRICA, for so long forbidden territory, is laying out the welcome mat for South African officials, businessmen and tourists.

Reaping the benefits of the dismantling of apartheid, Foreign Affairs officials have in the past year crossed the continent and been allowed into no fewer than 21 countries outside southern Africa.

Remarkably, no official was refused a visa to enter countries which do not have formal diplomatic relations with South Africa.

### Welcomed

In return, official delegations from African countries have been passing through Jan Smuts Airport at a whirlwind rate.

A total of 21 official visits from 12 African countries have taken place in the first three months of this year.

Foreign Affairs deputy director general for Africa, Rusty Evans, who has spearheaded the drive into Africa, said that he and his officials were warmly received by cabinet ministers and senior counterparts in almost every country they visited.

## IT'S 'WELCOME BACK' AS SOUTH AFRICA KNOCKS ON DIPLOMATIC DOORS

By MIKE ROBERTSON: Political Correspondent

South Africa now has 17 heads of mission in African countries and Mr Evans said he and his officials were concentrating on developing links with major countries such as Egypt and Nigeria.

"There is great interest on the part of African countries to normalise relations with South Africa," he said.

"If they have not taken the plunge in terms of raising our representation to diplomatic levels then there is no doubt that circumstances within South Africa and recognition of steps taken have brought about a situation where many African countries see major advantages in becoming closer and exploring some form of co-operation."

Following a meeting between Nigerian President Ibrahim Babangida and President De Klerk at the Nambian independence celebrations, relations with that country have flourished.

President Babangida sent an emissary to attend the opening of Parliament in February and since then there have been continuing exchanges.

Relations with Kenya have also been accorded high priority. It is understood that a very senior Kenyan politician is now in South Africa and has held meetings with President De Klerk and senior cabinet ministers.

An agreement in terms of which South Africans are issued with visas on arrival in Nairobi has been concluded.

Mr Evans and his officials have also jettied in and out of Libreville in Gabon.

In a recent interview

with Jeune Afrique, Gabon's President Albert Bongo said he had asked that provision be made in this year's budget for the opening of an embassy in South Africa.

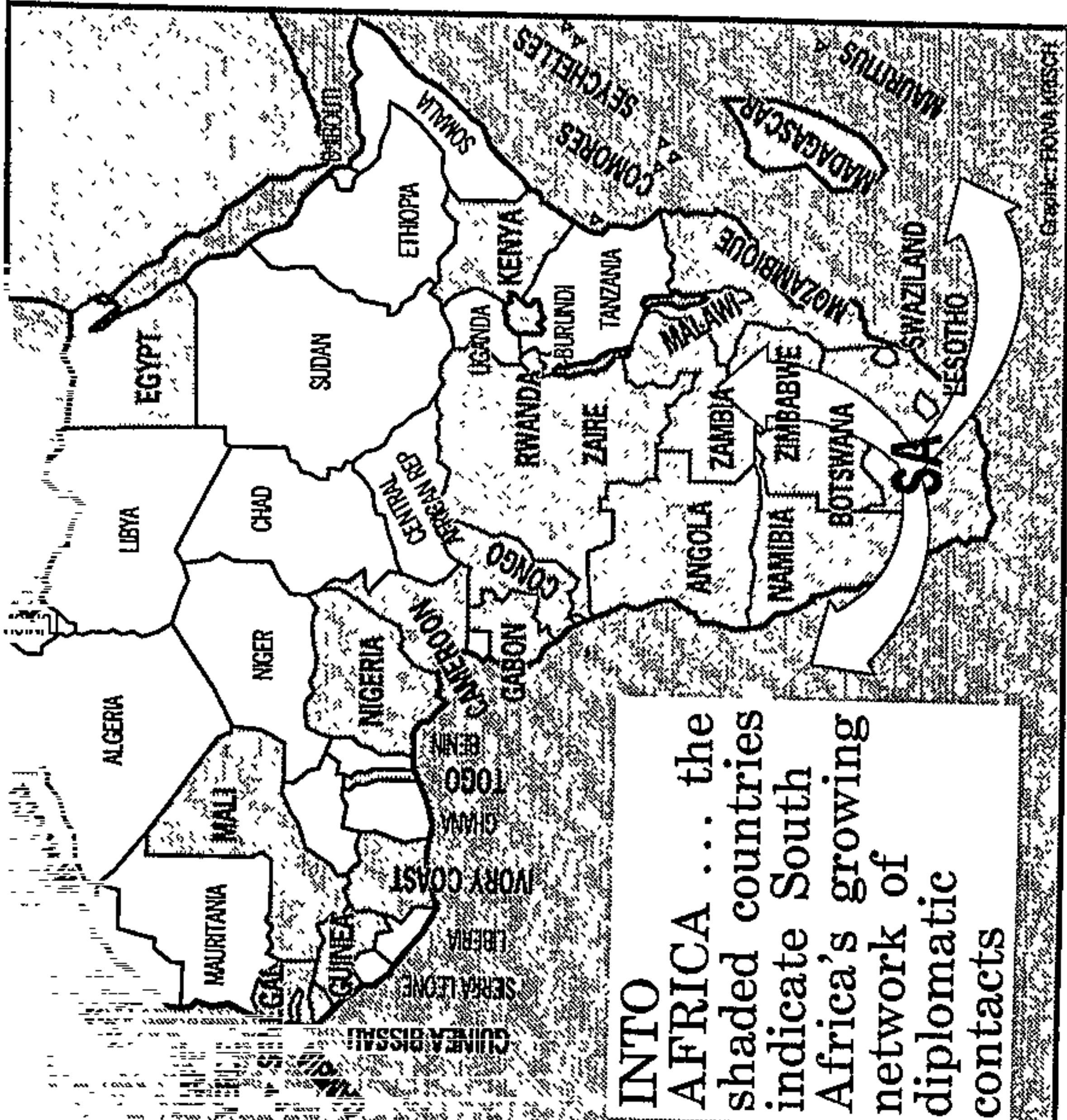
"From the time that President De Klerk said he would not object to being a minister in a government under Nelson Mandela, one could conclude that this country is experiencing its revolution. One must encourage them," he said.

Countries visited by South African officials include Madagascar, Mauritius, the Comores, Seychelles, Kenya, Rwanda, Zaire, Congo-Brazzaville, Gabon, Cameroon, Equatorial Guinea, Sao Tome, Sudan, Togo, Ivory Coast, Cape Verde, Guinea-Bissau, Senegal, Mali, Morocco, Egypt and Nigeria.

Building on these links, South African business delegations have travelled to numerous previously hostile countries, including Nigeria, Gabon, Congo-Brazzaville and Ghana.

Official delegations from Zaire, Togo, Cape Verde, Rwanda, Central African Republic, Nigeria, Comores, Mauritius, Madagascar, Senegal, Guinea Bissau, Morocco and

### INTO AFRICA ... the shaded countries indicate South Africa's growing network of diplomatic contacts



Kenya have visited South Africa

South African tourists, until now restricted to the Frontline states or the Indian Ocean islands for African holidays, can set their sights much further abroad.

Zaire, Madagascar and the Ivory Coast no longer require visas for visits of up to 14 days. Kenya issues visas to South African tourists on arrival.

Mauritius does not

first meeting with the ANC by a South African delegation led by Dr Frederik van Zyl Slabbert.

Both Kenya and Ghana have removed restrictions on their citizens travelling to South Africa, and Benin is understood to be contemplating doing the same.

In southern Africa, the most important region for trade (total trade was up R400-million to R3.2-billion last year) there has been a virtual non-stop to-and-fro of official delegations.

Deputy Foreign Minister Leon Wessels visited Mozambique in July and October last year. On the same day in October the then deputy Public Enterprises Minister Piet Welgemoed was also in Maputo.

Then deputy Trade and Industry Minister Theo Alant visited Mozambique in July and Foreign Minister P. Botha followed four months later in November.

In between there were numerous visits by senior

Foreign Affairs officials to Maputo and by their counterparts to Cape Town and Pretoria. The Mozambican Deputy Minister of Posts and Telecommunications visited South Africa in February. The Minister of Transport is expected to pay a visit soon.

Relations with Zimbabwe remain cool, but there was an important breakthrough in August last year when ranking officials of both governments met in Harare.

### Busy

Airlines travelling between Lusaka and Johannesburg have also been busy and not just with returning ANC officials.

Mr Botha paid two private visits to Zambia last year while the first official South African Foreign Affairs delegation was received in Lusaka in April this year.

Businessmen from both countries have been exploring trade possibilities.

## Frontline states want sanctions to remain

LUSAKA — Leaders at the Frontline states summit in Lusaka on Saturday urged for continued sanctions against SA until apartheid was totally eliminated.

The summit also appealed to African countries rushing to establish trade missions in SA to refrain until apartheid legislation, including the Public Safety Act and Internal Security Act, was abolished.

Briefing the Press after an eight-hour meeting characterised by haggling as to why sanctions should be maintained, Zambian president Kenneth Kaunda stressed that liberation movements had called for sanctions to be kept in place as lifting them "would undermine the freedom struggle" in SA. *610am 13/5/91*

Nigerian foreign minister Ike Nwochukwu said he would prefer the phasing out of sanctions rather than wholesale cancellation. But the consensus of the meeting was that President F W de Klerk had done a commendable job and should be praised for the steps he had taken in demolishing the apartheid system.

There was also an appeal to the SA government to stop the "carnage" of the unrest. — Sapa.



# Frontline regret over crumbling sanctions

Star Africa Service  
and Sapa

LUSAKA — The Frontline states have acknowledged that worldwide economic sanctions against South Africa will soon be lifted.

But, in the words of President Kenneth Kaunda of Zambia, chairman of the group of seven southern African countries, the Frontline states were "very sorry about the rush by other countries to normalise relations with Pretoria".

It was "undermining the struggle of the South African people".

Nigeria, which is a distant member, conceded at the meeting of the Frontline states in Lusaka on Saturday that President de Klerk had removed the obstacles to the total abolition of apartheid.

Diplomats quoted Nigerian Foreign Minister Ike Nwochukwu as saying: "We

have to accept the facts as they stand now, but must not be seen to be the laughing stock.

"We should start phasing out the sanctions against Pretoria. But Nigeria is against lifting the sanctions at once."

Nigeria also proposed that the Inkatha Freedom Party (IFP) be invited to attend the next Organisation of African Unity meeting.

"Let them tell us what they want, or what they expect us to do to help this daunting situation in South Africa."

Botswana, Mozambique, Namibia, Zambia and Zimbabwe are very embarrassed because their trade with SA is greater than that with their black neighbours.

Angola and Tanzania are the only Frontline states with little trade, but their diplomats admitted that they would soon have to trade.

The talks were attended by ANC internal leader

Walter Sisulu and PAC president Clarence Makwetu.

The presence of Palestine Liberation Organisation chairman Yasser Arafat was a surprise.

The IFP sent no delegation, although Inkatha officials arrived in Lusaka and are expected to meet Dr Kaunda today.

The ANC and PAC both objected to the idea that sanctions should be lifted.

ANC secretary for international relations Thabo Mbeki said: "This will undermine our struggle at home. Even this violence is fanned by the South African Government."

The ANC and PAC have claimed that Pretoria is responsible for the escalating violence in black townships, and they charge that Koevoet squads are being deployed to kill blacks.

"Zulus are not killing the ANC members at all. It is the South African agents who are killing blacks in the name of Zulus and the IFP," Mr Mbeki said.

# Japanese poised to march back

Star 1315791 280

By Neil Behrmann

LONDON — Japanese companies, with the unofficial blessing of their government, are planning a significant increase in business with South Africa.

The Japan Economic Journal says deals will involve everything from car production to coal imports.

The moves reflect expectations that Japan will soon lift sanctions, says the Journal, part of the Nikkei group, which publishes Japan's leading financial publications.

Business leaders, reluctant to talk openly about proposed deals, fear they will be left behind in the international rush to do business with South Africa, says the Journal.

The business community's more assertive stance on South Africa was reflected in last month's fact-finding mission by the Japanese Federation of Economic Organisations, known as Keidanren.

A larger Keidanren mission is planned towards the end of the year.

After returning from Johannesburg, mission head Tamotsu Yamaguchi, a Bank of Tokyo vice-president, said sanctions against Pretoria were not desirable.

Other executives noted that the Ministry of International Trade and Industry (MitI) last December said it would ease quantitative restrictions on the value of Japanese trade with South Africa this year.

In 1987, Japan, became South Africa's largest trading partner.

But a year later MitI requested that Japanese companies at best maintain trade at previous levels.

This "administrative guidance", says the Journal, brought about a 30 percent drop in trade with South Africa at some major Japanese trading companies.

Last year Japanese trade with SA was below that of Germany, Britain and the US.

Japan imported goods, mainly minerals, worth \$1.84 billion (R5,1 billion) and exported \$1.4 billion (R4,1 billion) of products to South Africa.

"Today, those same traders are

again actively looking at hefty new contracts to build or renovate factories in South Africa," says the Journal.

Many chemical, mining and machinery plants built in the 1970s need renovation, Japanese traders told the Journal.

So far, Tokyo's ban on investments and loans has blocked Japanese contractors' plans to bid for factory contracts.

After the government lifts its ban, some leading companies are likely to extend loans to South African customers and to buy some corporations in basic indus-

tries, says the Journal.

Manufacturers are also quietly trying to boost sales in South Africa.

Japanese vehicle manufacturers expect annual demand will grow to 400 000 cars in the mid-1990s, up from 330 000 at present.

Nissan will increase production capacity at its local South African partner to 60 000 units by 1995 from 40 000 in 1990.

Japanese trading houses are projecting that demand for consumer goods will surge as the living standards of blacks im-

prove.

Videocassette recorders and copying machines already account for 13 percent of Japan's total exports to South Africa.

South Africa will eventually become a key market for Japanese high-tech products, such as computers and microchips.

Japan's traders also predict renewed growth in coal imports from South Africa, in the wake of MitI's February decision to lift a ban on new contracts.

Coal accounts for about 10 percent of Japanese imports from South Africa.





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## PAC, Azapo hold talks, reject sanctions let-up

By Kaizer Nyatumba  
Political Staff Jan 14/5/91

Azapo and the PAC would vigorously oppose any changes to the sports and cultural boycott, the organisations' respective publicity secretaries, Barney Desai and Strini Moodley, announced after a recent joint meeting held in Soweto.

The meeting was the first of its kind between the two organisations.

A joint statement read:

- Sanctions had to be maintained until a democratic government had been established.
- Political prisoners had to be released and exiles allowed to return home unconditionally.
- A national code of conduct should be adopted by all parties in the liberation movement and meetings should be held to deal with the question of violence.

The two organisations reaffirmed their commitment to a patriotic front of the liberation movements. They further rejected both a multiparty conference and the ANC-proposed interim government.

Those, like the Inkatha Freedom Party, which opposed a constituent assembly had disqualified themselves from the patriotic front.

However, Mr Desai said the PAC would soon hold talks with the IFP in the hope that Inkatha would help to work towards a constituent assembly.



# UK firms urged to boycott SA goods

Star 14/5/91  
Star Bureau

LONDON — Firms that trade with South Africa through the port of Bristol are being urged to seek imports from other countries.

Bristol Anti-Apartheid Advisory Panel claims South Africa is only dismantling "petty apartheid" and no fundamental shift towards nonracial democracy has yet been made.

A report, commissioned by Bristol City Council, which owns the port, said that total trade with South Africa has dropped from 206 000 tons in 1985 to 149 000 tons in 1989.

In 1988 the Labour-controlled council decided to continue handling existing South African trade contracts, but said it would not seek new ones.

The three main imports are wood pulp, fluorspar and molasses.

# S Africans abroad rally to their country's cause

By Ramsay Milne  
Star Bureau

NEW YORK — The abolition of apartheid in a "new" South Africa has spawned a new movement in the United States and Canada of "South African Americans" and "South African Canadians" who hope to contribute to the growth and development of the country they have left behind.

The movement has been started by a former University of the Witwatersrand political science lecturer, Ronald Goldman, and a former Wits student, Larry Shore, both of whom have lived in the United States for several years.

Neither plans to return to South Africa to live, but they believe now is the time for them to help contribute to a "new South Africa".

"With all the dramatic developments in South Africa, it seems an appropriate time to think of doing for South Africa

what Italian Americans, Hungarian Americans and Asian Americans have done for their countries of origin," they say.

"This group of South Africans abroad has the potential to make a significant contribution to the new South Africa. Many did not want to get involved so long as apartheid remained firmly in place. Others have felt reluctant to get involved in South African affairs as long as it seemed to require strong political allegiances of one kind or another. Still others have been involved with SA-related issues and organisations in the US and Canada but feel the need to also build new networks with new ideas."

The two men, who plan to establish links with credible South African organisations and individuals, stress that their organisation will be politically non-partisan, though its members would talk to representatives of political organi-

sations when necessary.

Mr Shore, who grew up in Johannesburg, graduated from Wits in 1971 and left South Africa in 1973. He holds a PhD in communications from Stanford University and has lived in New York since 1980, where he teaches in the communications department at Hunter College.

Mr Goldman, also from Johannesburg, did his undergraduate studies in the US and, after obtaining a masters degree from Fordham University, taught in the political science department at Wits in 1969 and 1970. He returned to the US in 1971. He has lived in Boston since 1981, where he is associate dean and a faculty member in the College of Communications at Boston University.

Mr Shore said the response to their appeal for South Africans living in North America to join their organisation had been "highly encouraging".



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B10ay 15/5/91  
**Japanese firm  
on sanctions**  
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TOKYO — Japan said yesterday it was not time to lift sanctions against SA despite pressure from its business community.

Foreign Ministry spokesman Taizo Watanabe said SA government reforms had not gone far enough.

SA progress and international co-operation would be factors in a review of sanctions. — Sapa-Reuter.

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B10ay 15/5/91  
**World oversupply  
of gold 'is a myth'**  
 280

MATTHEW CURTIN

THE belief that an oversupply of gold is destined to hold the gold price down for years is a myth and long-term buyers in the Far East have turned the region into the foremost market for Western production.

In two reports published at the end of last month, the US-based Gold Institute painted a bullish outlook for gold. American Precious Metals Adviser president Jeffrey Nichols said at least three myths continued to cause undue pessimism.

He said far from increased mine production and gold sales dooming the metal's price to the \$350 to \$450 range, the supply of gold from current mine production, gold borrowings by mining companies and forward sales peaked in 1988.

Current mine production would "top out this year or in 1992". He said the net contribution of forward sales and bullion loans, used by the industry as financing and hedging techniques, dropped from 15-million ounces in 1988 to 5.5-million ounces in 1990.

Nichols discounted the threat of ever-increasing Soviet sales of gold, and said that in the last 20 years there was "no discernable trend in East Bloc sales". The Soviet Union was unlikely to boost gold sales to the West in 1991. He cited growing domestic Soviet demand for gold jewellery, the likelihood of difficulties in gold mine production, and preservation of official reserves as the main reasons.

Despite reports that central banks were

selling more gold than they were buying, Nichols said statistics showed the "official sector was a net buyer of gold during the 1980s, adding 27.7-million ounces to its holdings over the decade".

Nichols said the fundamentals for the gold market were solid with fabrication demand increasing while the trend was "flat to down" for gold supply in the 1990s, suggesting higher gold prices.

Frankel Max Pollak Vinderine analyst Rob Gillan said yesterday such sentiment was over-optimistic in the short-term. Australian and SA production was falling slower than expected, while US gold production was still on the increase.

He said the gold price was probably near the bottom of the trough, matching a peak in production, but a recovery in the price was at least 18 months away.

The World Gold Council's Far East investment division manager Itsuo Toshima said in the second report Japanese imports of gold had increased 10-fold between 1980 and 1990 to about 300 tons a year.

He said Japanese no longer bought gold for short-term speculation but the number of long-term buyers was growing.

Mase Westpac Hong Kong MD Robert Sitt said there was burgeoning demand in the Far East, including China, for gold bars, gold coins and "chuk kam" — heavy pieces of pure gold jewellery.

Guide to the six months ending



## Japan won't lift sanctions

TOKYO. — The time was not yet ripe to lift sanctions against South Africa, a Japanese Foreign Ministry spokesman said here yesterday.

Mr. Taizo Watanabe said President F. W. de Klerk had rapidly introduced reforms to abolish apartheid, but these had not yet gone far enough.

"We have yet to see the release of all political prisoners and the abolition of all laws which support apartheid as a legal system," he said.

Keidanren, Japan's largest business group, asked the Japanese government last week to relax sanctions. — Sapa

## BUSINESS

**T**HE recent decision by major US bank JP Morgan & Co to cut a technical trading link with South Africa may have little overall effect.

JP Morgan succumbed to pressure to cut ties with South Africa and announced it would stop processing American Depositary Receipts.

ADRs are slightly technical in operation. Simply, they are designed to allow investors to trade easily and quickly in South African shares, using an American bank as a subsidiary.

It is unclear what effect JP Morgan's move may have, but it would seem to have little effect on present investment.

Another US bank could take over where JP Morgan left off. There is no legal bar.

In a press statement JP Morgan noted:

"Unsponsored ADR programmes for pre-1986 shares of South African companies were specifically permitted by the sanctions legislation, and we believe they do not facilitate new investment in South Africa or in any way support apartheid."

Archie Shapiro of Frankel Max Polak says South African banks have had no directive to stop trading in ADRs. However, the position is still uncertain. "If they did decide to stop processing ADRs this would make trading very difficult. But I don't believe this will come about."

How do ADRs work?

What happens, says Shapiro, is that

**Sanctions pressure on ADRs**  
JP Morgan's decision to stop processing American Depositary Receipts for South Africa is unlikely to have much effect, reports **REG RUMNEY**

when, say, a New York buyer wants say 5 000 De Beers, he approaches the bank, which used to be JP Morgan.

JP Morgan instructs a South African bank which tells the South African broker to buy the shares. On delivery to the South African bank, that bank pays the broker immediately. The South African bank pays the US bank.

In the US, the New York buyer pays

the US bank, and in return gets a receipt from the bank. That receipt, the ADR, is tradeable as if it were a share. No actual shares have to be delivered, and they do not leave South Africa. The bank also handles the paying of dividends to the US investor.

Shapiro says the business was very lucrative for JP Morgan, with big fees being charged for handling the ADRs and paying the dividends.

A statement from the Amalgamated Clothing and Textile Workers' Union, which put pressure on the bank, claims currently outstanding ADRs exceed in value all US investments in South African subsidiaries and affiliates. The

South African ADR market in the US is valued at over \$1-billion.

"Over the last 10 months JP Morgan has increased its inventory of registered ADRs, adding 160-million ADRs in South African companies in filings (with) the US Securities and Exchange Commission."

"JP Morgan's ADR business causes the company to maintain nominee accounts in three of South Africa's largest banks and to trade South African currency. In addition, Morgan has correspondent banking relationships with six other South African banks."

"US investment through ADRs provides as much as 20 percent of the equity of some South African companies. JP Morgan issues ADRs for South African companies that represent some of the pillars of the apartheid system."



## 'Sanctions hinge on racial issues' <sup>Sanctions</sup> <sup>Sanctions</sup> 16/5/91

CANBERRA - Australian Foreign Minister Gareth Evans said yesterday that significant moves could be made towards reducing sanctions against South Africa if outstanding issues between blacks and whites were resolved soon. (280) (281)

Evans said preliminary plans had been made for him to visit South Africa

for a week from June 6.

"What it hinges on is that the course of negotiation be still broadly on track," he told reporters.

"Obviously there is some risk at the moment of that being blown off course, in particular by violence in the townships and the government's reaction to that," he added. - Sapa-Reuter.

township violence.

## Optimism as sanctions are lifted

*Sowetan* 16/5/91  
PROPERTY buyers are back following the news that the EEC is to lift most of its sanctions against South Africa, writes ALI MPHAKI.

"There has been a noticeable effect and buy now signals have come from all our branches," said Camdon's Group MD Scott McRae.

"We are now more optimistic. The wait-and-see attitude which we noticed in some parts of the country has to some extent lifted and our show days are generally experiencing better turnouts than we have had for a while.

"While the market is not yet as bouyant as some estate agents would have it, there seems to be a general realisation that in a normalised South Africa, property value must be one of the major beneficiaries," he said.

McRae said obviously there was still a long way

to go in future negotiations, but the scene seemed set for a return of foreign investment "provided we can put our political act together".

He contends that stepped up immigration and possibly an improved business climate must follow in due course.

"Lifting of sanctions is no overnight panacea but it does augur well for South Africa in the medium to long term - and that in turn is positive for South African property.

"Increased demand for property must follow these and other developments and there is growing realisations both locally and abroad that the political discount under which South African properties have laboured, once removed, could allow unprecedented increase in value," McRae added.



# LA group affirms selective boycott

WIE mail 1715-23/5/91

THERE has been a variety of differing reactions to the "Los Angeles Statement" on the cultural boycott, which was released on Monday by South African cultural workers in the wake of the LA symposium on the boycott supervised by the United Nations Special Committee Against Apartheid.

The statement affirms, as expected, that the selective boycott will remain in force, with certain conditions appended in relation to possible visits by overseas stars who have made clear their commitment to the anti-apartheid struggle.

The statement says that such overseas artists, if they visit South Africa, should assist in fund-raising for local cultural organisations and should lend a hand in the area of training.

There have long been rumbles in the musical community — and not only from the "vested interests" of promoters and record companies — that the isolation caused by the cultural boycott was having a detrimental effect on the development of South African music.

There is good news, then, in the statement's encouragement of "the free flow to South Africa of publications, music, film and other art-forms or material which can contribute to the building of a non-racial culture of democratic and humanistic values" — an idea whole-heartedly welcomed by Mark Bennett, director of the independent record company Shifty Records.

"Shifty's stance for the past two years has been that the cultural boycott should be lifted," said Bennett. "It has achieved its object. The fact that they encourage the free flow of music and so forth is extremely good news to us."

"And it would be amazing if artists from other parts of Africa were allowed to play here — it's high time that South Africa became part of the African touring circuit. If African stars played here, it would give our people something to mirror themselves against — and it might lift us out of the current musical doldrums."

These sentiments are echoed by Gallo interna-

According to the decision taken at the UN's Los Angeles conference last week, the selective cultural boycott will be with us for a while yet. **SHAUN DE WAAL** reports

tional marketing director Ivor Harburger. Noting that the music industry is currently at a low point, he said, "We do need more exposure. Getting one or two acts out here would create more of a vibe in the business. It would help to build local artists. If international artists can come out here, and hold workshops with local musicians, I think it would be very beneficial."

Des Lindberg, chairman of the South African Association of Theatre Managements, welcomed what he termed "a move away from an indiscriminate boycott to targeted sanctions. This would seem," he said, "to be a representative step towards the lifting of sanctions."

"Since the Seventies the theatre has adopted the line that anything making a contribution to change should be seen and acknowledged. Even before the Seventies we were in favour of a non-blanket ban and a more selective one."

"We have always said that, unless they are targeted, there is no point in boycotts."

But Lindberg also expressed reservations about arbitration of the selective boycott. "I do retain a few fears. These go back to censorship. Who will be the arbiters of what is seen to be democratic and progressive and what is not? We want to avoid the concept of an arbitrary power that ends up in the hands of committees. It is all very well to have standards, but who is to set them?"

Peter Terry, assistant artistic director of Pact, said: "I believe and always have believed that the theatre has power to change the hearts and minds of people. People who joined the anti-

apartheid movement overseas have negated that power. Instead of denying us, they should have been bombarding us with enlightening material so that we, too, could have been enlightened. I believe that the cultural boycott has been self-defeating."

"The LA statement does not take us much further. While I welcome the shift to a selective boycott, I cannot resist the conviction that the directive goes beyond the arts to the primarily political. And that, I think, is a pity."

Barney Simon, co-founder of The Market Theatre Company, said: "I basically see theatre as something that moves people into empathy and understanding of lives they do not know about, or have not given careful consideration to. We of the Market have always opposed apartheid and have always supported and aligned ourselves with those forces that oppose it."

"I have always seen apartheid as simple insanity. When I first started in theatre I played in private venues and back yards so that people of all races could see the works for nothing. When the Market Theatre opened its doors in 1976, it did so to all races, although it was not legal to do so at the time."

Simon said that, in those instances where the Market Theatre may have been seen to have defied the boycott, it has always acted in accordance with the terms of what was now being seen as a selective boycott, taking cognisance of those considerations that had helped to advance the "struggle".

He cited the example of *Woza Albert*. After he had produced this for the first time in 1981, the play was filmed for *News Night* overseas and, on the basis of that film, the company was invited to tour the play in other countries.

The LA Statement recognises that "certain steps have been taken towards the eradication of apartheid", but notes that the South African state

●To PAGE 24

## Boycott stays

WIE mail 1715-23/5/91

●From PAGE 23

has still not fully met the demands of the UN Declaration on Apartheid.

Expressing concern at the "unprecedented escalation of violence" in South Africa today, the statement notes: "We believe that in this crucial period of the struggle pressure should be fully maintained until a non-racial and democratic constitution is established".

Academic links with South Africa "should have as a primary goal the need to redress the disastrous imbalances in education created by apartheid". The statement encourages the free flow of material contributory to the formation of a democratic South Africa.

Further, says the statement, "writers and artists from abroad should be encouraged to assist in fund-raising in favour of non-racial organisations in South Africa or help in the training of South African artists and in supporting relevant community programmes."

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TRAVEL ~~280~~ (280)  
**CAIRO OR BUST**

**This week** the Egyptian government followed the Moroccan and Kenyan governments' decisions last month to begin granting SA passport holders visitors' visas. Egypt had withdrawn this facility in the late Sixties.

The motivation was clearly the political reform that has taken place here over the past 14 months. But probably an important consideration is the Gulf war that has so hit tourism in north and east Africa that these countries want to give their tourism industries a shot of SA vigour.

Visas can now be purchased on arrival at the airport, though in Egypt's case confirmation that they will be ready is best sought through a travel agent.

An Egyptian travel agent, Karim El Minabawy was in Johannesburg when confirmation of his government's changed attitude towards South Africans was received. He and Travkor's Ana Fasulakis immediately placed on offer travel packages to Egypt. Minabawy's company, Emeco, specialises in incentive travel groups, able to offer both a convention centre seating 4 000 and excursions that take in the magnificent scenery and antiquities of upper Egypt.

It is possible now to stop over in Niarobi or Cairo at no extra cost when flying to Europe. As the Kenyan shilling and Egyptian pound have been subjected to inflationary pressures similar to those on the rand, domestic prices in both countries are modest in rand terms. ■



TOKYO — Japan's government-owned Electric Power Development Company would increase the amount of coal it bought from SA this year by more than 50%, a company spokesman said yesterday.

There had been a limit on the amount of coal the company bought from SA for the past few years, because of a sanctions policy, he said. The increase in coal purchases was said to represent a "loosening" of those sanctions, AP-DJ reports.

In the 1990 financial year which ended in March, the company bought a total of 6.9-million tons of coal, of which about 260 000 tons came from SA. In the current financial year the company plans to buy about 6.8-million tons of coal, with about 400 000

## Japanese coal order eases SA sanctions

tons coming from SA. (280)

ANDREW GILL reports that coal industry members and analysts reacted soberly to the news. (100) Day 22/5/91

Witbank Colliery chairman Allen Sealey said he did not believe there were other Japanese coal consumers likely to increase their SA coal purchases to that extent. (100)

The move was, however, good as it appeared Japan's commitment to freezing the amount spent on SA coal and cutting import volumes by 1% a year was being relaxed.

### Danes' sanctions vote

A PROPOSAL to lift all sanctions against SA. comes before the foreign affairs committee of the Danish parliament today. — but the motion is unlikely to be carried. *by day 22/5/71*

Two right-wing opposition parties in Denmark, the Progress Party and the Centre Democrats, are calling for all sanctions to be lifted immediately. *(280)*



**W**HEN the United States lifts sanctions, South Africans are likely to be swamped by local media hype. Just wait for the top-of-the-news television broadcasts of an orange-tailed SAA jumbo touching down at New York's Kennedy Airport — perhaps the most symbolic indication of the end to official US disapproval. But, after the symbolism, then what?

SAA flights between Jan Smuts and Kennedy are not around the corner. Sanctions are unlikely to be removed at the stroke of a pen immediately. Pretoria has complied with all five of the conditions laid down by the Comprehensive Anti-Apartheid Act (CAAA) — their removal will more than likely become bogged down in Washington's Byzantine politics.

And when banking company J.P. Morgan recently responded to domestic pressures by ceasing to deal in South African ADRs, it highlighted the *real-politik* of the sanctions issue. US sanctions legislation at the state and local level is remarkably unresponsive to any changes made by Pretoria.

**O**fficially, the Bush administration and the US state department are taking strictly legalistic and mechanistic views of the sanctions issue. In theory President George Bush could call on Congress to lift sanctions now — after all, Pretoria has essentially complied with four of the five conditions demanded by the CAAA. All that remains is tidying up the repeal of the Group Areas and Population Registration Acts. But he is unlikely to do that ahead of mid-term elections.

The Republican administration is hoping to win black votes from the Democrats and Bush's strategists are unlikely to do anything that might upset the congressional black caucus. Bush would dearly love to win back undisputed authority over foreign affairs from the House of

# Life after American sanctions will be no bed of roses

By day 22/5/91

Editor JIM JONES reports on a visit to Washington

Representatives, but he is unlikely to use the SA issue to precipitate that fight. Nor is he likely to take any decisions before the ANC has held its July meeting.

Sanctions against SA remain very much a domestic issue in the US and unravelling them will not be simple.

The black caucus remains the most unyielding on Capitol Hill and apartheid has gone until the ANC says so. If Nelson Mandela called for an end to sanctions, support for lifting would be immediate.

But despite reasoned approaches from SA's diplomats and lobby groups such as the SA Foundation, the black caucus is unlikely to do anything but vote as a bloc. And that is even though several influential US newspapers are editorialising that now is the time to stop treating SA as a pariah.

Black congressmen have, in any case, already made it clear that they believe some of the changes are less than adequate. They argue, for example, that the changes to the Population Registration Act, of which some clauses are being retained until there is a new constitution, do not

clearly match the requirements of the CAAA. So there is little point in assuming that sanctions will be lifted soon.

And, according to most (though not all) views in Washington, it is unlikely that sanctions will be lifted piecemeal — rewarding Pretoria for each step it takes.

Apart from the CAAA, which governs trade sanctions, there are also the Rangel and Gramm amendments to be dealt with. Gramm prohibits US representatives from approving IMF loans to any country which has apartheid as an official policy. Rangel abrogated double tax agreements, which meant American firms operating here could not offset their local tax payments against their liabilities in the US.

**L**et's start with Gramm and take what IMF officials believe is a realistic view.

SA is no longer classified as being an apartheid nation, but that does not mean we will immediately receive a flood of IMF funds. State department officials suggest SA should apply for

IMF loans, for if they were granted it would be a signal to international commercial banks to resume new lending.

But our balance of payments is sound, we do not need short-term IMF funding for temporary deficits. In other words, Pretoria might be pushed into spending on social projects which put our balance of payments into the red. Alternatively, if we are to qualify for IMF funding, it will have to be for social spending projects — not more housing, but projects which provide something of a safety net for the unemployed.

Then there are the trade sanctions themselves. Popular Press and television reports regularly tell us that the lifting of sanctions will lead to a flood of new SA exports to the US. Nothing, it seems, is likely to be further from the truth.

For a start, products such as steel are limited by quotas as, too, are agricultural products. Our sugar quota, for example, was given to the Philippines when sanctions were imposed. Coal exports, restricted by capacity constraints at Richards Bay, are unlikely to benefit to any appreciable extent by a reopening of US

markets, while Krugerrands and other gold coins are a drag on the investment market at present.

Complacency would be misplaced — our exports have been redirected these past few years and those markets need to be coddled.

Removing the Rangel amendment will, arguably, be more important than lifting the CAAA sanctions. Rangel is likely to go at the same time as CAAA and for the same reasons. Still, removing Rangel would at a stroke make investment in SA more attractive to American firms, though it would need to be accompanied by an innovative bag of incentives from our government if SA's relative investment attractions are to be obvious.

Most initial interest is likely to be shown by consumer orientated companies attracted by our market. In Washington it is suggested that Kodak and Coca-Cola will be among the first to return. But attracting new investments in manufacturing plants will be another matter.

Worldwide, cross-border investment in new manufacturing facilities responds largely to the investment incentives offered by governments. American firms which have stayed through thick and thin could, of course, be well placed particularly if the components they make here are cheap and competitive abroad.

**B**ut to attract new manufacturers will call for the lure of all manner of tax and financing breaks. They, though, will be worse than useless unless they are combined with an end to violence and a believable end to any threats of nationalisation, expropriation or excessive state interference in business.

We are unlikely to have the chance of more than one bite of the investment cherry. If our internal situation and political outlook scare off potential investors and employers just as sanctions are about to be lifted, we can kiss any future investment prospects goodbye. It's as simple as that.

## Danish 'end sanctions' call

Own Correspondent

LONDON. — A proposal to lift all sanctions against South Africa comes before the foreign affairs committee of the Danish parliament today — but the motion is unlikely to be carried.

Two right-wing opposition parties, the Progress Party and the Centre Democrats, are calling for all sanctions to be lifted immediately.

Denmark's sanctions include a ban on new investment, private and government loans, air links and on the import of Krugerrands, coal, iron and steel, uranium, agricultural produce and products from parastatals.



# Americans want to invest in SA

By David Braun  
Star Bureau

Star  
23(5)91 -

WASHINGTON — American businesses are showing considerable interest in re-investing in South Africa, a country still regarded as one of the best places in the world to make profits, a US investigation has found.

However, US businesses are at this stage only interested. Actual investment and participation in the South African economy will depend on the repeal of US federal, state and local sanctions and, more importantly, the ability of South Africa to demonstrate that it will

offer a stable political and economic environment.

These were the conclusions of a preliminary probe into the US business response to the lifting of sanctions by the Washington-based Investor Responsibility Research Centre (IRRC).

The director of the IRRC's South African review service, Meg Voorhees, yesterday told a meeting of the Carnegie Endowment for International Peace there was considerable interest to either return to South Africa or to begin investment.

US companies are currently prohibited by the Comprehensive Anti-Apartheid Act from making new invest-

ments in South Africa.

Close on 100 US state and local authorities have enacted their own anti-apartheid laws which prohibit the awarding of business contracts to firms with economic links with South Africa.

This has resulted in many American companies disinvesting from South Africa.

Ms Voorhees said it was obvious these measures would have to be repealed before Americans could start doing business with South Africa again.

However, assuming sanctions would go, her investigations had revealed that US businessmen would at first move quickly to restore non-

equity links with South Africa, such as distribution agreements and supply and servicing arrangements.

Tourism and consumer goods markets would also be sought after.

Ms Voorhees said the violence had raised fears that South Africa would become ungovernable. Also, the ANC had yet to spell out clearly what sort of economy it wanted to see, and US businessmen were waiting for clarification on this issue.

South Africa was regarded as one of the better countries to invest in when compared to the rest of Africa and Eastern Europe.

# Thatcher optimistic as she returns to the UK

DURBAN — Former British Prime Minister Margaret Thatcher, at the end of her SA visit, called on world leaders to respond vigorously and positively to changes and to welcome SA back into the international community.

Speaking as a guest of the local branch of the SA Institute of International Affairs yesterday, Thatcher strongly promoted SA reform to the international community.

She also called for massive overseas investment in the SA economy, the renewal of sporting ties, and the encouragement of progress in reform.

"This year, for the first time since Smuts, and with the abolition of the apartheid laws, SA is truly rejoining the international community. South Africans now have good reason to be optimistic about the future," Thatcher said.

She issued three challenges to the international community:

□ Unstable countries run by dictators and extremists must be deprived of advanced

B10am 23/5/91

Own Correspondent

military hardware and weaponry;

□ True international free trade must be established by the abolition of protectionist policies which prevent the flow of commodities and raw materials from less developed countries to the West; and

□ Large amounts of capital must be set aside to combat abuse of the environment on an international scale.

Sapa reports that at a news conference before flying to the UK, Thatcher said violence could not be reduced by the government alone. Leaders of political parties had to fully support an end to violence.

Asked about SA's possible readmission to the Commonwealth, Thatcher said this issue was far too premature.

Asked why she had not met ANC deputy president Nelson Mandela on her visit, Thatcher said they had met in London two weeks ago and had had a long telephone conversation a few days ago.

## Unrest claims six lives in 24 hours

SIX people were killed in incidents of unrest in SA in the 24 hours ending at midnight on Tuesday, bringing the countrywide death toll since May 1 to 223.

The bullet-riddled bodies of four men were found in two houses in Klipspruit, Soweto, police said on Tuesday.

Soweto police spokesman Col Tienie Halgryn said the bodies of three Mozambican men were found at one address, and that of a fourth man, a tailor, was found at another house.

The motive for the killings was believed to be revenge, he said.

The stabbed and hacked body of a man was found at Mqolomeni, outside Port Shepstone. At Malugazi near Durban, the body of a man with bullet wounds was found. Two men were arrested in connection with the killing.

Also in Natal, a man was seriously injured when a group of unknown gunmen attacked a private house in Wembezi, near Estcourt. And at Izuba, in Umkomaas, a man was attacked

in his car by seven men. He fired at his attackers, injuring one man slightly.

Unknown men, carrying firearms and a hand-grenade, attacked a private house at Ndoleni in Richmond. No injuries were reported.

Our Durban Correspondent reports that a police vehicle was totally destroyed after it was ambushed by armed attackers while on patrol in Inanda at midday on Tuesday.

Five policemen were travelling in the vehicle when it was caught in a hail of gunfire, said police spokesman Capt Hamilton Ngidi.

After the police jumped out of the vehicle to find shelter, it was set on fire and gutted. The attackers fled when police returned fire. — Sapa.



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2 Cape Times, Thursday, May 23 1991

# Sanctions-lifting belief dispelled

Own Correspondent 23/5/91

LONDON. — The belief that the European Community, under the powerful influence of the British government, would lift economic sanctions against South Africa before the US does, appears to have been dispelled.

A senior member of the Danish Radical Liberal Party said from Copenhagen yesterday that members of the left-wing parliamentary coalition which blocked the EC decision last month to lift sanctions, did not want Europe to act ahead of the US on this issue.

Yet, should the repeal of the Group Areas, Land and Population Registration Acts finally bury apartheid, moves are likely to follow swiftly to lift the bulk of western sanctions.

Meanwhile, the Danish parliament's foreign affairs committee yesterday decided to postpone until tomorrow discussion of a proposal that all sanctions against South Africa be lifted immediately.

● The six Nordic states, of which Denmark is a member, will review their sanctions when they meet in September — by which time the main apartheid laws should have been scrapped.

## Black businessman gets US contract

A LEADING New York publishing company, Lushena, has given a South African black businessman in the import/export trade, the sole distribution rights of their wide range of black history books previously unavailable in the country.

Former journalist and founder member of *Jive* magazine, Mr Sipho Jacobs, has already established outlets for the distribution of the books in other parts of Africa, such as Zimbabwe, Malawi and Zambia, where he hopes to extend the network to the rest of Africa, including South Africa. *Soweto 24/5/91*

The books are written and researched by well-known authors and the titles include 100 amazing facts about the African struggle for liberation, religion and history.

The move might be seen in many circles to be 'sanction busting tactic' at the time when the liberation movements such as the ANC, PAC and Azapo, have vociferously echoed their stance on disinvestment in the country.



# ANC plans delay US investment

Sowetan  
24/5/91



WASHINGTON - American businesses are showing considerable interest in reinvesting in South Africa, a country still regarded as one of the best places in the world to make profits, a US investigation has found.

However, US businesses are at this stage only interested. Actual investment and participation in the South African economy will depend on the repeal of US federal, state and local sanctions and, more importantly, the ability of South Africa to demonstrate that it will offer a stable political and economic environment.

These were the conclusions of a preliminary investigation into the US business response to the lifting of sanctions against South Africa conducted by the Washington-based Investor Responsibility Research Centre (IRRC).

## Research

The director of the IRRC's South African review Service, Ms Meg Voorhees, this week told a breakfast meeting of the Carnegie Endowment for International Peace the research was proceeding.

However, at this stage, she said, it was clear that there was considerable interest on the part of American companies to either return to South Africa or to begin with new investments.

US companies are currently prohibited by the Comprehensive Anti-Apartheid Act (CAAA) from making new investments in South Africa.

Close on 100 US state and local authorities have enacted their own anti-apartheid laws which prohibit the awarding of business contracts to firms with economic links with South Africa.

## Disinvestment

This has resulted in scores of American companies breaking their South African ties by disinvesting from the South African economy.

Voorhees said it was obvious all these measures would first have to be repealed before American companies could start doing business with South Africa again.

However, assuming that these sanctions would eventually go, her investigations had revealed that US

By SOWETAN CORRESPONDENT

businessmen would at first move quickly to restore non-equity links with South Africa, such as distribution agreements and supply and servicing arrangements.

She predicted American businessmen would be a lot more cautious about resuming direct investment until it became clear how stable South Africa was going to be.

## Businessmen wait

American businessmen had great experience in dealing with all sorts of political and economic regimes all over the world. What they wanted to be sure of was the rules of the game and that those rules would not be quickly altered once they had started investing, she said.

Voorhees said the current violence in South Africa had raised the spectre that nobody would be in control of South Africa.

Also, the African National Congress had yet to spell out clearly what sort of economy it wanted to see in South Africa.

American businessmen were waiting for clarification on these two aspects before they would commit themselves to the South Africa economy.

Voorhees said South Africa was regarded as one of the better countries to invest in, certainly when compared with the rest of Africa and with Eastern Europe.

## Prediction

South Africa already had a mixed market economy. It was also pretty clear who owned title to land and property (unlike in East Germany, for example).

US companies also appeared to be satisfied with the South African work ethic while they were not discouraged by the relatively low skills level of the general population.

She predicted a number of sectors would be sought after to invest in if sanctions were repealed and the business and political climate was judged to be right.

These included tourism, consumer goods (which were expected to boom once redistribution of wealth programmes started to take effect) and computers.

Ultimately, Voorhees said, it was up to the South Africans themselves to make sure their country was an attractive place for foreign investment.

for the sake of

## Divisions in UN ranks over US threat to 'punish' Iraq

NEW YORK — UN diplomats have given a mixed reaction to statements by President George Bush that the US would oppose easing sanctions against Iraq until President Saddam Hussein was ousted.

"Saddam Hussein himself is the single greatest obstacle to any hope for the future of the people of Iraq," Secretary of State James Baker told Congress on Wednesday.

He repeated statements made by Bush on Monday that the US intend-

ed to continue economic sanctions against a Saddam-led Iraq.

Some nations say the US is correct, but others say it is a violation of the UN resolutions which mandate gradual lifting of sanctions as Iraq complies with conditions, like destruction of weapons and payment of compensation.

Council member Cuba and some Third World nations say the US is trying to impose its will on the international community and interfere in

Iraq's internal affairs.

US officials could not clarify whether Washington would use its veto. Britain alone among the five permanent Security Council members with veto power has unequivocally supported Bush. France favours a softer approach, with one diplomat saying: "Don't overload the boat or else it will sink."

China and the Soviet Union are likely to view the US position as interference. — Sapa-AP.

## OAU likely to focus on economics

LAGOS — Regional political issues are likely to take second place to pressing economic problems at top-level meetings of the OAU opening in Nigeria on Monday, Nigerian experts said.

They said major topics would be increased economic co-operation and self-reliance in Africa, which is saddled with an estimated total foreign debt of \$260bn.

This represents a significant shift away from politics, which traditionally has held sway at OAU meetings since the early '60s.

"In view of the changes taking place in the world... we hope this OAU meeting will be a major event in terms of shifting the focus from political to economic issues," said director-general of the Manufacturers Association of Nigeria, Oladapo

Fafowora. "During the past two years there has clearly been a demand for political change in Africa but the underlying factors are the desire for economic change," said Fafowora, a former Nigerian ambassador to the UN.

"People on the continent are now much worse off, there has been a sharp decline in living standards."

### Significant

But the agendas for the June 3-5 OAU summit, and a meeting of the OAU's council of ministers starting in the central city of Abuja on Monday are also likely to include SA and upheavals in countries such as Ethiopia and Liberia.

Fafowora said the summit should give particular attention to the single

European market after 1992 and its likely consequences for Africa.

OAU secretary-general Salim Ahmed Salim said earlier this month that African nations, which hope to create a common market, would take a significant step towards economic unity at the Abuja meeting.

Fafowora said the lifting of economic and trade sanctions on SA was likely to be discussed.

"Maybe three or four African nations will push for the removal of sanctions at the OAU summit but the vast majority will resist such a move," he said.

"I don't see any major African country pressing for the removal of sanctions. The mood (on SA) is one of cautious optimism," he added. — Sapa-Reuter.

## Maseru quiet after riots

MASERU — Lesotho's capital city was quiet yesterday after the ruling military council's imposition of a dusk-to-dawn curfew throughout the country on Wednesday.

This followed violence in Maseru after a woman was reportedly beaten to death on Monday in a Pepco shop for allegedly stealing a T-shirt valued at less than R4.

Military Council chairman Col Phisoane Ramaema said on radio the people who murdered the woman would soon appear in court. **Blow 24/5/91**

Pepco issued a statement saying it was against company policy for anybody to beat up a thief. Culprits should be taken to the police. If it was true that employees killed the woman, the company would try to compensate her family.

An unconfirmed report said a Chinese person was killed by a rampaging mob, while a Lesotho citizen was fatally shot by police at Lekhaloaneng.

AP-DJ reports that the IMF yesterday approved a \$24.1m loan to Lesotho to support the country's three-year economic reform programme. — Sapa.



SANCTIONS FM 24/5/91

## SEEING THE LIGHT (280)

A powerful bloc within Cosatu rejects the ANC's commitment to sanctions.

The issue is being debated in union circles and could form a major discussion point at Cosatu's national conference in late July.

The thinking is that the ANC should have taken the initiative in December at its National Consultative Conference by adopting Thabo Mbeki's pragmatic programme for the phased removal of sanctions. These unionists — some of them key figures — believe that sanctions are being eroded anyhow, that they are no longer an effective tactic and that the priority should now be job-creation.

Their thinking is interesting because previously the only union opposed to sanctions was Inkatha's Uwusa grouping.

Will the lifting of sanctions create more jobs? "Probably not in the short term," one

Continue →

CURRENT AFFAIRS FM 24/5/91  
(280)

unionist concedes, "but workers and bosses need to believe that opportunities for redeveloping the economy and creating employment are there."

Other union organisers report increasing dissatisfaction among workers about sanctions as recession bites deeper. "Workers want money to come in, jobs are being lost at a terrifying rate," one senior unionist says.

Employers have long claimed that sanctions hampered job-creation and economic growth and are often cited as a reason for low wage increases. This defence will no longer be available for employers — ironically, the lifting of sanctions will expose business to greater union pressure over wages. Though the lifting of sanctions will undoubtedly boost business confidence and perhaps improve SA's image abroad among potential investors, it will not result in a sudden flood of jobs. And there are structural defects in the economy which have nothing to do with sanctions and will remain after they are lifted.

Sanlam chief economist Johan Louw says job-creation is the country's greatest challenge. The economy's ability to accommodate new entrants to the labour market has decreased disturbingly, he says. Until about 20 years ago, about 75% of new entrants could find work in the formal sector. This decreased to 63% between 1970 and 1975 and to only 35% in 1975-1980. In 1985-1989 the "extremely low level" of 12,5% was reached. Now only one in 10 entrants to the labour market can be employed in the formal sector.

Not all unions are in favour of lifting sanctions. The National Union of Mineworkers recently adopted a strong resolution supporting their maintenance. It will be interesting to see what policy shifts are produced at other union congresses.

Charlene Smith

# Namibia <sup>(2218)</sup>

## still hit by <sup>(280)</sup>

## sanctions

By David Braun  
Star Bureau

8 Jan  
24/5/91.

WASHINGTON — The Africa Sub-Committee of the US House of Representatives is considering introducing legislation which would force scores of American state and local governments to rescind their economic sanctions against Namibia.

A spokesman for the sub-committee said about half the American cities and state authorities which had legislated sanctions against Namibia in the days when the territory was administered by South Africa have so far taken the trouble to repeal these laws.

Research recently commissioned by the Namibian government found that the persistence of state and local sanctions against the country was the single biggest impediment to generating trade and business ties with the US.

US federal sanctions against Namibia were rescinded by executive order of President Bush on the day the country won its independence from South Africa more than a year ago.

The US State Department has since appointed a full-time official to try to persuade American state and city governments to roll back their sanctions against Namibia, but the process has been extremely slow.

The Washington-based Investor Responsibility Research Centre (IRRC) said only about half of the state and city governments which had imposed sanctions on Namibia, usually in legislation aimed mainly at South Africa, have so far rescinded their actions.

The IRRC believes the reticence on the part of local authorities to repeal their sanctions arises in part from ignorance or, in at least one case which it did not want to identify, outright disbelief that Namibia was truly free of South Africa.

The situation has been aggravated by the lack of interest in Namibia by the US media, so that very little is known about the country.



2 Cape Times, Saturday, May 25 1991

## Danish left rejects bid to lift sanctions

Own Correspondent

CT 25/5/91

LONDON. — A proposal to lift all Danish sanctions against South Africa was defeated by a coalition of left-wing parties in the parliamentary foreign affairs committee yesterday.

This effectively destroys any prospect of the early implementation of last month's European Community decision to lift the ban on the import of South Africa iron, steel and Krugerrands.

The centre-right Danish government — which last month hosted President F W de Klerk's visit — supported the European Council's decision.

However, a left-wing majority in Denmark's special parliamentary EC committee later used its constitutional veto right to overrule the decision, thereby denying the European Council the required unanimity.

Yesterday the three major socialist parties — the Social Democrats, the Socialist People's Party and the Radical People's Party — defeated the motion.

# Dashed Hopes for SA Boycott as US in packs cultural boycott S/Times

THE SUNDAY MORNING  
ASSESSMENT  
By Barry Ronge

DISILLUSIONED Hazel Feldman, entertainment boss of Sun City, sums it up: "The cultural boycott is here to stay."

She returned from Los Angeles this week after attending a symposium sponsored by the United Nations Special Committee Against Apartheid which, she believes, has set us back even further than before.

The disappointment was heightened by the apparent crumbling of the sports boycott.

The conference, held in Las Vegas, has been described as a victory for hardliners in the ANC and PAC and a devastating blow to the entertainment unions and the cultural community as a whole.

"There was a PAC spokesman who was eloquent and impassioned and he uttered the phrase which stuck in everyone's memory and undoubtedly affected the outcome of the final deliberation," says Mrs. Feldman.

## Slaves

"He told the symposium that to lift the boycott would be to reward the slave-owners without freeing the slaves, which is a political image to which the Americans automatically respond. So the outcome was no surprise."

The symposium met to



Las Vegas, has been described as a victory for hardliners in the ANC and PAC and a devastating blow to the entertainment unions and the cultural community as a whole.

"There was a PAC spokesman who was eloquent and impassioned and he uttered the phrase which stuck in everyone's memory and undoubtedly affected the outcome of the final deliberation," says Mrs Feldman.

## Slaves

"He told the symposium that to lift the boycott would be to reward the slave-owners without freeing the slaves, which is a political image to which the Americans automatically respond. So the outcome was no surprise."

The symposium met to review policy on cultural and academic links with South Africa. It issued a document, the Los Angeles Statement, recommending that the boycott should stay until a non-racial and democratic constitution for South Africa had been achieved.

The boycott must also be used "to counter the misconception that apartheid is already eliminated", says the document, which makes the political intent clear. But its value for the entertainment and cultural community is questionable.

Says Mrs Feldman, "The document does seem to contain certain accommodating clauses but, for the headline stars and their agents, the message is clear-cut — they are the ones who will refuse to take the pressure of performing here."

## Violence

"Shows like the Indian dancers and singers and the Russian shows we have been seeing will get in without problems, but it seems that it will be a long time before the superstars are back at Sun City or anywhere else."

Other losers are the South African entertainment unions which had been showing a certain flexibility before the conference. They were not heeded.

The document condemns the South African authorities for "not addressing the legacy of institutionalised racism and apartheid, despite their declared intention to repeal apartheid legislation".

It also expresses concern about the unprecedented escalation of violence, which "the authorities until now have been unwilling to put an end to decisively

# SA cultural boycott to stay

From Page 280

and impartially".

For these reasons, the boycott and the UN blacklist must remain in force. "What really rankled," says Mrs Feldman, "was the way in which the American entertainment community has commandeered the boycott issue to the exclusion of the South Africans concerned."

"At the symposium they handed out four awards to individuals who had done the most to contribute to the fight against apartheid. They all went to Americans. Not one South African was honoured or even

mentioned.

"It is also interesting to see who was not at the symposium. People like Harry Belafonte and Steven van Zandt, who were instrumental in setting up the boycott, were not there."

"Yet on July 14 there is a black tie dinner to present the Nelson Mandela courage award to Stevie Wonder for his work against racism and those guys are all on the guest list. But not a single South African will be there."

"The Los Angeles Statement is going to cause even more confusion and the few concessions that it

does make are going to lead to problems and — I might as well say it directly — to corruption and hypocrisy."

Defenders of the boycott were quick to remind the symposium that South Africans were taught that they could not enjoy the fruits of apartheid without cost and the boycott helped to normalise many areas of race discrimination.

But there is a substantial body of people who believe that the boycott was a strategy which achieved those ends and that it should now be replaced by a different strategy.

Hardliners in the ANC and PAC insist that the boycott is an effective weapon which must continue to be used punitively until the liberation struggle is over. They clearly won the day in Los Angeles.

As Mrs Feldman points out, there are some clauses in the document that seem to create loopholes in the boycott, but they do not give much cause for optimism.

One says, for example, that those artists and entertainers who have made an immense contribution to the struggle against apartheid should be fittingly acknowledged. This seems neutral, but could set dangerous precedents.

The recent tours and concerts by exiles are a typical example. Miriam Makeba, Hugh Masekela and Welcome Msomi are not returning to live in South Africa, but they are

allowed to perform here while other nonpolitical artists are not.

Does this clause mean that Harry Belafonte could stage a concert tour here, but that Frank Sinatra or Liza Minnelli may not? That seems to be the implication.

It is, Mrs Feldman points out, an absurd situation. "It is like someone who says she is a little bit pregnant. We either have a boycott that affects everyone or we do not have a boycott at all."

The same is true of films. While applauding people like Woody Allen and Spike Lee for observing the boycott, an organisation like the Film and Allied Workers' Organisation is actively involved in promoting the commercial release of British and US films.

The Chris Menges movie *A World Apart* will shortly get its first commercial release in this country and FAWO is actually handling the publicity for the film.

This raises the question of why Spike Lee's powerful and eloquently anti-racist films should be kept out, while Chris Menges's film is allowed in — although the fact that it is a thinly veiled biography of Joe Slovo obviously counts.

If these are subjective decisions, what makes them different from the kind of censorship that Connie Mulder used so effectively in the "old South Africa"?



Financiers assured on sanctions

# Mandela talk helps to ease business fears

Day 28/5/91

TIM COHEN

ANC deputy president Nelson Mandela yesterday impressed a meeting of 80 stockbrokers and investment managers with his commitment to economic growth and the negotiating process.

Mandela acknowledged that sanctions were hurting the economy and committed the ANC to reversing its pro-sanctions stand "as soon as possible".

At this stage the organisation could not do so for political reasons. But he was at pains to stress that it was not in the ANC's interests to damage the economy.

The private meeting — at the AA Mutual building next to the JSE — was attended by representatives from Old Mutual, Syfrets and leading stockbroking institutions.

Earlier, Mandela paid his first visit to the JSE.

Businessmen who attended the meeting said Mandela had made a much better impression than he had at the Consultative Business Movement (CBM) meeting earlier this month, which left many in the audience disappointed at his lack of clarity on the ANC's position on violence.

One businessman who attended both meetings said Mandela yesterday appeared to make a special effort to reassure investors.

A senior economics consultant said Mandela came across as "evidently sincere" about the ANC's commitment to achieve stability through negotiations.

A stockbroker said that despite the ANC's suspension of negotiations with government, Mandela appeared to be firmly committed to the process.

"He was successful in reassuring us about the bona fides of the ANC," a businessman said.

Sidney Frankel, of Frankel, Max Pollak Vinderine Inc, who arranged the meeting, said Mandela outlined the background to the violence and repeated what steps the ANC would take to reduce the conflict.

Mandela believed it was important to have stability for economic growth, Frankel said.

Mandela reiterated his belief that government had the capacity to halt the violence, but said there was no need for a state of emergency, Frankel said.

One businessman said although he was "heartened" by the meeting, businessmen remained concerned that while the ANC called on government to control the violence, it wanted to dictate what measures government should and should not take.

Mandela had acknowledged that ANC supporters were involved in violence but stressed that they initiated incidents of violence in only a small number of cases.

On the other hand, ANC casualties in the violence were disproportionately large.

ANC spokesmen yesterday declined to comment on the meeting.



German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler and the ANC's Ahmed Kathrada in Pretoria yesterday after Kathrada met visiting German MPs who are on a fact-finding mission. At a news conference later, Köhler said economic relations with Germany and the EC were likely to be restored at the end of the year.

Picture ROBERT BOTHA

## German MPs are optimistic

GERALD REILLY

PRETORIA — Normal economic relations with Germany and the EC were likely to be restored at the end of the year if all apartheid laws were scrapped, German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler said in Pretoria yesterday.

Köhler, who is heading a fact-finding mission of German MPs, said the "gigantic" problems in education, housing and social services could only be tackled if SA's economy was strengthened.

Köhler said Germany would do all it reasonably could to stimulate development in southern Africa, including SA, when the last apartheid laws had been scrapped.

He stressed the importance of establishing strong regional economic co-operation in the subcontinent. However, it had to be based on equality of opportunity and on partnership between the regions involved.

There were businessmen interested in investing in SA, but no hard decisions could be taken until violence subsided significantly.

German development aid to SA was unlikely to increase significantly. Germany contributed about a third of the R200m which came annually from the EC.

This was mainly allocated to non-governmental organisations to stimulate black business and small business development.



CT 28/5/91

280

# ANC Shit

## Mandela promises sanctions will go ASAP

Own Correspondent

**JOHANNESBURG. — Mr Nelson Mandela yesterday impressed a meeting of 80 stockbrokers and investment managers with his commitment to economic growth and the negotiating process.**

The ANC deputy president acknowledged that sanctions were hurting the economy and committed the ANC to reversing its pro-sanctions stand "as soon as possible".

At this stage the organisation could not do so for political reasons. But he was at pains to stress that it was not in the ANC's interests to damage the economy.

The private meeting — at the AA Mutual

building next to the JSE — was attended by representatives from Old Mutual, Syfrets and leading stockbroking institutions.

Earlier Mr Mandela paid his first visit to the JSE, escorted by JSE president Mr Tony Norton.

Businessmen who attended the meeting said Mr Mandela had made a much better impression than at the Consultative Business Movement (CBM) meeting earlier this month, which left many in the audience disappointed at his lack of clarity on the ANC's deadlines on violence and the government's peace summit.

One businessman who attended both meetings said Mr Mandela was possibly disappointed by the cool reception he had received at the CBM meeting and had therefore made a special effort to reassure investors.

A senior economics consultant said Mr Mandela came across as "evidently sincere" about

the ANC's commitment to achieve stability through negotiations.

A stockbroker said that despite the ANC's suspension of negotiations with the government, Mr Mandela appeared to be firmly committed to the process.

"He appeared to be very determined to reassure the business community about the bonafides of the ANC, on violence and on the economy," a businessman said.

Mr Mandela succeeded in doing so and was very careful not to adopt an accusatory tone, particularly with regard to Inkatha, he said.

Mr Sidney Frankel, of Frankel, Max Pollak Vinderine Inc, who arranged the meeting, said Mr Mandela outlined the background to the violence and repeated what steps the ANC would take to reduce the conflict. He believed it was important to have stability in society for economic growth, Mr Frankel said.

Mr Mandela reiterated his belief that the government has the capacity to halt the violence, but said there was no need to reintroduce a state of emergency, Mr Frankel said.

One businessman said that although he was "heartened" by the meeting, businessmen remained concerned that while the ANC called on the government to control the violence, it wanted to dictate what measures the government should and should not take.

Mr Mandela had acknowledged that ANC supporters were involved in violence, but stressed that they initiated incidents of violence in only a small proportion of cases.

On the other hand, ANC casualties in the violence were disproportionately large and this was a cause of great concern to the ANC leadership.

ANC spokesmen yesterday declined to comment on the meeting.

# China sends secret mission to SA

(280)

Argus  
30/5/91

From ANDREW HIGGINS  
of The Independent

PEKING — The Chinese government, a vocal champion of continuing sanctions against Pretoria, has sent a secret mission to South Africa to discuss trade and other links, Chinese sources say.

The delegation, led by a senior foreign ministry official, flew to South Africa earlier this month for a 10-day visit.

It is thought to be the first time China has sent senior diplomats to a country with which it has no diplomatic relations and supposedly shuns.

The visit, which is believed to have explored commercial opportunities, follows reports that a Chinese delegation was sent to South Africa in February to discuss a chemical project.

The foreign ministry, approached for comment four days ago, said yesterday it had "not had time" to respond.

China presents itself as a steadfast advocate for Third World interests and has had economic ties with many African states. But traditional friends such as Tanzania and Guinea have turned away from Chinese-inspired Marxism and Peking has cut back on aid to the continent.

The visit to South Africa, diplomats say, reflects Peking's determination not to let ideological scruples hamper commercial benefits.

● South Africa's re-entry to the international trade arena becomes a reality next month when 19 companies exhibit at the Pozan Trade Fair in Poland with 3,000 exhibitors from 80 countries. It is the first time South Africa has attended in the fair's 63-year history.



# Africa calls for sanctions on SA to stay

By Barney Mthombathi  
Star Africa Service

and dictate the pace of change" or risk being left out of the equation.

ABUJA (Nigeria) — African foreign ministers meeting here yesterday urged the international community to maintain sanctions on Pretoria.

Relaxing or scrapping punitive measures at this stage would prolong the struggle against apartheid, they said.

The Ministers are meeting in preparation for the Organisation of African Unity summit next week.

They made the boycott call after being addressed behind closed doors by ANC director of information Thabo Mbeki and PAC foreign affairs spokesman Gorah Ibrahim. They are both believed to have called for sanctions to be maintained.

African countries were urged at the meeting to reassess their attitude towards South Africa in the light of President de Klerk's reform initiatives.

OAU secretary-general Dr Salim Ahmed Salim of Tanzania said the organisation would have to "re-seize the initiative

"We should reassess the situation (in South Africa) and see whether, indeed, we need a review of policy and whether the necessity of sanctions has waned or not," Dr Salim said.

"To remain ambivalent in our words and deeds will only give solace and credence to the detractors of Africa's freedom. We should not be seen to be oblivious to change and possibly miss an opportunity for constructive involvement in the evolutionary process now under way in South Africa," he said.

He welcomed measures taken thus far to dismantle apartheid, including the signing by the South African Government and the ANC of the Pretoria and Groote Schuur minutes which he said laid the foundation of a society committed to unity, equality and democracy.

The Ministers yesterday began discussing behind closed doors Dr Salim's report on southern Africa.

The report will form the basis of decisions to be taken by next week's summit on the situation in South Africa.

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# China in secret bid to trade with SA

BEIJING — The Chinese government, a vocal champion of continuing sanctions against Pretoria, has sent a secret mission to South Africa to discuss trade and other links, Chinese sources say.

The delegation, led by a senior Foreign Ministry official, flew to South Africa earlier this month for a 10-day visit.

It is thought to be the first time China has sent senior diplomats to a country it still pillories and supposedly shuns as a bastion of racism.

The visit, which is believed to have focused on exploring commercial opportunities, follows earlier reports that a Chinese delegation went to South Africa in February to discuss a chemical project between the two countries.

Having been asked four days ago to confirm or deny this month's mission, the Foreign Ministry yesterday said it had "not had time" to prepare a

response.

China's growing but still secret links with South Africa are a particularly sensitive subject for Beijing, which presents itself as a steadfast advocate for Third World interests and solidarity.

A Chinese United Nations official, Zhen Daode, was quoted by the New China News Agency in February as opposing any relaxation of sanctions against South Africa.

## Dismantling

"The fact remains that black people still live under such an evil system and that the struggle of the international community against racism and apartheid is still far from reaching its end," he said.

Beijing has described the gradual dismantling of apartheid laws as "deserving welcome" but still proclaims a policy of non-contact.

China's clout in other parts of

black Africa, however, has waned in recent years. Traditional friends such as Tanzania and Guinea have turned away from Chinese-inspired Marxism, while Beijing has in turn cut back on aid projects to the continent.

This month's Chinese visit to South Africa, diplomats say, reflects Beijing's determination not to let ideological scruples get in the way of commercial benefits. It follows a steady improvement in Chinese ties with two other past foes, South Korea and Israel.

Though stopping short of diplomatic recognition, Beijing has exchanged semi-official representative offices with both Seoul and Tel Aviv. China's ties with South Korea, which it fought to eliminate during the Korean War from 1950-53, are particularly healthy, boosted by a surge of trade and China's appetite for South Korean investment and know-how. — The Independent News Service.



## FW sees breakthrough in relations with Israel

By Kaizer Nyatumba  
Political Staff

President de Klerk said last night he was optimistic that Israel would soon lift sanctions against South Africa.

Speaking at the South African Jewish Board of Deputies congress in Johannesburg, he said that although Israeli sanctions imposed in 1987 were still in force, there were growing signs they would be lifted soon.

"The Israeli government has indicated that it is reviewing its sanctions. I am hopeful that the decision will be positive, soon, and to our mutual benefit."

He said South Africa's international isolation was coming to an end and there were increasing opportunities to improve international relations.

It could, therefore, be expected that pressures on South African-Israeli relations would decrease and permit a normal relationship once again.

The South African Jewish community could play an important role in this regard.

The progress already made towards the establishment of a new South Africa would enable Pretoria to build more meaningful relationships with other countries in the Middle East.

The Government's reform ini-

tiatives and its attempts to get negotiations started had attracted the world's attention.

Things which were unthinkable about two years ago were now happening, Mr de Klerk said.

"Invaluable lessons" had been learnt in the past.

These included:

- Leaders of various parties to a conflict had to begin thinking and acting anew when faced with "seemingly intractable issues".

"The cardinal insight emerging from this process of renewal is the irrefutable fact that peace-making depends almost entirely on the willingness of political leaders to enter into discussions with an open mind, and prepared to accommodate and make allowances for viewpoints other than their own."

- There could be no peaceful solution to issues of conflict unless there were a willingness "to meet the reasonable aspirations of everybody fairly and justly".

- People's rights had to be protected on a nonracial, non-discriminatory basis, where civilised values rather than race would be the norm.

- Things that could not be divided — such as power and resources — had to be shared.

SANCTIONS — 1991

JUNE



# for sanctions

Star 11/6/91  
280  
**BARNEY MTHOMBOTHI**

ABUJA (Nigeria) — A rift has emerged among African states on sanctions against South Africa.

Earlier this week it was announced that African foreign ministers, meeting behind closed doors in this Nigerian city, had decided unanimously to maintain sanctions against Pretoria until apartheid has been abolished and a democratic government elected. The decision was expected to be endorsed by heads of state during next week's summit.

But it has now emerged that the foreign ministers were not all of the same mind. Some countries, led by Madagascar and Mauritius, strongly defended existing ties and argued the time for sanctions was past.

Madagascar is understood to have been the most vocal. Its foreign minister, Jean Bemananjara, told the meeting that his country was a sovereign state and had its own national interests to look after.

He argued that Africa ran the risk of being left behind to suffer economically while the EEC, its main trading partner, had already removed restrictions against South Africa.

Trade between the two was therefore likely to increase at Africa's expense. Sanctions, he continued, was a bad tactic especially when the OAU member states would be signing a treaty next week establishing an African Economic Community.

## 'Sickening'

One anti-apartheid activist who was present at the meeting said he was "sickened" by Mr Bemananjara's speech. But Mr Bemananjara was supported by Mauritius's Jean-Claude Del'estrac.

Djibo Latty Ka, foreign minister of Senegal, another country edging closer to South Africa, said the OAU should shift its emphasis from sanctions and look at the broader picture. And Kenya appealed to African countries to encourage the reforms taking place within South Africa.

The Zambian foreign minister delivered a speech before the OAU's Liberation Committee on sanctions last week which was described by conference sources as "lukewarm" at best.

It is believed the Zambians have been in contact with the South African Government recently and that President Kenneth Kaunda has been trying for some time, without success, to sell the idea of the progressive lifting of sanctions to his colleagues in the Frontline states. It is understood that President Kaunda will pursue the idea when he arrives here for the summit this weekend.

The argument goes that sanctions are being lifted anyway and that in order not to be seen to be losing the argument a strategy should rather be devised to help manage the process.

Pretoria would be set a specific target of reforms or laws to be abolished, and each time a target is achieved, certain specified sanctions would be lifted.

The idea has been mooted twice in previous conferences, but found no takers.

Now certain delegates and their supporters are pinning their hopes on President Kaunda raising it again at the summit. — Africa News Service.

Africa at odds  
on strategy

Lifting of sanctions strongly condemned

# Tough OAU stand on SA

Star 3/6/91

280

280

By Barney Mthombhozi  
Star Africa Service

ABUJA (Nigeria). — African heads of state are expected to take a surprisingly hardline attitude towards South Africa at the Organisation of African Unity annual summit which begins in Abuja this morning.

A leaked draft resolution on South Africa prepared for the OAU summit by foreign ministers late on Saturday calls for the maintenance of sanctions against Pretoria and strongly condemns the establishment of diplomatic and other ties.

It also condemns the South African Government for "orchestrating, co-ordinating and abetting" what it calls the destructive wave of violence engulfing the country, particularly the black townships around Johannesburg.

The OAU calls on those countries which have lifted or relaxed sanctions and other forms of pressure against SA to reconsider their positions.

The vehemence of the language used in the draft resolution which, unlike other resolutions was not released to the media, has surprised some observers. There is acknowledgement in the resolution of the changes that have already taken place in South Africa.

OAU secretary-general Salim Ahmed Salim told journalists on Friday the organisation needed to take a more balanced approach on South Africa. There is no evidence of this in the resolution. Policy measures announced by President de Klerk, it says, are a direct result of internal and international pressure, namely the armed struggle, sanctions and political isolation.

## Condemned

The resolution also calls on African countries to maintain their common position on South Africa, but stops short of censuring those that have established ties with the country.

The migration of some Eastern Europeans to SA is condemned, as is the growing military and nuclear co-operation between Pretoria and Israel and Taiwan.

The Government is accused of bad faith for its unwillingness to fully implement its undertakings under the Groote Schuur and Pretoria Minutes, including the release of political prisoners and arrangements for the safe return of exiles.

ANC deputy president Nelson Mandela and PAC president Clarence Makwetu held meetings last night with Frontline states to discuss developments within the country.

An ANC spokesman said Mr Mandela would ask the OAU to help end the violence in the townships.

"Mandela is going to talk about violence in South Africa, its escalation and how the heads of state can put their heads together to end it," the spokesman on foreign affairs said yesterday.

He said Mr Mandela would address heads of state and government today after the formal opening of the annual summit.

Mr Mandela's speech at the summit — the second he has attended since his release from prison — would underline how factional fighting was undermining the black struggle for political power, he added.

● More reports —  
Pages 5 and 10



ARG 316/91

# ANC-PAC reach sanctions deadlock

280

ABUJA (Nigeria). — Southern African leaders meeting in Nigeria before an OAU summit to shape a new policy towards Pretoria reached a deadlock early today over a disagreement between the ANC and the PAC.

The southern African presidents — holding the talks on the sidelines of the annual Organisation of African Unity summit opening later today — failed to agree on a common position on anti-apartheid sanctions, delegates said.

Relations with Pretoria are widely expected to dominate the three-day summit in Abuja, Nigeria's future capital.

One senior delegate said the impasse was because of the widely divergent positions of the ANC and the more radical PAC.

"The PAC accuses the ANC of weakening sanctions," said a senior ANC delegate, speaking on condition of anonymity.

He said the PAC was totally opposed to the ANC's inclination to accept a partial lifting

of sanctions if Pretoria fulfilled certain conditions, including releasing political prisoners.

The ANC would have favoured an end to visa restrictions for visitors to South Africa and the lifting of the sporting boycott of the country if such conditions were met, the delegate said.

Leaders of the Frontline states — Zambia, Zimbabwe, Mozambique, Botswana, Tanzania and Namibia — decided to take a neutral position until the movements resolved their differences, he added.

ANC chief spokesman Mr Thabo Mbeki declined to go into details of the meeting.

He said there was growing sentiment in the European Community, the former communist bloc and Asia in favour of at least an easing of sanctions.

"The question is, how do you keep the rest of the world maintaining the present position?" he said. — Sapa-Reuter.

● See pages 2 and 11.

# Row over SA Dividends

280

Cr 3/6/91

**ABUJA, Nigeria.** — African heads of state have gathered here for the annual Organisation of African Unity summit opening today amid a growing split over sanctions against South Africa.

An increasing number of African countries, flouting OAU policy on maintaining full sanctions, are collaborating to quash a headline draft resolution criticising their attitude and urging them to reconsider.

The draft was approved yesterday after six days of debate by foreign ministers that saw bitter exchanges between hardliners and delegations from Madagascar, Kenya, Ivory Coast and other countries that since last year have opened links with South Africa.

The row in the OAU comes as President F W de Klerk and members of the cabinet prepare to visit an African country, believed to be Kenya, this week weekend for two days. The headline resolution by African foreign ministers came on Saturday night. It calls for

sanctions to be maintained and accuses the South African government of orchestrating the violence in the townships.

Mr Nelson Mandela, who arrived here late on Saturday along with ANC international affairs director Mr Thabo Mbeki to attend the summit, is expected to support the hardliners.

PAC president Mr Clarence Makwetu will also be at the summit.

## Heated debate

The OAU resolution, proposed by Zimbabwe and supported by summit hosts Nigeria, is certain to lead to a heated debate. Delegates said many leaders were certain to want the tough wording softened.

Moderates on the South Africa issue succeeded, however, in deleting the word "racist" from each reference to the Pretoria regime, delegates said.

Senegal and Madagascar were two OAU

members who argued in favour of a "realistic" approach.

The resolution was adopted after a confidential report by OAU secretary-general Mr Salim Ahmed Salim on the "sharply increasing" economic ties between South Africa and OAU members.

The Foreign Minister of Madagascar, Mr Jean Bemananjara, claimed that a majority of African countries now have undisclosed dealings with South Africa.

He accused them of hypocrisy in passing the resolution draft, according to conference sources.

Ivory Coast's President Felix Houphouët-Boigny, who rarely attends OAU summits, was expected to speak this week in favour of reconsidering South African links.

Many delegations are waiting to see the position of Nigeria, which takes over the OAU chairmanship this week from Uganda.

In April, Nigerian President Ibrahim Babangida said his country would support the lifting of sanctions once the remaining apartheid laws had been repealed.

The OAU is also meeting against a backdrop of civil wars, pro-democracy protests and deepening economic problems across the continent.

It is not known how many leaders will be at Abuja, Nigeria's future capital where construction work is still in progress, because of domestic strife in countries such as Ethiopia, Cameroon, Ivory Coast, Liberia, Sierra Leone, Somalia and Zaïre.

## Common market

OAU members, feeling isolated in a world dominated increasingly by powerful economic blocs following East-West détente, are likely to take a significant step towards economic unity today by signing a treaty to establish an African common market.

The summit will also announce its candidate for the post of secretary-general of the UN. Africa is expected to provide the successor to Mr Javier Perez de Cuellar when he retires at the end of the year. — Sapa-Reuter, Daily Telegraph



By BARRY STREEK  
Political Staff

THE disturbing level of violence in South Africa had to be curbed, apartheid laws scrapped and dialogue entrenched before the Nordic countries were likely to lift sanctions, Norway's Deputy Foreign Minister, Mrs Helga Hernes, said in an interview.

However, both Norway and the other four Nordic countries were encouraged by what was happening in South Africa, as their foreign ministers had stated in May.

The Nordic foreign ministers are to meet in August and will again discuss South Africa, she said in an interview.

"I assume that if things go the way everyone hopes that there will be an even more positive statement then and even more positive steps taken on our part."

Mrs Hernes, who is on a six-day working trip to South Africa, said Norway had already changed its visa requirements so visitors who wanted to come for cultural activities and scientific exchange could visit her country.

"We will also receive athletes as soon as the International Olympic Committee has lifted its sanctions, which we expect to happen soon."

Norway is also considering the level of its diplomatic presence in South Africa.

"It is important for us to get as correct information as possible from everyone in this country and it is necessary for us to be in Pretoria and to be close to Johannesburg."

At present, it has only a general consulate in Cape Town and it is now actively reconsidering the issue — and although she did not specifically say so, this would mean upgrading its diplomatic status to ambassadorial level, as Denmark and Finland have done.

"I don't think that will take a very long time," Mrs Hernes said.

# Nordic lands 'encouraged' by moves in SA

CT 3/6/91 280



HELGA HERNES: "You can't talk and shoot at the same time."

Dialogue had to be permanently entrenched in South Africa and her government felt this could happen only if violence was out of the way "because you can't talk and shoot at the same time".

Although great changes were occurring in South Africa, new issues had come on to the political agenda.

"We think the level of violence is very disturbing. But regardless of who are the perpetrators, it will always have to be the government in controlling the country which will have to be responsible for curbing the violence."

The general political climate would finally lead Norway to a position on its diplomatic representation and on sanctions.

The removal of sanctions would depend on the repeal of all apartheid legislation — "when we consider the process irreversible".

Norway was also concerned about the political prisoners and the returnees and it would like the difficulties with the UN High Commission for Refugees to be ironed out, because it had been active in Namibia two years ago and the process went very well.

"We do not get so involved in other countries' politics that we want to have an opinion on how the multi-party conference should be organised and how the constitution should be in the end. That is really none of our business."

Asked if Norway would continue giving support to the ANC in various ways, she replied: "We have at all times supported the process of liberation in this country."

It had also given considerable support to refugees and had supported different projects inside South Africa, as other Nordic countries had done.

"It is difficult for us to give support to political parties. We did not do that in Namibia."

"So, I think we will continue to support the democratisation process and we will continue to support those who wish to reduce economic differences in this country," Mrs Hernes said.

# ANC, PAC appeal to support sanctions

BARNEY MTHOMBOTHI

Argus Africa  
News Service  
ABUJA (Nigeria)

**T**HE ANC and PAC yesterday jointly appealed to African heads of state to support their call for a constituent assembly and for the strict application of sanctions until a democratic society has been established in South Africa.

Addressing the OAU summit on behalf of both organisations, PAC president Clarence Makwetu, said any relaxation or lifting of sanctions before a democratic mechanism to draw up a new constitution was in place would be a recipe for perpetuating violence and apartheid.

Mr Makwetu said sustained internal pressure, including the armed struggle, and international isolation had compelled the government "to change tactics while preserving the fundamentals" of apartheid.

"Only sustained pressure and isolation can compel De Klerk to move from wanting to reform apartheid to actually eradicating apartheid", Mr Makwetu said.

Mr Makwetu said he was disappointed by the actions of some African countries which had established trade and air links with South Africa.

Mr Makwetu's speech seems to have put paid to any hope that the tough stand against South Africa will be relaxed in this summit. It is also significant that he addressed the summit on behalf of both the ANC and the PAC.

Attempts by the ANC to introduce a plan for the phased lifting of sanctions seems to have been aborted. A meeting of frontline foreign ministers

to look at the plan, after the inconclusive meeting by frontline leaders on Sunday night, failed to take place yesterday.

This means the tough and uncompromising stand taken by African foreign ministers on Saturday will now be endorsed by the summit.

The resolution, introduced by Zimbabwe, calls for all forms of pressure, including the armed struggle, to be employed against the Republic.

Mr Makwetu yesterday said the onus was on the South African Government to create a climate conducive for a negotiated settlement. He said the

government had failed to comply with preconditions such as the release of all political prisoners, return of all exiles and removal of troops from the townships.

He said the government was "principally" responsible for the violence. It had imported the Buffalo Battalion 32 from Angola, Koevoet from Namibia and Renamo from Mozambique who were now, he claimed, behind the violence in the townships, he said.

"They were trained to murder and destabilise in Angola and Namibia, how could they keep peace in South Africa", he said.

These troops would have to be disbanded.

Mr Makwetu said the debate within the country was who should draw up the new constitution.

"Will it be people chose by De Klerk, or representatives of people who have been elected democratically?"

The two organisations would therefore be launching a Patriotic Front in August later this year so that they could speak with "one united powerful voice" in their call for a constituent assembly to draw up the constitution.



Kenya lobbies for links at OAU

# ANC stance on sanctions startles PAC

DISSENSION between the PAC and the ANC on sanctions sparked "wide differences" between African countries at the OAU annual summit which began in Nigeria yesterday.

PAC general secretary Benny Alexander said yesterday that members of the PAC delegation at the summit were startled at the ANC "somersault" on sanctions at a pre-summit meeting.

News agency reports have indicated that the ANC will propose a partial lifting of sanctions. This is likely to include the end of SA's sports isolation and the restoration of visa rights to SA citizens if Pretoria frees all political prisoners and satisfies other ANC demands.

Differences of opinion between African nations on sanctions also surfaced in the run-up to the summit, with some coming out in favour of full trade links with SA.

Alexander said it was unfortunate the ANC had decided to spring its new policy on the OAU without prior discussion.

PAC president Clarence Makwetu would address the OAU today, and his speech would include a plan for dealing with countries that did not heed the sanctions call.

Southern African leaders who held talks yesterday on the sidelines of the OAU summit to try to shape a new policy on SA deadlocked over disagreement between the PAC and the ANC, Reuter reports.

TIM COHEN

The leaders of Frontline states failed to agree on a common position on sanctions, Sapa-Reuter quoted delegates as saying. Zimbabwean president Robert Mugabe heads the pro-sanctions drive, while he is opposed most strongly by Madagascar and Kenyan delegates.

Reports said the ANC favoured dropping sporting barriers and relaxing visa demands for South Africans if government met certain demands.

But Alexander said that the ANC's apparent about-turn also related to economic

ANC deputy president Nelson Mandela would spend three days in the Soviet Union from Sunday, the ANC said yesterday. After the OAU summit ended tomorrow, he would visit France.

sanctions. He declined to provide details.

But in any case, the majority of OAU members supported the draft resolution prepared by foreign ministers prior to the meeting which, in line with the PAC position, calls for sanctions to be maintained until SA had a new constitution and a date had been set for elections.

But the vehemence of the language of the draft resolution, which also condemns

□ To Page 2

## Sanctions

the SA government for "orchestrating, co-ordinating and abetting" the violence in SA, reportedly surprised some observers.

The ANC's head of information and publicity, Pallo Jordan, denied yesterday that there was any change in the organisation's position of sanctions but added that "at this point in time these differences should not be aired through the Press".

However, some senior ANC members are known to support a phased lifting of sanctions, in order to maintain control over the issue and to ensure that Pretoria is not prematurely rewarded for reforms.

Sapa-Reuter reports ANC deputy president Nelson Mandela as saying after the meeting of Frontline leaders that the ANC still wanted full economic and political

sanctions maintained.

Sources who attended Mandela's meeting with the southern African leaders and host President Ibrahim Babangida of Nigeria were quoted as saying there was a strong lobby to relax Africa's sanctions.

These leaders fear that the international community is poised to normalise relations with SA and that Africa risks being stuck with an unenforceable policy.

"The trouble is that neither Mandela nor the OAU wants to be seen as the author of a resolution relaxing sanctions," one delegate said.

The OAU is divided between pragmatists who want to make peace with a wealthy SA and radicals who say sanctions must stay until apartheid goes.

□ From Page 1



# Hardliners force OAU chief to stifle SA offer

But new chairman pleads for an end to violence

BARNEY MTHOMBOTHI  
Argus Africa News Service

ABUJA (Nigeria). — An offer to send a team of African foreign ministers to South Africa to promote change was excised at the last minute from the keynote speech to the Organisation of African Unity summit by the new chairman, General Ibrahim Babangida, President of Nigeria.

The excision is thought to have been made under pressure from hardliners who objected to the conciliatory tone of General Babangida's speech, which contrasted with the line taken by his predecessor, President Yoweri Museveni of Uganda.

The fact the new OAU leader was prepared to make the offer in the first place is seen as indicative of the conciliatory attitude he will bring to his new function.

He said the OAU was ready to convene a meeting "of all shades of political interest in South Africa" to help achieve unity.

General Babangida appealed to South Africans of all colours to forget the bitterness of the past



MR Nelson Mandela and Zambian President Kenneth Kaunda discuss South Africa at a meeting in Abuja, Nigeria, of six Southern Africa states prior to a three-day OAU summit.

and co-operate to build a free and democratic society.

"I call on President De Klerk — whose courage is not in doubt — and his government to remove the remaining apartheid legislation and to allow majority rule in South Africa.

"He should check the excesses of his security forces. He should build bridges across the colour line so mutual confidence will grow.

"In this endeavour black South Africa should organise to meet the challenges of a new South Africa.

"I call on Chief Buthelezi, Mr Clarence Makwetu and Mr Nelson Mandela to join hands to forge a

united front to protect the helpless masses," he said.

"The OAU is ready to convene a meeting of all shades of political interest to facilitate their pulling together as one people with one destiny. The world expects us to give leadership. We shall give it."

General Babangida said the OAU would respond appropriately to the repeal of core legislation in South Africa.

He said the organisation would have to "come to terms with the realities of today".

"The reality of our situation is that Mr Mandela and other black South African leaders live inside

South Africa. We should now take the struggle to the doorstep of the racist regime.

"Our organisation should engage all leaders of South Africa in the forward march towards the total elimination of apartheid."

General Babangida said the violence in the country was threatening the emergence of a democratic society. "The violence must stop. All South Africans should set aside the bitterness of yesteryears and build a new non-racial society," he said.

General Babangida's conciliatory speech was in stark contrast to an earlier address to the summit by his predecessor of Uganda. In contrast, President Museveni said President De Klerk's reforms were peripheral.

"The core of the problem is and has always been that Africans don't have the vote. Everything else is irrelevant," he said.

The scrapping of petty apartheid was not the issue. The lifting of sanctions should be linked to how far the government had gone in satisfying the issue of the vote.

"I'm not interested in lying next to a white man on a beach or in going with him to the same toilet," he said.

President Museveni appealed to black leaders in South Africa to deal with the question of white fears "imaginatively".

President Kenneth Kaunda of Zambia said the summit should listen to liberation movements on how to approach the question of sanctions against South Africa.

"We stand to be guided by the joint approach of the ANC and PAC," he said.



New chairman at odds with hardliners

# Victory for OAU hawks

Star 4/6/91 (280)

By Barney Mthombathi  
Star Africa Service

ABUJA (Nigeria) — An offer to send a team of African Foreign Ministers to South Africa to help promote change was dropped at the last minute yesterday from the keynote speech of the new chairman of the Organisation of African Unity, Nigerian President Babangida.

The dropping of the offer is thought to have been made under pressure from hardliners who objected to the conciliatory tone of General Babangida's speech, which contrasted sharply with the hardline note taken by his predecessor, President Museveni of Uganda.

The fact that the new OAU leader was prepared to make the offer in the first place is seen as indicative of the conciliatory attitude that he will bring to his office.

In his address to the summit, he said the OAU was ready to convene a meeting "of all shades of political interest in South Africa" to help achieve this unity.

General Babangida also appealed to South Africans of all colours to forget the bitterness of the past.

"I call on President de Klerk — whose courage is not in doubt — and his government, to remove the remaining apartheid legislation and to allow majority rule in South Africa.

"This organisation stands ready to convene a meeting of all shades of political interest in SA to facilitate their pulling together as one people with one destiny. The world expect us to give leadership. We shall give it."

General Babangida said the OAU would respond appropriately to the repeal of core legislation in SA. He said the organisation would have to "come to terms with the realities of today".

Earlier, President Museveni told the summit President de Klerk's reforms had so far been peripheral and therefore irrelevant.

"The core of the problem is and has always been that Africans don't have the vote. Everything else is irrelevant," he said.

"The core of the problem is power ... (which) comes from either the ballot or the gun. In South Africa we have chosen the ballot," he said.

"The lifting of sanctions should be linked to how far the Government had gone in satisfying this crucial issue. I'm not interested in lying next to a white man on a beach or in going with him to the same toilet," he said.

President Museveni, however, appealed to black leaders in South Africa to deal with the question of white fears "imaginatively".

● Keep up pressure, OAU told — Page 2.

# Clamouring to work with SA

By AUDREY D'ANGELO  
Business Editor

(280)

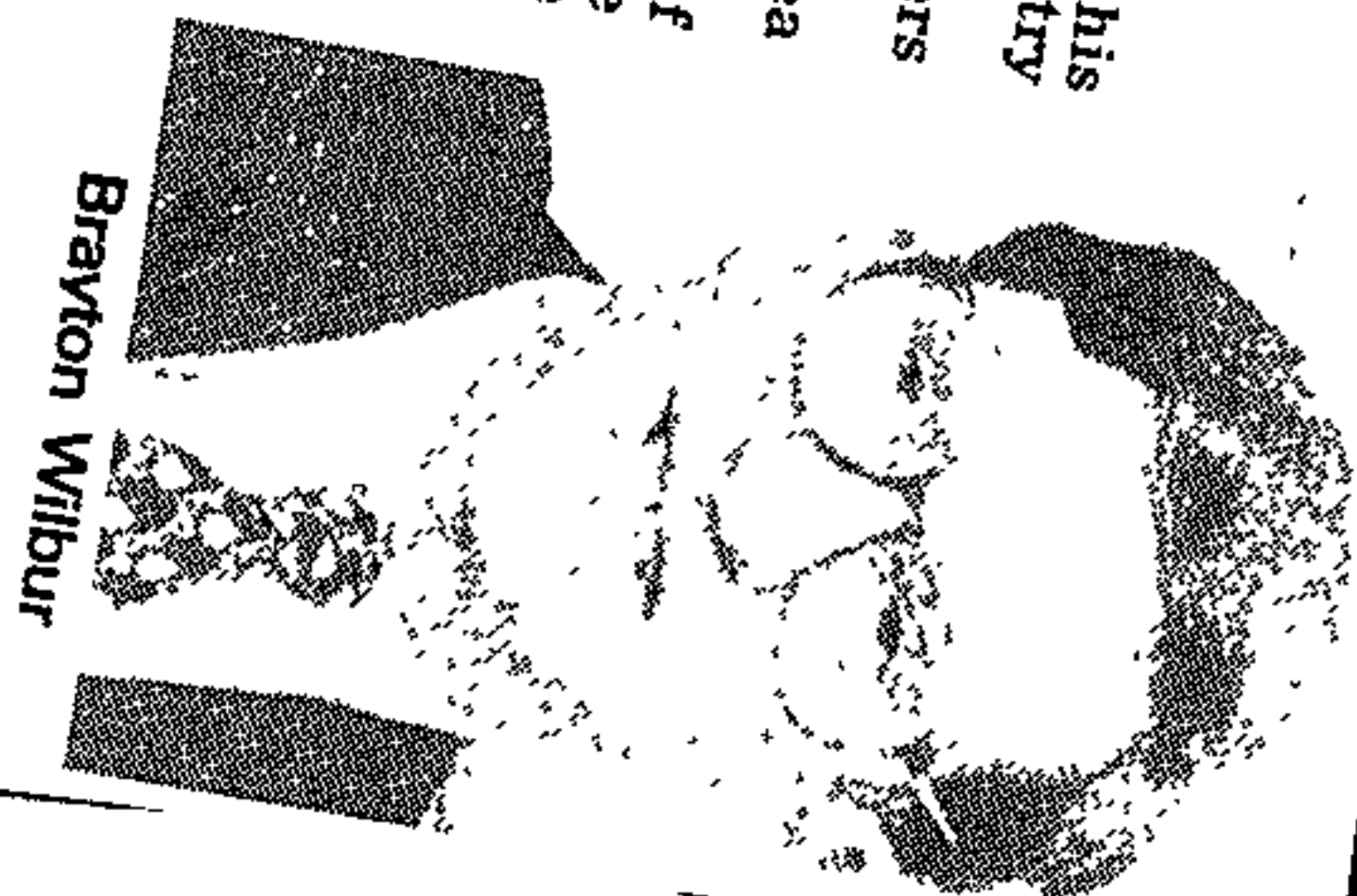
ET 4/16/91

SA has "such a wonderful infrastructure that when things have settled down people from all over the world will be clamouring to work with it," says Brayton Wilbur, chairman and CE of the US-based international Wilbur Ellis Co. But, he warns, the lifting of sanctions alone will not make much difference. "People will not make much difference before they consider investing and peace Wilbur, whose company has had a South African operation since 1948, and who has made frequent visits to this country, was in Cape Town this week. His SA company is now mainly con-

cerned with importing and distributing outboard motors and other yachting equipment. But he said he was looking into the possibility of distributing SA chemicals in Asian markets. His organisation already distributes SA crayfish in Japan, and chemicals from other countries in Asia. The company, founded in 1921 and based in San Francisco, has a worldwide marketing and distribution network of nearly 200 offices. It also has formulation facilities, retail centres and warehouses strategically situated throughout North America, Asia and Africa. On this visit Wilbur brought members of his family and friends "all with very in-

quiring minds" who had questioned his company's decision to stay in this country when others disinvested. He arranged for them to meet members of all political parties.

"They are coming away with the idea that things are changing here," he said. "I am very optimistic about the future of this country, and people seem far more confident than they were in 1986. But the resolution of violence is a major factor." Wilbur, who travels widely throughout the world, said that problems of unemployment and homelessness were not exclusive to SA. They also existed in Asia, South America "and the inner cities of the US."



Brayton Wilbur



# Nigeria Offers African foreign ministers for SA?

280 CT 4/6/91

230 226

**ABUJA, Nigeria. —** Nigeria's leader yesterday proposed that African foreign ministers visit South Africa to help the Organisation of African Unity decide whether to lift sanctions against the country.

This radical suggestion, which came as a surprise to Africa watchers, was made by General Ibrahim Babangida at the opening of the annual summit of the 51-nation organisation.

It appeared to be an attempt to put off a decision on the issue and underlined how divided African leaders have become on South Africa for the first time in the 27-year history of their organisation.

"The time has come for the battle to be taken to the doorsteps of South Africa,"

General Babangida, who was also elected as the new chairman of the OAU, said.

He suggested that a delegation of foreign ministers go to South Africa to assess whether the organisation should sustain an economic blockade to keep up the pressure on Pretoria or lift sanctions to signal support for political reforms.

"This is not a clarion call to lift all sanctions against South Africa," General Babangida said. "We shall carefully assess every stage in the evolution of South Africa to a democratic and non-racial society before reaching a definitive decision."

While the director-general of Foreign Affairs, Mr Neil van Heerden, said last night that the OAU seemed to show "a new spirit" and that a delegation would be welcome in South Africa, the Minister of Foreign Affairs, Mr Pik Botha, later dismissed out of hand a visit to investigate sanctions.

South Africa was no longer interested in

## LIBYANS WALK OUT

**ABUJA, Nigeria. —** Libya walked out of the Organisation of African Unity summit yesterday in a protest against Nigeria, which is hosting the meeting.

The Libyan Foreign Minister, Mr Ibrahim Mohamed Beshari, said his delegation would leave immediately.

Mr Beshari, who headed the Libyan delegation in the absence of Colonel Muammar Gaddafi, said Libya was protesting against Nigeria's intervention in other countries such as Liberia. — Sapa-Reuter

investigations by outsiders, Mr Botha said. He warned that Africa was being marginalised in world affairs because it was unable to deal with issues such as efficient government and multi-party democracy. Zimbabwe, for example, had supported the continuation of sanctions at the OAU on the very day it had proposed the extension of the preferential trade agreement with South Africa.

sion of the preferential trade agreement with South Africa.

"My African brothers will have to learn that the days of decent are over

"The events in Eastern and Central Europe have also had an effect in Africa.

"My African brothers will have to understand that they are regarded as being marginalised in the world.

"We as South Africans must deal with our problems as South Africans."

In his call, General Babangida also demanded that leaders of South Africa's rival black organisations "join hands to forge a united front to protect the helpless masses".

His threat is not without substance. The government of this powerful West African nation has threatened to cut aid to organisations like the ANC unless black-on-black violence stops.

Nigeria leads a minority of African countries, including Kenya and Madagascar, which want to follow the European Economic Community in lifting all sanc-

tions to signal support for Mr De Klerk's reforms. Mr De Klerk is due to visit Kenya this weekend.

● In Johannesburg yesterday, PAC general secretary Mr Beany Alexander claimed that the PAC delegation at the summit were startled at the ANC "somersault" and their behind-the-scenes call for a phased lifting of sanctions against South Africa.

The ANC apparently favoured the lifting of the sports isolation of South Africa and the restoration of visa rights to South African citizens if Pretoria frees all political prisoners and satisfies other ANC demands.

Reuters quoted sources who attended Mr Nelson Mandela's meeting with the Southern African leaders and their host, President Babangida, as saying there was a strong lobby to relax Africa's sanctions. They fear that the international community is poised to normalise relations with South Africa and that Africa risks being stuck with an unenforceable policy

# JCCI plans trade mission to Europe

IN AN atmosphere marked by the softening of sanctions, the Johannesburg Chamber of Commerce and Industry (JCCI) will be taking its first trade mission to Europe since 1986.

The September mission to Portugal, Spain, Belgium, France and the UK is the latest in a number of trade missions planned for SA exporters to countries now showing a growing interest in SA.

This interest has also led to a rush of foreign missions to SA.

JCCI says among those due in SA shortly are delegations from Brazil, Chile, UK, Portugal, Belgium and Madrid. In addition, representatives or small groups are expected from Zaire, the Madrid Chamber of Commerce, Australia, Austria, China, Hungary, Madagascar and Reunion.

Safto says a group of Finnish businessmen will visit SA at the end of this month and a group of Danish businessmen are set to arrive in October. In addition, a mission from the Soviet Union's Chamber of Commerce and Industry will come to SA at the end of June.

An Argentinian commercial delegation from the SA-Argentinian Chamber of Commerce arrives in Johannesburg today for a 13-day visit.

8/1 day 5/6/91

ZILLA EFRAT

Already in SA is a Belgian-SA Chamber of Commerce trade delegation, the second in a series of trade missions to SA planned by different Belgian interests.

In addition, the first officially sponsored British mission to SA since 1985, organised by the UK SA Trade Association, is currently in SA, as is a mission from the Portuguese Chamber of Commerce and Industry.

And a number of trade missions to foreign markets have been planned. This month, Safto will undertake an inaugural visit to the Soviet Union and Finland. It also has group visits planned for Kenya and Angola.

Other countries which Safto groups will visit this year include South Korea, Thailand, China, Egypt, Scandinavia, Turkey, Bulgaria, Columbia, Panama, Venezuela, Singapore and Australia.

Reuter reports that a Dutch trade delegation of 25 senior ministry officials and company representatives will visit SA from June 22 to 29 to explore investment opportunities, the Dutch Economic Affairs ministry said yesterday.

The delegation will meet Finance Minister Barend du Plessis and other senior politicians.



(280) (280)  
**Sanctions:**

**OAU to <sup>Star</sup> 5/6/91**

## **compromise**

Barney Mthombathi  
Star Africa Service

ABUJA (Nigeria) — African leaders will today agree that sanctions against South Africa be maintained and that the situation be reviewed "if and when it warrants it".

This is a compromise position hammered out between the ANC and PAC at a meeting with Foreign Ministers of the Frontline states at the Organisation of African Unity (OAU) summit in Abuja, northern Nigeria, yesterday.

A document agreed to at the meeting, and which was shown to The Star Africa Service, says all sanctions should remain in place, and puts the onus on the South African Government to make the necessary changes before international pressure could be lifted.

OAU chairman General Babangida of Nigeria will be given a mandate to review the situation, in consultation with the Frontline states and the liberation movements, if and when it warrants it.

It is not specified when this reassessment should take place. The document will be approved by heads of state today, the last day of the summit.

Yesterday's decision has effectively killed off an ANC plan circulated among some delegates at the summit which argues for a three-stage phased lifting of sanctions.

According to this plan the lifting of sanctions would have been tied to certain specific reform measures taken by the Government.

This caused friction between the ANC and PAC delegations at the conference.

President Kaunda of Zambia told the summit on Monday the OAU "stands to be guided by the joint approach of the ANC and PAC" on how to deal with the South African situation.

# Sanctions must be <sup>280</sup> retained, says OAU

Argus 5/6/91  
From BARNEY MTHOMBOTHI  
Argus Africa News Service

ABUJA (Nigeria). — The Organisation of African Unity will today reaffirm its commitment to international sanctions against South Africa until apartheid has been abolished.

However, the organisation will give its chairman, President Ibrahim Babangida of Nigeria, in consultation with the frontline states and the liberation movements, a mandate to review the situation.

General Babandiga will have to take into account concrete steps by the South African government to remove all obstacles to negotiations as stipulated in the Harare Declaration.

These conditions are contained in a document called the Abuja Declaration on South Africa to be endorsed and released by African leaders at the end of their summit tonight.

Argus Africa News Service was able to get a leaked copy of the document late last night. It was hammered out between the ANC and the PAC at a meeting with frontline states foreign ministers yesterday.

It brings to an end wranglings between the ANC and PAC which have persisted throughout the Abuja meeting on how to handle the sanctions dilemma.

The PAC wants sanctions to remain and the ANC seems to think they may have to go and is seeking a way to lift them progressively.

African leaders this week appealed to the two movements to find a "joint approach" which the OAU could support.

The declaration acknowledges that there have been "positive developments" in South Africa. However, it complains that the conditions set out by the United Nations and the Groote Schuur and Pretoria minutes have not been fully carried out. The OAU says it is gravely concerned at the "current organised and orchestrated violence". It calls on the South African government to protect lives and property of all.

"In these circumstances all sanctions must remain in place," it declares.

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# OAU gets tough with South Africa

ABUJA (Nigeria) - An offer to send a team of African foreign ministers to South Africa to help promote change was excised at the last minute from the keynote speech to the Organisation of African Unity summit yesterday by the new chairman, Nigerian President Ibrahim Babangida.

The excision is thought to have been made under pressure from hardliners who objected to the conciliatory tone of Babangida's speech, which contrasted sharply with the hardline tone taken by his outgoing predecessor, President Yoweri Museveni of Uganda.

The fact that the new OAU leader was prepared to make the offer in the first place is seen as indicative of the conciliatory attitude that he will bring to his new function.

## Forget bitterness

He said the OAU was ready to convene a meeting "of all shades of political interest in South Africa" to help achieve this unity.

Babangida also appealed to South Africans of all colours to forget the bitterness of the past and co-operate to build a free and democratic society.

"I call on President FW de Klerk - whose courage is not in doubt - and his government, to remove the remaining apartheid legislation and to allow majority rule in South Africa.

"He should check the excesses of his security forces. He should build bridges across the colour line so that mutual confidence will grow.

## Join hands

"In this endeavour black South Africa should organise itself to meet the challenges of a new South Africa. I also call on Chief Buthelezi, Clarence Makwetu and Nelson Mandela to join hands to forge a united front to protect the helpless masses.

"This organisation stands ready to convene a meeting of all shades of political interest in South Africa to facilitate their pulling together as one people with one destiny. The world expects us to give leadership. We shall give it."

By BARNEY MTHOMBOTHI

Babangida said the OAU would respond appropriately to the repeal of core legislation in South Africa. He said the organisation would have to "come to terms with the realities of today".

"The reality of our situation is that Nelson Mandela and other black South African leaders live inside South Africa. We should now take the struggle to the doorstep of the racist regime.

## Democratic society

"Our organisation should engage all leaders of South Africa in the forward march towards the total elimination of apartheid."

The violence in the country was threatening the emergence of a democratic society.

"The violence must stop. All South Africans should set aside the bitterness of yesteryears and build a new non-racial society."

Babangida's conciliatory speech was in stark contrast to an earlier address to the summit by his predecessor Museveni.

Museveni said De Klerk's reforms had so far been peripheral and therefore irrelevant.

## Ballot or gun

"The core of the problem is and has always been that Africans don't have the vote. Everything else is irrelevant. The core of the problem is power. And power comes from either the ballot or the gun. In South Africa we have chosen the ballot."

The scrapping of petty apartheid was not the issue. The lifting of sanctions should be linked to how far the Government had gone in satisfying this crucial issue.

"I'm not interested in lying next to a white man on a beach or in going with him to the same toilet," he said.

Museveni, however, appealed to black leaders in South Africa to deal with the question of white fears "imaginatively".

President Kenneth Kaunda of Zambia said the summit should listen to liberation movements on how to approach the question of sanctions against South Africa.



IBRAHIM  
BABANGIDA

# BCMA thumbs up for sanctions

*Southern*  
stance  
by OAU

5/6/91.  
By MATHATHA  
TSEDU

THE Black Consciousness Movement of Azania has applauded the decision by the OAU Council of Ministers to recommend that sanctions against South Africa be continued.

In a statement released by the BCMA media liaison officer, Mr Gilbert Mokoena, the organisation called on the heads of state attending the summit in Abuja, Nigeria, to accept and ratify the Ministers' call.

## Struggle

The statement said it had taken the struggling masses of black South Africans a long time to gather support for the isolation of the regime in the areas of arms, finance, trade, tourism, sports and culture.

"These measures were taken in order to help remove the oppression, exploitation and discrimination suffered by black people in Azania. All those conditions still exist.

"The settler colonialist leader, (President FW) De Klerk, must not be allowed to wriggle out of the noose of isolation until colonial oppression is abolished.

## Difficult

"If De Klerk is reprieved on the basis of the hope that he has said he will do certain things, and released certain prisoners that he should not have held in the first place, it will be very hard to reimpose sanctions if he reverts to old-style oppression without cosmetics," the statement added.

The recommendation by the Ministers' council is to be discussed by the summit.

## Divided

The BCMA, which is recognised by the OAU, is not attending the summit. The ANC and PAC are represented by deputy president Nelson Mandela and president Clarence Makwetu, respectively.

The OAU is said to be divided over the issue with some countries, including Ivory Coast, Malawi and Zaire, in favour of lifting sanctions.

While European governments are lifting sanctions, "it is the African people and governments who must help us to defend the gains that we made in the international arena," said the BCMA.



# ANC fails in OAU sanctions appeal

ABUJA, Nigeria. — In another blow for Mr Nelson Mandela, the ANC has failed in its bid to convince African leaders that the time had come to agree on an easing of economic sanctions and ending the sports boycott.

The PAC has instead claimed victory at the Organisation of African Unity (OAU) summit here in persuading African heads of state to reject ANC proposals on a lifting of sports and cultural sanctions in exchange for concessions by the South African government on its security laws.

The final draft of a resolution hammered out by the frontline states, the ANC and PAC, to be presented for final approval to the OAU summit before it ends later today, said sanctions should continue until apartheid has been completely eradicated.

One minor concession is a clause stating that the new OAU chairman, Nigeria's

## OAU chief 'would meet FW'

ABUJA, Nigeria. — Nigerian President and OAU leader Mr Ibrahim Babangida said yesterday that he would consider a meeting with South African President F W de Klerk, if it would help bring majority rule to South Africa.

"The situation is very fluid. If the need arises we are not opposed to this, provided it can lead to one-man-one-vote," Mr Babangida told a news conference during an Organisation of African Unity (OAU) summit.

In a speech circulated on Monday, Mr Babangida deleted a paragraph which proposed sending a fact-finding team of African foreign ministers to South Africa.

● The Minister of Foreign Affairs, Mr Pik Botha, said yesterday that the South African government was following an "open-door" policy regarding a possible visit to the Republic by an OAU delegation.

As long as visitors understood that they could not dictate to the South African government, "that is fine", he said.

● Western diplomats confirmed yesterday that Mr De Klerk would spend Saturday and Sunday as the guest of Kenyan President Daniel Arap Moi. — Sapa-Reuter

President Mr Ibrahim Babangida may review the situation during the year and report back to the frontline states if political circumstances funda-

mentally change in South Africa.

There was no immediate comment available from Mr Mandela, who is attending the

conference and has been warmly received by all leaders.

IAN HOBBS reports that in London last night political sources expressed disappointment which he said was likely to be shared by nearly all European Community governments — and a number of African countries which agree with the ANC that the time had come significantly to ease economic, sports and cultural bans.

But the view in Europe appears to leave more room for manoeuvre in the final draft today and the debate will continue at a high level when key Commonwealth heads of state meet in London next week.

A meeting of the International Olympic Committee executive in Manchester next week is also expected to endorse calls for the sports boycott to be lifted as soon as President F W de Klerk's promise to eliminate remaining apartheid legislation has been fulfilled.

# OAU opts to keep sanctions

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CT6/6/91

ABUJA, Nigeria. — Organisation of African Unity leaders declared support for continued economic sanctions against South Africa yesterday, while a splinter group of moderates insisted they would trade with the Republic.

Led by Kenya and Madagascar, the moderates said they would restore trade and transport ties as a signal of support for President FW de Klerk's political reforms.

Most of the OAU's 51 member states voted to maintain sanctions to ensure Mr De Klerk kept promises to abolish all racist legislation and move toward democracy.

Despite this public stance, black Africa's open and illicit trade with South Africa has increased "by leaps and bounds" to R10 billion a year, according to a report of the organization published this week.

The sanctions issue divided African leaders on the question of South Africa for the first time in the OAU's 27-year history.

But they expressed unity yesterday on the need for political and economic reforms on the continent, which is dominated by dictators, soldiers and unwieldy

centralized economies.

While the South African question had dominated previous summits, leaders focused this year on issues closer to home — the continent's \$270 billion (R675bn) debt which is greater than its economic output, the need for economic integration and structural adjustment programs, and fears that European unification next year will jeopardise Africa's trade, investment and aid.

New OAU chairman President Ibrahim Babangida of Nigeria said his priorities would be economic development and integration of sharply diverse economic and social patterns on the continent, ranging from Marxist dictatorships to constitutional monarchies.

Observers say it is a Herculean task. Africa's total trade is less than that of Belgium, and only two percent of that flows between member states.

Most African trade is firmly rooted with former European colonial powers, all members of the European common market. — Sapa-Reuter



## African leaders relax stance on sanctions

ABUJA — African leaders yesterday took a major step towards restoring links with SA in a declaration spelling out a more relaxed policy on sanctions.

The declaration, adopted at an Organisation of African Unity (OAU) summit, said the OAU would commit itself to review its sanctions policy if conditions were met.

"Should the SA government adopt measures which lead to positive, profound and irreversible change towards the abolition of apartheid, we commit ourselves to review the question of sanctions with a view to readmitting SA into the international community," it said.

The declaration was obtained ahead of the closing session of the three-day summit, which was also expected to name at least one African contender for the post of UN secretary-general.

SA sanctions have dominated the summit. Most of the declaration on SA was devised on the summit's fringes by the Frontline states, the ANC and the PAC.

Its adoption was seen as a victory for moderates in the OAU.

The paragraph pledging to review sanctions if the OAU's conditions were met was inserted by heads of state and government, conference sources said.

The declaration indicated that any decision on easing sanctions would not have to be put to a special OAU summit. Such a decision was left to new OAU chairman Nigerian President Ibrahim Babangida, acting in concert with the OAU's special committee on southern Africa, and SA nationalist movements.

ANC chief spokesman Thabo Mbeki said he expected Babangida to call such a meeting within weeks.

In the OAU's most open gesture to President F W de Klerk's government, the declaration acknowledged there had been

positive developments in SA. "However, the preconditions set out in the Harare Declaration and the Groote Schuur and Pretoria minutes have not been fully met."

ANC deputy president Nelson Mandela yesterday told a closed session of the summit he believed obstacles to peaceful negotiations would be removed soon, conference sources said. Mandela later left for Paris to meet French President Francois Mitterrand, ANC officials said.

Mbeki told reporters the OAU standing committee on southern Africa could be convened as early as July if Pretoria pushed through promised reforms this month. "Obviously, among the things it (the committee) will address is the issue of sanctions," Mbeki said, indicating that the ANC wanted a linkage between specific reforms and the easing of sanctions.

Mandela, in the closed session, said he expected De Klerk to take action on township violence.

Mbeki said measures to stop the violence should include removing troops from townships, a code of conduct for security forces, a ban on carrying dangerous weapons in public and the closing of men-only hostels. — Sapa-Reuter

## Sanctions

From Page 1

## Quiet ANC plea for lifting of sanctions

Argus Africa News Service

ABUJA (Nigeria). — The African National Congress has circulated a document to some delegates at the Organisation of African Unity summit, arguing for a progressive lifting of sanctions.

The five-page document, which was circulated privately to "sympathetic" delegates says: "sanctions will be lifted in step with changes taking place to end apartheid". Publicly, the ANC is still committed to sanctions.

Deputy ANC president Mr Nelson Mandela for instance told African leaders yesterday that sanctions should remain and chided those countries involved "in a headlong rush to normalise relations".

The ANC feels it is being portrayed in public as losing the sanctions argument and through this document it seeks to seize the initiative and to be seen as being in charge of the phased lifting of sanctions as the government satisfies certain specific conditions.

The document says: "Given the continuing importance of the sanctions weapon, it is vital that we do not lose it as a result of a process of uncontrolled erosion of sanctions."

"The OAU will therefore have to provide the lead to the rest of the international community."



# Clause on sanctions 'smuggled' into draft

Star 6/6/91

280

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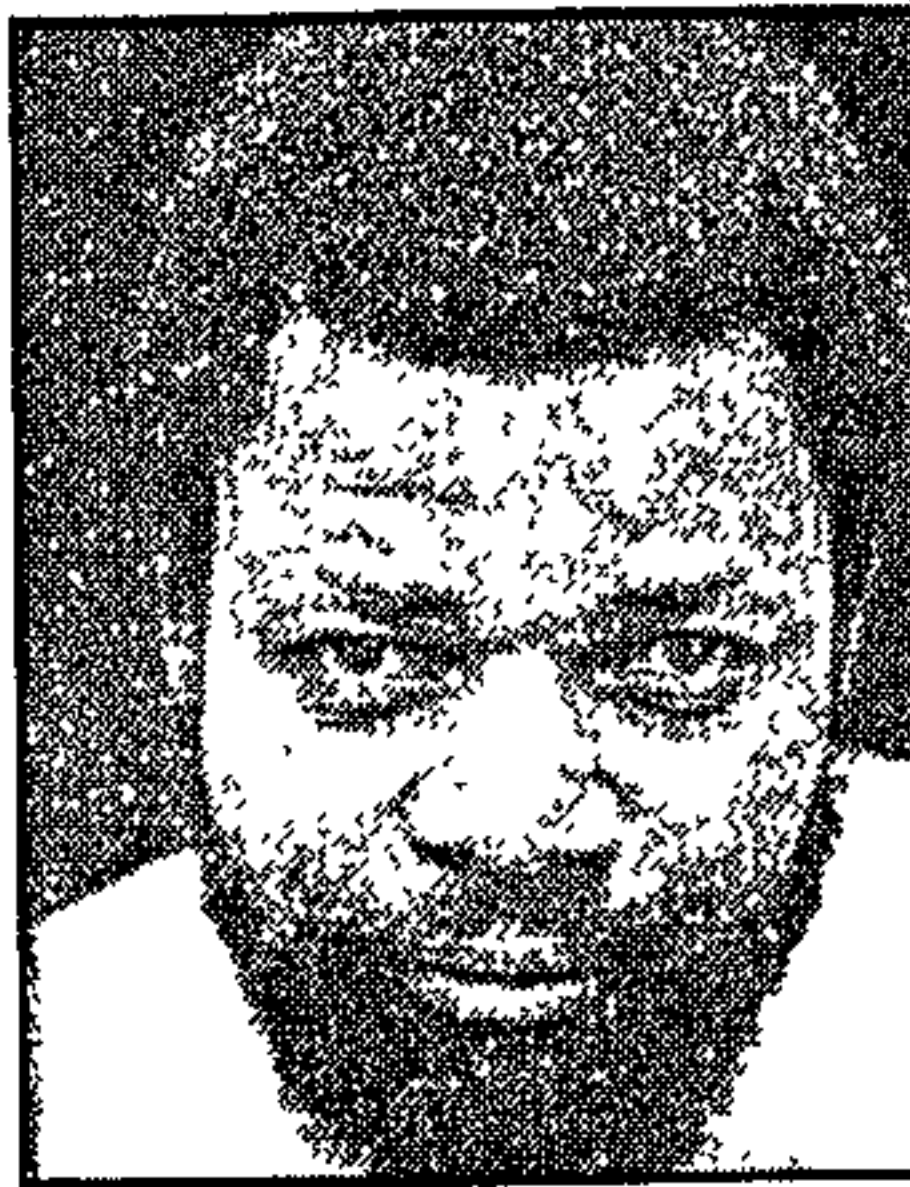
ABUJA (Nigeria) — A sentence "smuggled" at the last moment into a resolution on South Africa at the OAU summit yesterday has taken the country closer to international acceptance.

The Abuja Declaration on South Africa was adopted by African heads of states yesterday, the last day of the summit.

The key sentence which was mysteriously inserted into the declaration reads: "Should the South African Government adopt measures which lead to positive, profound and irreversible change towards the abolition of apartheid, we commit ourselves to review the question of sanctions with a view to re-admitting South Africa into the international community."

This sentence was absent in the draft declaration agreed to by the ANC, PAC and Foreign Ministers of the Frontline states on Tuesday, of which The Star's Africa Service has a copy.

Tuesday's draft resolution gave the OAU chairman a freer hand to review developments



Reports by  
Barney Mthombathi  
Star Africa Service

within South Africa and make recommendations, a marked departure from the original sanctions package which has always required that a democratic government be installed first before they could be lifted.

The inclusion of the new sentence yesterday has further weakened the package and it now seems possible for the Gov-

ernment to satisfy the conditions before the end of this year.

The draft declaration on Tuesday brought to an end wranglings which had gone on throughout the summit between the ANC and PAC on how to handle sanctions. The ANC had circulated a plan on how to lift sanctions progressively which the PAC bitterly opposed.

But yesterday's developments triggered accusations of bad faith. The PAC reacted angrily to the amendment last night and vowed to fight it.

PAC spokesman Ahmed Gora Ebrahim said the sentence came to his delegation's attention for the first time when President Kaunda of Zambia read the document for adoption by the summit yesterday.

He said the sentence was "smuggled" into the resolution without them being consulted. PAC sources have blamed the ANC and President Kaunda, and possibly Nigeria, for the addition.

Nigerian president Babangida, the new OAU chairman is known to take a softer line towards South Africa.

A few months ago he was reported as saying his country would be the first to lift sanctions should all pillars of apartheid be removed. The statement was later "clarified" after a hostile reaction.

In an interview with The Star's Africa Service, Mr Ebrahim said the PAC was surprised that a paragraph was "smuggled" into the declaration without consultation. "This paragraph was never discussed by the Frontline states' drafting committee.

"We were given this document minutes before it was read out by President Kaunda for adoption in the summit. He said on inquiry they found that most of the Frontline states had also not been consulted."

ANC spokesmen were not available for comment at the time of going to press.

# Mugabe, Mandela differ over sanctions

Star 6/6/91

280

By Barney Mthombathi  
Star Africa Service

ABUJA (Nigeria) — Serious differences between Nelson Mandela and Zimbabwe's President Robert Mugabe have arisen here over an ANC document arguing the case for a progressive lifting of sanctions on South Africa.

The five-page document, circulated privately to "sympathetic" delegates at the OAU summit, suggests "sanctions

will ... be lifted in step with changes".

Publicly, the ANC is still committed to the maintenance of sanctions, with Mr Mandela chiding those African countries involved "in a headlong rush" to normalise relations with South Africa.

But privately certain senior ANC officials have been arguing for a mechanism to enable them to control or manage the lifting of sanctions.

The document is understood to have been compiled principally by Thabo Mbeki and close advisers.

Mr Mbeki gave the document to some Foreign Ministers in Abuja a week ago. It was discussed at the pre-summit meeting of the Frontline states on Sunday and led to the clash between Mr Mandela and Mr Mugabe, who expressed surprise the ANC was pushing for lifting sanctions.

## Stages

Mr Mugabe told the meeting his country was committed to sanctions and that was the line he was going to take at the Commonwealth meeting in Harare in October.

The document recommends a three-stage approach to the lifting of sanctions.

The first stage involves the removal of obstacles to negotiations. These are enunciated as the release of political prisoners and the agreement among all parties, including Government, to end violence.

Once the Government has satisfied these measures, air links and tourism would be allowed, and cultural and sports boycotts would be removed.

The second phase involves the SA Government agreeing to an interim government. Once this has been achieved, economic boycotts would go and sanctions and trade and investments allowed.

The third and last phase, the establishment of a democratic government, would lead to the removal of the arms and oil embargo and restrictions on computers, technology and scientific exchanges.

The document calls on the OAU to establish a mechanism for the "detailed and continuous monitoring" of the process of change.





INTERNATIONAL

The Argus,

# Softer line in OAU sanctions resolution

APC 6/6/91

From BARNEY MITHOMBOTHI  
Argus Africa News Service

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Tuesday's draft resolution gave the OAU chairman a freer hand to review developments within South Africa and make recommendations, a marked departure from the original sanctions package which has always required that a democratic government be installed first before they could

be lifted.

The inclusion of the new sentence yesterday has further weakened the package and it now seems possible for the government to satisfy the conditions before the end of this year.

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PAC sources have blamed the ANC and President Kaunda, and possibly Nigeria, for the addition.

Nigerian President Babangida, the new OAU chairman, is known to take a softer line towards South Africa.

# South Africa prepares to welcome SA back

**S**OUTH Africa could be welcomed back into the African fold by the end of this month — if the government acts swiftly to release political prisoners and indemnify exiles and if a planned conference on violence is held, leading to binding agreements on all parties.

The Abuja declaration of the Organisation of African Unity this week brought South Africa a major step closer towards ending its decades-long isolation from the continent.

The declaration issued on Wednesday night, far from reiterating a hard-line stance, opened the way for a review of sanctions once Pretoria abolishes the "pillars of apartheid" legislation, meets the terms of the Harare Declaration and the Pretoria and Groote Schuur minutes and once there is a peace agreement by all parties to end the violence in the townships.

A committee comprising the frontline states, the African National Congress, the Pan Africanist Congress and Nigeria's President Babangida, chairman of the OAU, will meet at the end of the month to review progress on these issues.

Yusuf Saloojee, of the ANC's Department of International Affairs, says

the ball is now firmly in the government's court. "It will have to move forward for the sanctions to be lifted." The first sanctions to go officially could include air links and the sports, cultural and academic boycotts. Africa would then become South Africa's gateway back into the international community.

The Abuja declaration was drafted as a compromise between the ANC — which argued for flexibly tying specific concessions by the government to the lifting of sanctions — and the PAC — which wanted all sanctions in place until there is a democratic government in South Africa.

Church leaders and businessmen were locked in discussions this week over a second multi-party conference on violence which is likely to be held before the end of the month.

The township violence is a new obstacle to constitutional negotiations, and

The doors back to Africa could be opened within weeks if Pretoria acts swiftly to meet conditions set by the Organisation of African Unity this week.

**By PHILLIP VAN NIEKERK**

agreement on this issue could emerge as the crucial factor opening the way to negotiations and the first phased lifting of sanctions.

For that, both the government and the Inkatha Freedom Party will have to be prepared to attend a peace conference convened by neutral parties — the church and the private sector — a demand made by the ANC when it rejected the government's own violence conference last month.

With the Land Acts and Group Areas Act off the statute books, only the Population Registration Act is left to fall in

the next few days before the government meets the international demand for the elimination of apartheid laws.

Through the working groups set up by the Pretoria Minute, the government and the ANC still need to resolve the cases of remaining political prisoners, many of whom are on hunger strike, and returning exiles.

Underlining the fact that links with Africa will continue irrespective of the official OAU stance, President F.W. de Klerk flies off to Kenya this weekend with the ministers of commerce and energy in tow — an indication that the meeting will be far from a hand-shaking photo-session.

Trade with Africa is rising dramatically. It was up 27 percent between 1988 and 1989 and a further 16 percent last year. South Africa's trade with the rest of the continent in 1990 was worth R10-billion.

According to the Department of For-

eign Affairs, the only African states that South Africa did not trade with last year were the tiny nations of Djibouti and Equatorial Guinea.

And even states which strongly supported the OAU declaration were simultaneously opening doors to South Africa. Zambia, for instance, this week invited South African businessmen to participate in a trade fair.

Zimbabwe, regarded as one of the hawkish states, last week asked South Africa to renew a preferential trade agreement between the two countries.

The frontline states have long claimed that for the sake of their own survival they are condemned to trade with South Africa, but now other African states are starting to use the same argument.

"Africa is in dire straits. There is a growing recognition that something drastic needs to be done and that South Africa — as the major economic power in the southern part of the continent — can play a major role," says Rusty Evans, deputy director general of the Africa branch of the Department of Foreign Affairs.

He believes that "tremendous progress" was made in Abuja in terms of preparing for a dialogue between South Africa and the OAU.



# Aussies offer to help lift sanctions

CT 7/6/91 (280)

Political Staff

AUSTRALIAN Foreign Minister Mr Gareth Evans met President F W de Klerk for an hour yesterday as he launched his country's first high-level visit to the Republic since the National Party came to power in 1948.

He said Australia wanted to play a leading role in the "appropriate" relaxation of sanctions.

Apartheid had opened a "tragic gap" between the two countries and he hoped his visit would be seen as an attempt "to close that gap".

However, Mr Evans — who arrived on his eight-day visit yesterday and immediately launched into a series of discussions — indicated that there were several issues that concerned the Australian government.

Among these were the violence, obstacles to negotiations, the return of exiles and the release of political prisoners.

He met Mr De Klerk after a three-and-a-half-hour meeting with Ministers Pik Botha, Gerrit Viljoen, Dawie de Villiers and Barend du Plessis.

Mr De Klerk said the meeting had been constructive and was important in that the government's goal was to regain its rightful place in the international community.

"I hope the channels of communication will be used effectively in



**FW AND AUSSIE . . .** President F W de Klerk and Australian Foreign Minister Mr Gareth Evans in Cape Town yesterday.

the interests of both countries," he said.

He said they had discussed some of the "fundamental issues" of the moment and "probed what might happen in the future".

The president said relationships between South Africa and Australia had been "very strained" at times and Mr Evans's visit was most welcome.

Mr Evans met ANC officials, headed by ANC national executive com-

mittee member Mr Aziz Pahad, at Johannesburg's Jan Smuts Airport when he arrived in the country.

He said Australia wanted to be responsive to actual change. Mr Evans today meets Democratic Party leader Dr Zach de Beer, the Conservative Party's Mr Tom Langley and ministers Mr Louis Pienaar (National Education and Environmental Affairs) and Mr Kobie Coetsee (Justice).

Boerestaat Party

JOHANNESBURG

# Australia seeks role in ending sanctions

CAPE TOWN — Australian Foreign Minister Gareth Evans met President F W de Klerk for an hour yesterday as he launched his country's first high-level visit to SA since the NP came to power in 1948.

He said Australia wanted to play a leading role in the "appropriate" relaxation of sanctions against SA.

Apartheid had opened a "tragic gap" between the two countries and he hoped his visit would be seen as a "demonstration of

Political Staff

closing that gap".

However Evans — who arrived on his eight-day visit yesterday and immediately launched into a series of discussions — indicated there were numerous issues that concerned the Australian government.

Among these were the violence, obstacles to negotiations, the return of exiles

□ To Page 2

## Australia

and the release of political prisoners.

He met De Klerk after holding three-and-a-half hour talks with Foreign Affairs Minister Pik Botha, Constitutional Development Minister Gerrit Viljoen, Public Enterprises and Economic Co-ordination Minister Dawie de Villiers and Finance Minister Barend du Plessis.

De Klerk said the meeting had been constructive. "I hope the channels of communication will be used effectively in the interests of both countries."

He said they had discussed some of the "fundamental issues" of the moment and "probed what might happen in the future".

De Klerk said relationships between SA

and Australia had been "very strained" at times and Evans's visit was most welcome.

Evans met ANC officials, headed by ANC national executive committee member Aziz Pahad, at Johannesburg's Jan Smuts Airport when he arrived.

On his subsequent arrival at Cape Town's D F Malan Airport, he said: "Just as we played a leading role in the sanctions debate by putting pressure on this country, so too are we willing to play a leading role in the appropriate relaxation of sanctions."

He said Australia wanted to be responsive to actual change in SA.

● Picture: Page 3

□ From Page 1



# Pro-sanctions Harare seeks new SA trade pact

615-4 7/6/91  
HARARE — There was an embarrassed silence yesterday from Zimbabwean President Robert Mugabe's government over SA Foreign Minister Pik Botha's claim that it is asking for "most favoured nation" status in a renewed trade pact with Pretoria.

Botha said in a BBC interview monitored here yesterday that on the same day Mugabe put his militant resolution on sanctions before the Organisation of African Unity (OAU) summit in Abuja, Zimbabwe approached Pretoria to renegotiate the 1964 trade agreement inherited from Ian Smith's Rhodesian government.

Confirming that the approach was made by the Zimbabwean Industry and Commerce Ministry on May 30, business sources in Harare said Zimbabwean industrialists were anxious to see the 1964 agreement updated.

Some tariff rebated scales had been rendered unrealistic by inflation, and new commodities needed to be included.

Trade between Zimbabwe and SA last year topped R1bn with SA remaining by far the most profitable market for Zimbabwean exports, although Britain and Germany edged it into third place as a source of imports.

SA recently streamlined visa procedures for Zimbabwean businessmen in a goodwill gesture towards Zimbabwe's economic liberalisation drive. Nevertheless

MICHAEL HARTNACK

black-market "shoppers" yesterday maintained the customary 200m queue for visas on the pavement outside the SA trade mission in Harare.

Observers here are dismayed that Mugabe chose to take the lead at Abuja in putting pressure on countries such as Madagascar, Kenya and Zambia, which are on the point of opening SA missions, when Zimbabwe itself has a long established and obviously thriving SA presence.

## Export

Written requests for comment on Botha's remarks were made to Mugabe's office, to the Zimbabwean Foreign Affairs Ministry, and to the Industry and Commerce Ministry. There was no response.

The 1964 trade agreement, re-promulgated word for word in a Zimbabwean government notice in 1982, specifically uses the term "most favoured nation" in referring to tariff rates the two countries will apply to a schedule of each other's exports.

Zimbabwean textiles are a particularly important export directed at the SA market.

Mugabe's militant resolution on continued isolation of SA was, in the event, toned down by his Nigerian hosts.

## Keep sanctions, Mandela urges

By James Tomlins  
Star Foreign Service

PARIS — ANC vice-president Nelson Mandela told Prime Minister Edith Cresson yesterday: "France must maintain sanctions against South Africa."

Mrs Cresson, who has only been the head of government for three weeks, was reportedly impressed by his appeal and will study it further.

She is a hard-line socialist, who has been in the forefront of anti-apartheid moves for the past 20 years, as well as being active in seeking Mr Mandela's release.

Mr Mandela arrived here — his third visit to Paris in 12 months — just after noon, and was met at the airport by Bernard Kouchner, the Minister for Human Rights.

He has also been active in opposing apartheid.

The Mandela-Cresson meeting, which was held at her office, the Matignon, started at 5.30 pm and lasted for about an hour.

French officials described the meeting as "very friendly and relaxed".

Mr Mandela said later: "I explained that France must keep sanctions."

He is scheduled to have a private meeting with President Mitterrand in the Elysee Palace tomorrow at 9.30 am. It is possible he will attend a banquet there in the evening, officials said.

Mr Mandela has not given any reason for the cancellation of his visit to Moscow, but French officials here believe that the Soviet leadership is too burdened by domestic problems.

280

Star 7/6/91

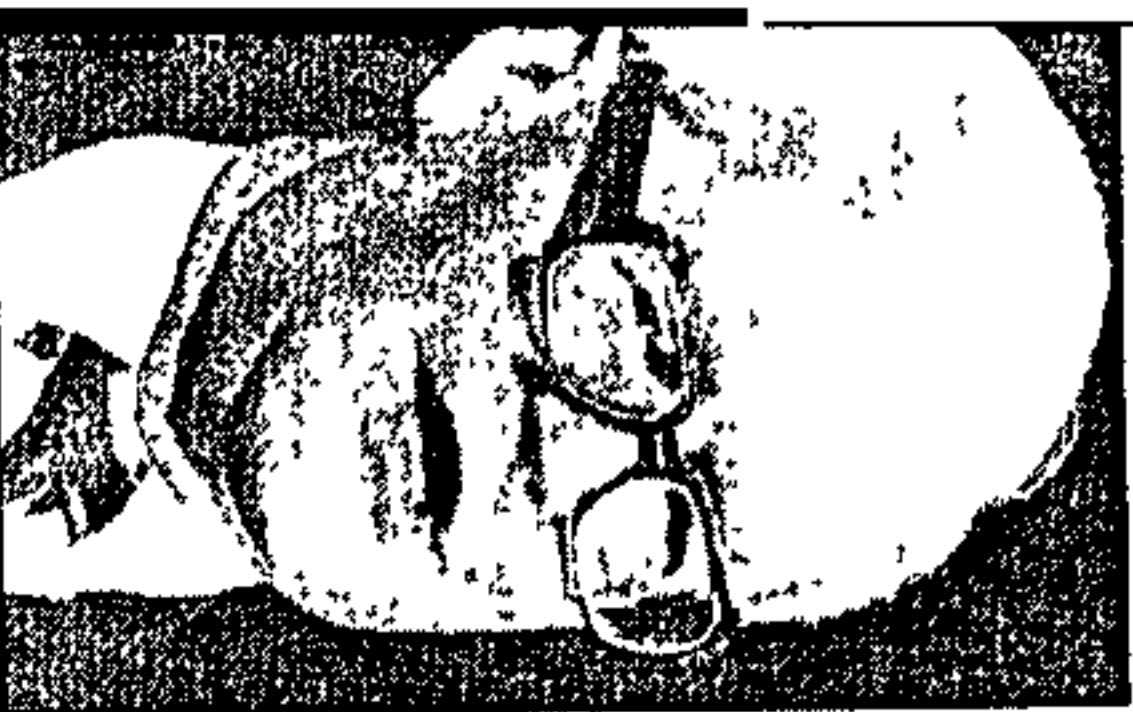


# Europe firm on sanctions

Spec 7/6/91

## Danes are main stumbling block

(280)



Letter from ANC... Britain's Douglas Hurd.

**H**OPES that the European Community summit on June 28/29 would signal the beginning of the end of its sanctions against South Africa are fading.

This means that the ban on imports of iron, steel and gold coins will continue, and also that moves to lift the highly symbolic oil embargo will have to wait for a more opportune moment.

Eleven of the 12 EC members are ready to lift the 1986 sanctions on iron, steel and Krugerrands, but the persistent opposition of Danish MPs is blocking such a move.

The Danish government itself has given its assent, but it is a minority government, and its coalition partners, through the parliamentary committee, are blocking the legislation that

would give South Africa its breakthrough into acceptance by the Western community.

There is one last chance that the breakthrough can occur. This is if the legislation abolishing the remaining pillars of apartheid is approved by the SA Parliament by June 21, as expected, and the Danish parliamentary committee decides between then and June 28 to abandon its opposition.

The chances of this happening are slender.

The committee would have to act quickly to reverse its present position, and it may decide rather to follow the example set

Many were expecting that the European Community would relax its sanctions against South Africa at its summit this month. But the hope is fading. STANLEY UYS of The Star Bureau in London reports.

by the OAU this week and continue support for the maintenance of sanctions.

The OAU is divided on the sanctions issue, but it voted to maintain sanctions, while reviewing the situation as positive steps to dismantle apartheid are taken in South Africa.

If the parliamentary committee withdraws its opposition,

and the EC lifts sanctions on iron, steel and gold coins, the way will be clear for the British government to ask its European partners to lift the oil embargo.

Britain has led the field in the EC against sanctions, and it is ready now to lift the oil embargo, but it accepts that its partners will be reluctant to lift this 1985 sanction before the 1986

sanctions have been lifted.

No pressure is being exerted on the Danish government to try to secure parliamentary approval for the EC's recent vote on the lifting of sanctions because the Danish government is being held back only by its coalition partners.

The EC would rather advance by consensus on the sanctions issue.

The EC is also pursuing the consensus principle on the lifting of the sports boycott.

ANC foreign affairs spokesman Thabo Mbeki has written to British Foreign Secretary Douglas Hurd informing him of

the organisation's agreement to lift the sports moratorium.

The ANC is making a clear distinction between lifting the sports moratorium and maintaining other sanctions.

The EC is also moving forward in another field.

It is removing exclusive control of its funding of projects in South Africa from the four existing non-governmental organisations — Kagiso Trust, South African Council of Churches, Catholic Bishops Conference and Cosatu.

This method of funding has become highly controversial, following allegations by other organisations that the ANC has been the major, and sometimes the sole, beneficiary of grants.

Now that the EC has its own administrator the funds will be more equitably distributed. □



Letter on sports moratorium . Thabo Mbeki

Star 7/6/91.  
**Relaxation  
of cultural  
boycott urged**

By Garner Thomson  
Star Foreign Bureau

LONDON — A leading representative of Britain's Arts Council has called for an immediate relaxation of the cultural boycott of South Africa in the name of "human justice and freedom".

Anthony Field, who recently visited South Africa to advise the Natal Performing Arts Council on government grants, believes that, while there might have been some argument for maintaining economic and sporting sanctions, the "free availability of creative arts work" was imperative to the future of the country.

Mr Field says: "If we do not all believe in the basic power of show business to raise us above political repression, then we should not be in the profession."

"After all, even the ability to laugh is one of the factors which distinguishes us from animals."



# 'Australia may rethink sanctions'

By Peter Fabricius  
Political Correspondent

Step 7/6/91

CAPE TOWN — Australia was prepared to play a leading role in the relaxation of sanctions, as it had played a leading role in imposing them, Australian Foreign Minister Gareth Evans said after he arrived on a week-long mission yesterday.

His visit — the first by an Australian Foreign Minister since 1948 — is seen as a milestone in South Africa's campaign to break out of international isolation.

But it is not just a pat on the back for President de Klerk's reforms. What Mr Evans finds will determine whether Australia makes moves in the Commonwealth this month to begin lifting sanctions.

Mr Evans had an hour-long meeting with President de Klerk, Foreign Minister Pik Botha and other members of the Cabinet yesterday.

He will also meet ANC leaders and Inkatha Freedom Party leader Chief Mangosuthu Buthelezi during his visit.

Earlier at D F Malan Airport, he said apartheid had caused a "tragic gap" between Australia and South Africa. He hoped his visit would be seen as a "demonstration of closing that gap".

Mr de Klerk said after the meeting that he hoped Australia would play a constructive role in solving South Africa's problems. But he indicated that he was not relying on Australia in particular for support.

It was a "good and sound" development that this personal contact was being made.

"We had only one point of fundamental disagreement and that is that I don't think the Wallabies have a chance (against the Springboks)," he quipped.



Restoring personal contact . . . President de Klerk addresses a press conference after yesterday's meeting with Australian Foreign Minister Gareth Evans (right). Picture: AP





# Australia ready to play key role on sanctions

Political Staff

AUSTRALIA is prepared to play a leading role in the relaxation of sanctions, like it did in imposing them, Australian Foreign Minister Mr Gareth Evans said.

His weeklong fact-finding visit — the first by an Australian foreign minister since 1948 when the National Party came to power — is being seen as a milestone in South Africa's campaign to break out of international isolation.

But it is not just a pat on the back for President De Klerk's reforms.

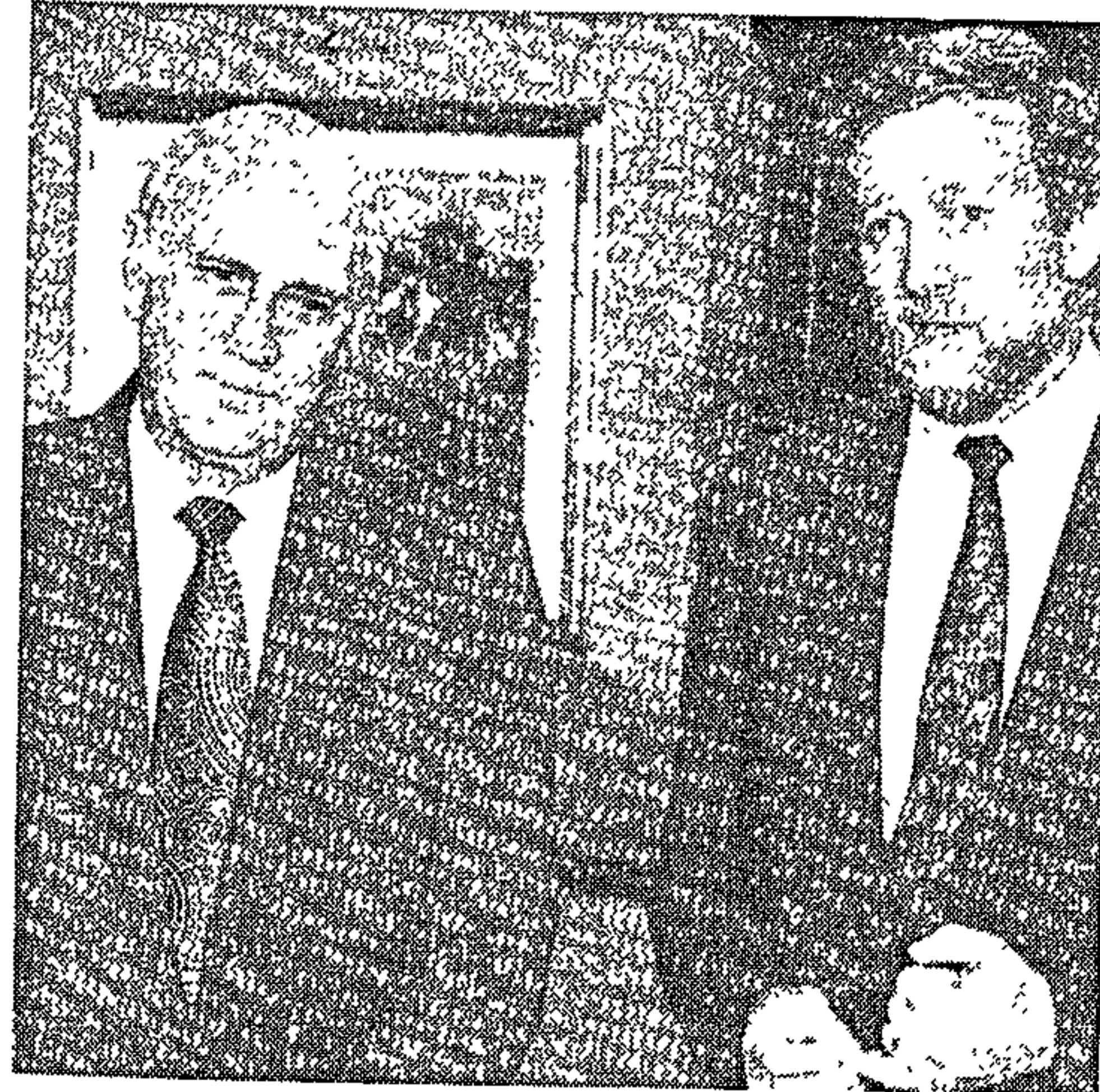
What Mr Evans finds here will determine whether Australia makes moves in the Commonwealth this month to begin lifting sanctions.

Mr Evans spent an hour with Mr De Klerk, Foreign Minister Pik Botha and other members of the Cabinet yesterday.

He also is to meet leaders of the ANC and Inkatha Freedom Party leader Chief Mangosuthu Buthelezi.

Earlier he said at D F Malan Airport that apartheid had caused a "tragic gap" between Australia and South Africa.

He was here to listen and learn, congratulate both the government and the opposition for what they had done to push



Picture. DOUG PITHEY, The Argus

**TOP LEVEL:** Australian Foreign Minister Mr Gareth Evans with President De Klerk before their talks yesterday.

reform and to express concern about violence in the townships, the hunger strike by prisoners, the position of exiles and other obstacles to negotiation.

"As we played a leading role in implementing sanctions, so we are prepared to play a leading role in the relaxation of sanctions," he said.

"We do, however, want to see actual change and not just promises."

Mr De Klerk said after the meeting that he hoped Australia would play a constructive role in solving South Africa's problems.

But he indicated he was not relying on Australia in particu-

Argus 7/6/91  
lar for support.

The government regarded it as a "good and sound" development that the first personal contact was being made on South African soil since 1948.

The two men are scheduled to have another round of talks today.

"We had only one point of fundamental disagreement and that is that I don't think the Wallabies have a chance," Mr De Klerk quipped.

The Springboks and Wallabies would be playing rugby "sooner rather than later", he forecast.

Mr Evans said the talks had been productive. No one tried to score points, he said.

It is understood that Mr Evans will meet members of the ANC's constitutional committee today, including Mr Dullah Omar and Professor Kader Asmal.

● The Argus Correspondent in Paris reported that ANC vice president Mr Nelson Mandela told French Prime Minister Edith Cresson yesterday that "France must maintain sanctions against South Africa".

Mrs Cresson, who has been the head of government for only three weeks, was reported to have been impressed by his appeal and said she would study it further.



SANCTIONS FM 7/6/91 (280)

## BEHIND THE WORDS

While Africa's leaders — many of them dictators — insisted at the OAU summit in Nigeria this week that sanctions be maintained against SA until a democracy is established, their citizens back home went shopping as usual to buy SA goods.

The value of SA's direct exports to Africa (excluding Botswana, Lesotho, Swaziland and Namibia) last year was just over R4bn, an increase of 30% on 1989, according to a

~~Continue~~ →

FM 7/6/91

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reliable source involved in trade with the continent.

The true figure could be closer to R5,5bn, because a considerable volume of goods destined for Africa is channelled through third countries. Other indirect business and the value of services could push the total figure to between R7bn and R10bn.

Based on the figure of R4bn, nearly 10% of SA's non-gold exports went to Africa last year — and 8% went to the US. The corresponding figures for 1988 were 8% and 13%, respectively.

Around 25% of SA's manufactured exports are sold into Africa. They include steel, domestic appliances, building materials, paper products and processed foodstuffs. The value of SA's imports from Africa — excluding Botswana, Swaziland, Lesotho and Namibia — decreased marginally from R715m in 1989 to R713m last year, which is about 2% of total imports.

With the exception of Zimbabwe, from which SA imports a wide range of goods, imports from Africa are mainly primary products such as tea, tobacco, cotton and base metals.

In terms of a Cabinet decision, Pretoria does not disclose the value or volume of trade between SA and individual countries. However, apart from the four Customs Union partners, SA's main customers in Africa are, in order of importance based on the value of

imports: Zimbabwe, Zambia, Zaire, Mozambique, Malawi, Mauritius, Reunion, Morocco, Ivory Coast and the Seychelles.

SA's main suppliers in Africa according to value of imports are: Zimbabwe (62% of the total by value), Malawi (11%), the Ivory Coast (6%), Mozambique (4%) and Zaire (3%).

Last year just over 25% of SA's total exports to Africa went to Zimbabwe (whose president, Robert Mugabe, is one of SA's staunchest critics on the continent), 12% to Zambia, 11% to Zaire, 10% to Mozambique, 9% to Malawi and 7% to Mauritius.

Only Equatorial Guinea and Djibouti did not trade directly with SA last year (though both did trade with SA in the previous financial year).

Direct trade with North African states increased by 14% to R115m, and is expected to increase even further with the opening this year of a SA office in Rabat, Morocco. ■

# Financial, arms sanctions 'last to go'

CAPE TOWN — Financial sanctions and the arms embargo are likely to be the last sanctions to go, says Australia's Foreign Minister Gareth Evans.

On the second day of his eight-day South African visit, Mr Evans met a variety of Cabinet ministers and government members, including Minister of Finance Barend du Plessis and Justice and Correctional Services Minister Kobie Coetsee.

He said he had been impressed by the frankness and openness shown by the Government members, and the "manifestly strong level of commitment to making the reform process work".

Mr Evans also met MPs from the Democratic and Conservative parties. The meeting with the CP members was "a breathtaking experience".

Speaking at a press conference at the Mount Nelson last night, Mr Evans said there was no question that financial sanctions had had the greatest impact.

Financial sanctions had been

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8/6/91

VIVIEN HORLER

"very damaging, that was the point". The debate now was the extent to which they needed to be maintained "to keep the pressure on" until the present system had been replaced with one that was fairer and "more rational".

Sanctions might be reviewed at the next Commonwealth meeting, with the possibility of a decision to lift less effective trade and investment sanctions. But financial sanctions and the arms embargo, which had had both practical and symbolic significance, would be the last to go, he said.

## Goodwill

After his discussions with members of the Government yesterday, Mr Evans said he did not think the issue of political prisoners, the hunger strike or exiles were sufficient to derail the peace process.

As far as violence was concerned, there was goodwill and de-

termination on all sides to tackle it. The security forces had not always been "as firm as one would have liked", but it was "manifestly not in the Government's interest for the violence to be sustained".

On sporting links Mr Evans was sanguine. "My impression is that the sporting exercise is proceeding well, and I am confident that unless the whole negotiation process is blown off course by something like the present violence, sporting contacts will be aggressively resumed, with cricket first on the agenda."

Referring to his talks with CP members, Mr Evans said the point was made that unless many of the party members' aspirations were met, it could become difficult for the party to control "some of the emotions of some party supporters".

Describing CP policy as "nostalgia-driven", Mr Evans said it was premised on a strategy of separateness which had been shown over the past generation to be unworkable.

280

9



# Financial, arms sanctions will be 'last to go'

ARGUS 8/6/91

**VIVIEN HORLER**

Weekend Argus Reporter

FINANCIAL sanctions and the arms embargo are likely to be the last sanctions to go, says Australia's Foreign Minister Mr Gareth Evans.

On the second day of his eight-day South African visit, Mr Evans met a variety of Cabinet ministers and government members, including Minister of Finance Mr Barend du Plessis and Justice and Correctional Services Minister Mr Kobié Coetsee.

He said he had been impressed by the frankness and openness shown by the government members, and the "manifestly strong level of commitment to making the reform process work".

Mr Evans also met MPs from the Democratic and Conservative parties. The meeting with the CP members was "a breathtaking experience".

Speaking at a press conference at the Mount Nelson last night, Mr Evans said there was no question that financial sanctions had had the greatest impact on South Africa.

Financial sanctions had been "very damaging, that was the point". The debate now was the

extent to which they needed to be maintained "to keep the pressure on" until the present system had been replaced with one that was fairer and "more rational".

Sanctions might be reviewed at the next Commonwealth meeting, with the possibility of a decision to lift less effective trade and investment sanctions. But financial sanctions and the arms embargo, which had both practical and symbolic significance, would be the last to go, he said.

After his talks with members of the government today Mr Evans said he did not think that the issue of political prisoners, the hunger strike or exiles were sufficient to derail the peace process.

As far as violence was concerned, there was goodwill and determination on all sides to tackle it. The security forces had not always been "as firm as one would have liked", but it was "manifestly not in the government's interest for the violence to be sustained".

Mr Evans will meet members of the ANC and PAC, the Inkatha Freedom Party, sports administrators "and just about everyone else in the country".

# SA URGED TO HEED AFRICA'S PROBLEMS

## OAU paves the way

NEW opportunities — including a prospect of further diplomatic breakthroughs — are being opened for South Africa in the continent of Africa.

This is how some Africa specialists see the outcome of this week's important Organisation of African Unity (OAU) summit in Abuja, Nigeria, where a softer line towards South Africa was adopted on the sanctions issue.

The move by African leaders, together with President De Klerk's trip to Kenya this weekend with a high-powered delegation including four Cabinet ministers, are interpreted as significant steps forward for South Africa in its Africa diplomacy.

However, a note of caution on South Africa's approach to the OAU has come from Professor Peter Vale, head of the Centre for Southern African Studies at the University of the Western Cape.

He says there is a need for more sensitivity to the problems of Africa at a time when the continent is "in a state of trauma".

The South African government, instead of proclaiming a victory and "crowing" about it as Foreign Minister Pik Botha and his people had been doing, should be showing a deeper sensitivity to Africa's trauma.

"I don't think we are helping towards solving Africa's problems. We

should be equally traumatised and should be entering into the debate on the future of the OAU and of Africa," Professor Vale told Weekend Argus.

Part of the continent's trauma is that it faces an uncertain future and the OAU itself can fracture and split completely.

Professor Vale believes the end of apartheid terminates "one of the lives of the OAU". A new challenge, in which South Africa can play an important role from within the OAU, will be to redirect the continent's course into the next century.

For most South Africans, however, the final reconciliation with the continent is likely to be "a powerful but painful experience".

One of the problems for South Africa is Africa's expectations of this country. Possibly the most serious one, according to Professor Vale, is that South Africa is in a position to offer some form of immediate relief at a time when the continent faces a shrinkage in international aid.

But South Africa's assets are limited, as its own Budget had shown. Forty years of ideologically driven policies have "all but wasted South Africa's own margins".

In a recent article published in Idasa's journal *Democracy in Action*, Professor Vale envisaged a

FRANS ESTERHUYSE

Weekend Argus Political Correspondent

Argus 8/6/91

possible early admission of South Africa to membership of the OAU.

He wrote then: "It is easy to predict the banner headlines the day that South Africa finally joins the Organisation for African Unity. It is also easy to foresee that, all things being equal, the day is not far off."

Dr Erich Leistner, director of the Pretoria-based Africa Institute, told Weekend Argus this week the stand taken by the OAU on the sanctions issue was "very encouraging".

It was significant that despite apparent pressures from South Africa's ANC and PAC, the OAU leadership added to their final communiqué a distinctly softer line in its statement on sanctions. It committed itself to reviewing the sanctions issue in the event of South African government measures for "positive, profound and irreversible change towards the abolition of apartheid".

Even more significant was a reference in the OAU statement to reviewing sanctions "with a view to readmitting South Africa to the international community".

Dr Leistner said there were signs that African states were beginning to see South Africa's reforms as being "irreversible", which could augur well for an early end to sanctions.

It was important that there were signs of closer relations and co-operation between South Africa and Nigeria — two of the strongest regional powers in Africa.

Nigeria was a dynamic country and was in a strong position to influence other African states, especially in its region. This could open more doors for South Africa.

Once sanctions were lifted, further diplomatic breakthroughs for South Africa in the continent of Africa could be expected.

However, Dr Leistner says he is "a little sceptical" about the extent of such breakthroughs in the light of the fact that the World Bank and "almost everybody else" had virtually written off the continent.

"South Africa, with its own enormous needs, is hardly in a position to save the continent of Africa."

He believes South Africa should rather concentrate its efforts on southern Africa.

Some observers at the OAU summit interpreted this week's events as "the handing of an olive branch to South Africa on sanctions".

Reuter reports that the summit's communiqué, saying there had been some positive developments in South Africa, was the 51-member OAU's "most open gesture to the reformist government of President De Klerk".

The South African parliament voted this week to repeal two key laws — the Group Areas and Land Acts — which were among the last pillars of the apartheid policy and racial segregation.



Urgency to lift boycott but ...

# Sport ban

# must stay - Azapo



Tshwete ... awaiting De Klerk's assurance.



Ebrahim ... critical of calls to end boycott.



Ngcukana ... 'equal society not in sight'.

By RODNEY MTSHAZO

WITH less than three weeks to go before a possible selective lifting of the sports boycott, opposition is intensifying.

And some of those in favour in principle of a selective boycott are having a serious rethink.

The ANC-allied National Olympic and Sports Congress (Nosc) is to make a decision one way or the other when it meets shortly after the ANC conference next month.

## Influential

The PAC has called a consultative meeting in Johannesburg for Thursday of political, community and sports groups opposed to apartheid to thrash out the matter of the boycott.

Azapo and the South African Council of Sport (Sacos) are stepping up their lobbying in opposition to a lifting of the boycott.

On the other hand, pressure for the boycott to be lifted selectively from June 30 is enormous in influential circles within South Africa, in Africa, and among international sports bodies.

Indeed, it should come as no surprise if those who want it lifted have their way.

## Deadline

The decision by the Organisation of Africa Unity (OAU) this week to maintain sanctions against South Africa is understood to include sport.

There are indications however that the June 30 deadline could be extended.

Reports suggest that the ANC - which has ex-



RISING STAR ... Will Kalzer Chiefs striker Fanle Madide (left) get to play against international competition this year?

erted the largest political influence on South African sport in the past year - has shifted its position slightly.

The ANC's position

has been that the boycott may be lifted from sports bodies "which have achieved unity", as soon as all apartheid legislation is repealed.

Now it seems its approval for the lifting of the boycott may be conditional on the government "giving assurances regarding the removal of

obstacles to negotiations" - which include the release of all political prisoners and the ending of violence in the townships.

PAC secretary for Sports, Recreation and Culture, Fitzroy Ngcukana, says the PAC wants the boycott to remain in force "until the type of society that our people

want is within sight".

He told City Press the PAC "hoped an agreement would be reached on Thursday" but would not speculate on the outcome of the meeting.

The boycott issue is also tied to the Patriotic Front that the PAC and the ANC hope to form in August.

## Clarity

Azapo spokesman Oupa Ngwenya said the organisation remained "totally opposed to a selective application of the sports moratorium".

"However Azapo will attend Thursday's meeting and hopefully it will bring some clarity to the issue," he said.

Azapo would also meet to discuss the future of the cultural and sports boycotts at Soweto's Funda Centre on June 15, he said.

Sacos this week repeated its call for the boycott to stay and strongly criticised those who supported its partial lifting.

## Attacked

Sacos president Joe Ebrahim also attacked the Interim National Olympic Committee of South Africa (Inocsa) for its handling of the matter.

Inocsa, of which Sacos is a part, is divided on the issue. It meets again on June 30.

There has been talk of demonstrations against any international sporting events taking place in South Africa without a general agreement to lift the boycott.

But others are debating the wisdom of this in the light of the violence that is taking place in the townships.



# SWITZERLAND TO AFRICA

STimes 9/6/91

By DAWN BARKHUIZEN  
in ABUJA, NIGERIA

and MIKE ROBERTSON  
in NAIROBI, KENYA

220  
280

## THE 51-nation Organisation of African Unity is poised to drop sport, cultural, air-link and tourism sanctions against South Africa.

Visible steps to end violence and the scrapping of apartheid legislation could see this happen soon after June 30, according to ANC international affairs chief Thabo Mbeki.

While African leaders voted this week to maintain all sanctions, behind closed doors they gave the green light for some sanctions to be lifted once the South African government complies with certain conditions, sources said. The thaw in attitudes to South Africa coincided with President FW de Klerk's arrival in Kenya to a warm welcome from President Daniel arap Moi and his entire cabinet.

### Timing

The OAU position is in line with the stand taken by the ANC at the OAU summit.

A similar package aimed at lifting sanctions in a phased way — beginning with culture and sport and ending with the arms embargo — is expected to be put forward by Australia, Canada and India at the Commonwealth meeting in Harare in September.

The dispute over sanctions at the OAU summit revolved around timing, Mr Mbeki disclosed in an interview.

"Basically it was a matter of when the OAU should make any announcement that it might want to make — should it be now or should they wait four weeks?"

There was also strong opposition from the PAC, which was adamant that all sanctions should remain until a democratic constitution was in place. Supporting its stand was President Robert Mugabe of Zimbabwe.

Backing the ANC were frontline countries feeling the side-effects of the economic squeeze on South Africa — Zambia, Swaziland, Lesotho and Mozambique. Nigerian President Ibrahim Babangida indicated his readiness to meet President De Klerk "if it would help the situation".

PAC international affairs chief Gora Ibrahim accused Mr Mbeki of trying to "smuggle through a

### From Page 1

sanctions-lifting package" without a mandate from the ANC.

Mr Mbeki, however, said that while the ANC had voted to maintain sanctions last December, a decision had been taken to prepare for the eventuality of substantial change and to canvass the international community on its attitude to lifting sport, cultural and trade sanctions.

He said "Nobody is suggesting that all sanctions must be lifted, but we need to handle the matter recognising any action and concrete change that might take place."

"As of now, insufficient change has taken place to merit any alteration, but there will be change in future."

### Response

"Sanctions have been an important weapon throughout the process and there must be response to change. We do not want to be left with an empty shell."

The final decision is a major departure from the OAU's blanket ban on ties with South Africa.

The OAU voted to maintain sanctions, but left the door wide open for a change in stance by pledging to review sanctions when the government adopted measures that would "lead to positive, profound and irreversible

change towards the abolition of apartheid".

In Nairobi yesterday, meanwhile, the South African flag flew for the first time in decades as President De Klerk and his entourage were accorded a red-carpet welcome at Nairobi's Jomo Kenyatta airport.

### Buoyant

Foreign Minister Pik Botha, Mineral and Energy Affairs Minister George Bartlett, Agriculture Minister Kraai van Niekerk and Trade and Industry Minister Org Marais are accompanying the president on the two-day visit.

South African Foreign Affairs officials were in a buoyant mood after the three-hour meeting between Mr De Klerk and the Kenyan leader. One predicted that within months of the scrapping of the last apartheid laws, South Africa would have an office in Nairobi.

Another described the meeting as an "absolute success" and said the Kenyan president was "a partner with a full appreciation of what is happening in South Africa".

At a press conference after the meeting, President De Klerk said South Africa could no longer be considered isolated in Africa. He hoped that the recent OAU meeting was the last at which South Africa would not be present.

To Page 2



# Way to Africa is open

① 280  
CT 10/4/91  
280

From ANTHONY JOHNSON  
Political Correspondent

**NAIROBI.** — Economic sanctions by all the powerful nations of Africa will effectively be a dead letter by the end of this month, Foreign Minister Mr Pik Botha predicted last night.

Mr Botha was speaking on the implications of the path-breaking visit by President F W de Klerk to Kenya, which he said would lead to a more than tenfold increase in the current R25 million in annual exports from South Africa to the economic powerhouse of East Africa.

Visits to Nigeria and Egypt are now imminent as South Africa aggressively markets its "Africa first" development model to save the continent from continuing economic decline.

The notion is based on a proposal whereby regional powers like South Africa, Kenya, Nigeria and Egypt could serve as the engines for integrated regional development while increasing co-operation within the continent as a whole.

## 'Breakthrough'

In a clear reference to the burgeoning new outreach programme, President De Klerk said while standing on the equator at the foot of Mount Kenya yesterday: "The equator is no longer the dividing line in Africa for South Africa."

And Mr Botha told the Cape Times on the aircraft returning the presidential entourage to South Africa last night that the "breakthrough" achieved in Kenya would pave the way for a blossoming of trade and other relations across the continent.

"I say that sanctions in Africa are gone as far as the important countries are concerned — they will not hurt us any more."

The relaxation of the OAU stand on sanctions against South Africa at its Obuja summit comes amid growing signs that the frontline states will soften their stand on South Africa even if Zimbabwe continues with its hardline pro-sanctions rhetoric.

Senior members of the South African delegation to Nairobi said their Kenyan counterparts were shocked at



## FW INVITES ARAB MOI TO VISIT

See PAGE 3

the nature of the preferential trade status enjoyed by Zimbabwe which has for years been in the forefront of calls for continued sanctions against Pretoria.

The change in attitude by Kenya towards South Africa following the talks was characterised by one member of government as being "like a dam wall bursting — all the old arguments have become insignificant".

Another said, "Africa is opening. What remains is Nigeria and Egypt".

Mr Botha said last night that Kenya and other African countries would no longer judge the South African government by the colour of its skin but on its economic policies — "and here we are way ahead of the ANC".

## Except Libya

He said the explosion of interest in Africa in strengthening contacts with South Africa meant that the foreign affairs staff might have to be increased and its training adapted to make it more "Africa-oriented".

South Africa was now trading directly or indirectly with every African country except Libya, he noted.

In the past a number of African countries had been loath to trade openly with South Africa because they believed this would amount "to trading with an apartheid regime which was oppressing its brothers."

"That is now falling away," he said. "Perhaps foreign affairs will become the first government department to introduce safari suits as official dress," he quipped.

*Each Country  
a Master*



*Rembrandt*





President F.W. de Klerk with Kenyan President Daniel arap Moi after the South African leader arrived in Nairobi on Saturday for a two-day State visit.

# FW has trade network plan

Source 12/6/91.

**NAIROBI** - In ground-breaking talks with Kenyan leader Mr Daniel Arap Moi, South African President F.W. de Klerk has proposed that Africa should be divided into a network of trade blocs to obtain its share of world prosperity.

De Klerk said on Saturday after three hours of talks with Moi that South Africa, Kenya, Nigeria and Egypt could be the leaders of four interlocking trading regions that could compete against a united Europe.

## Important

"We feel that we can play a constructive role in interaction with other fairly prosperous countries such as Kenya," he told reporters.

"I think it is important that we should have specific interaction with what could be described as other regional powers."

De Klerk noted that South Africa's 1990 gross domestic product of R300-billion almost equalled the R325-billion GDP of all the other 40 countries of sub-Saharan Africa.

South African Government sources have ex-

pressed increasing concern over the past year that Africa's economic decline and the opening of new markets and investment zones in Europe could cut access to aid and investment capital.

South African and Kenyan ministers of trade, industry, agriculture and energy met simultaneously on Saturday to identify areas for potential cooperation.

"The foundation is there now," said South African Trade and Industry Minister Org Marais. "I expect things to start moving soon."

De Klerk has travelled widely in the United States, Europe and Africa since he moved to end decades of political and

economic isolation last year with a promise to end 42 years of apartheid. But he said some powerful members of the 51-nation Organisation of African Unity had been slow to recognise the significance of the changes already made and the reforms in the pipeline -

Sapa-Reuter



De Klerk invites Moi to visit

# Kenya set to increase trade links with SA

NAIROBI — President F W de Klerk is to invite Kenyan President Daniel arap Moi to visit SA after their weekend meeting which laid the foundations for closer co-operation and expanded trade between the two countries.

De Klerk announced an "open invitation" to Kenya's 32 cabinet ministers to visit SA after a "very fruitful" separate meeting between government ministers involved with trade, industry, energy and agricultural affairs.

Sources close to the talks predicted that a number of concrete benefits for both countries could flow from the discussions.

These included:

□ The posting of government representatives — possibly "within weeks" — in Nairobi and Pretoria to facilitate the expected mushrooming of official and business contacts;

□ A "tremendous increase" in trade between the two countries. Kenya has been one of the strictest observers of OAU sanctions against Pretoria;

□ The upgrading of the Tanzam railway line, particularly to boost trade through Mombasa, with the help of SA expertise;

□ A dramatic increase in trade and business delegations between the two countries. A Kenyan delegation has already visited the western Cape with a view to buying large consignments of SA wines;

□ A tourism deal to promote joint package deals for tourists to visit Kenya and SA. An aggressive drive to get SA tourists to visit Kenya is also on the cards;

□ An arrangement to allow Kenyan Airlines to fly regularly to SA, including a

ANTHONY JOHNSON

possible deal giving SAA and Kenya Airways the lion's share of the tourism market; and

□ Regular visits by technical experts in the fields of telecommunications, energy, plant and animal diseases and small farming management between the countries.

At his news conference De Klerk told journalists and diplomats that there was "no doubt" that SA and Kenya would increase their co-operation in trade, agriculture and a number of other fields.

"SA has much to offer regarding its know-how and expertise and we find it extremely important that we expand our contact and co-operation with such an important country as Kenya."

Government ministers from both countries expressed delight at the progress made at the "overwhelmingly friendly" and "very constructive" three-hour meeting between the two leaders in Nairobi.

De Klerk said he had still to formally extend to Moi the invitation to visit SA, but would do so soon.

There was no immediate response from the Kenyan government, but a Kenyan minister said the trip could take place any time after the SA government formally scrapped the remaining key apartheid laws.

Members of the SA delegation said they believed their Kenyan counterparts "felt cheated" that other African countries, which had paid lip service to sanctions but had received a head start in trade with SA.

One Kenyan minister privately com-

□ To Page 2

## Kenya

plained that some African countries had been highly critical of SA "above the table" but had continued to expand trade relations with Pretoria "under the table."

A senior member of the SA delegation said: "The key to the trade issue is that Kenya can get many manufactured goods from SA cheaper, with a shorter delivery time and more reliably than is the case from most other countries."

Another said the warming of relations

between SA and its long-standing bitter enemy would have a powerful effect on the opening of trade and diplomatic contacts with other states in Africa and the Commonwealth.

□ After receiving a rousing official welcome in Nairobi on Saturday, De Klerk and his entourage travelled to the Kenyan highlands yesterday to attend a church service of the Reformed Church of East Africa.

□ From Page 1

It's like a dam wall bursting - De Klerk

# Africa sanctions crumbling

By Kaizer Nyatumba  
and Sapa-Reuter

**NAIROBI** — President de Klerk ended a historic visit to Kenya yesterday, saying black African resistance to trade with South Africa was crumbling as fast as apartheid.

"It's like a dam wall bursting," he told reporters on his flight home.

"If we can have a successful visit to two more important countries in Africa, we will have turned things around."

He refused to tell reporters which countries he hoped to visit next.

But Foreign Minister Pik Botha told Kenyan television that Mr de Klerk might visit Nigeria later this year, and it is known that Egypt is seen to be of crucial importance.

Mr Botha said last night that Colonel Muammar Gaddafi's Libya was now the only African country with which South Africa did not trade, and against South Africa's return.

Briefing journalists, Mr Botha said that Mr de Klerk's visit was a very important one for Kenya's economic future.

## African sanctions crumbling

● From Page 1

his visit of a new wind of change blowing across Africa.

He said, at a state banquet given on Saturday by President Moi, that in this critical time in Africa, only countries such as Kenya and South Africa had the power, energy and initiative to rescue the continent.

Mr de Klerk said South Africa had embarked on a process which Kenya had accomplished many years ago — the reconciliation of all its races.

But, he said, the winds of change were blowing across Africa and soon there would be total democracy in South Africa, with fairness and justice for all.

At a press conference, Mr de Klerk indicated that President Moi might visit South Africa in the near future.

Mr de Klerk said he had an open-door policy and President Moi, his Cabinet Ministers or his senior government officials

were welcome in South Africa. He said he would soon formalise this invitation.

The visit by the South Africans received exhaustive coverage in the local press.

It was a lead story in all Sunday newspapers.

The Kenyan Sunday Times' main story, headlined "New De Klerk vow to Africa", was based on Mr de Klerk's press conference after his three-hour meeting with President Moi.

"De Klerk invites Moi to SA" was the Standard on Sunday's lead story, and "De Klerk extends hand of friendship" was the Sunday Nation's main story.

Mr de Klerk and his delegation — which also included Agriculture Minister Dr Kraai van Niekerk, Trade and Industry Minister Dr Org Marais, Mineral and Energy Affairs Minister George Bartlett — will pay a one-day working visit to Swaziland today.

tating sanctions until more political change occurred in South Africa.

Unconfirmed reports say new OAU chairman, Nigerian President Ibrahim Babangida, will lift OAU sanctions shortly after the ANC's national congress in Durban next month.

Mr Botha said the attitude of the most important countries in Africa towards Pretoria was beginning to change.

Mr Botha said although South Africa's trade with Kenya used to be relatively small, it would "increase massively" from about R10 million a year to anything between R200 million

and R300 million.

Kenya, Mr Botha said, made about \$6 billion a year through tourism, and this was three times more than what tourism was bringing into South Africa.

It was also an economically stable country whose citizens were very hard-working.

Mr Botha described Kenyan leader Daniel arap Moi as one of Africa's elder statesmen, and said he and the leaders of Nigeria and Egypt could play an important role "to change the whole situation vis a vis South Africa" on the continent.

Mr de Klerk spoke during

● To Page 3



**N**EWSPAPER headlines are dominated by the prospect of SA sanctions being lifted, but the commentary and the effect seems concentrated on the political aspects. The effect on business, although much talked about, has yet to be felt in the SA economic environment.

What is certain is that SA is moving from a siege economy brought about by sanctions to something different. What this will be is not certain, but it is probable, given time, that we will have an open economy. SA is thus about to become a player in the cold global market — but the inevitability and the consequences of this are not always grasped by local business leaders.

Much of SA business success in the last 10 years has been based on protection and on manufacturing for import substitution. There is a serious warning in the lifting of sanctions for businesses which have prospered in this way. The euphoria of being readmitted to world business circles also carries the challenge of global competition. Barriers are coming down and the new competitors are looking at SA as the potential gateway to untapped markets.

**T**he winds of change are howling through the chemical industry, the motor components industry and the armaments industry. Business executives who are directly involved or indirectly affected by these industries should sit up and take note.

It is true that an open economy will lead to new opportunities and to market growth. A continuing redistribution of income will favour businesses catering to the middle and lower range of consumers. It will also bring with it new entrants to SA markets which will fundamentally alter the structure of competition in most industries.

The lifting of sanctions will give rise to a change in the amplitude and the frequency of the business cycle. Having gone through a period of shorter swings of limited severity, the business cycle will move back to longer upswings and downswings, with an overall upward trend.

Disinvestment reduced the presence of foreign competition in SA markets, and this is likely to be reversed as global players try to enter

# End of sanctions will create tough new hurdles for business

MIKE PERRY *Bloom 10/6/91*

not only SA but the rest of Africa, using SA as the gateway. Many disinvesting companies built instant buy-back agreements into contracts of sale, and can come back as soon as it is politically expedient to do so. But the new nature of global competition makes it less likely that they will, in fact, reinvest. Their focus is on penetrating the US, Japanese and "Fortress Europe" markets. They will not allow themselves to be distracted by peripheral markets such as SA.

Where corporations previously adopted a market by market approach, products now tend to be developed for the commonalities in the US, Japanese and European markets. Catering for the common needs of the world's richest 600-million consumers requires rapid product development and therefore shorter product life cycles. Products will not specifically be designed for the peripheral markets, of which ours is one. Multinational competitors will seek allies who might provide instant distribution for these products.

The question SA companies should address is how well suited are they to being allies of multinational competitors? The prospect of not being linked up with a multinational is made doubly daunting by the fact that local competitors may well enter into such an agreement.

During the era of isolation, which coincided with the halving of the value of the rand, businesses were often

frozen into their relative competitive positions through being denied easy access to the latest foreign technology. Those in front when the door closed kept their lead. Hard luck for those locked into a secondary position. When foreign technology is once again available to local companies, it might soon be possible for lagging companies to leapfrog their competition by acquiring superior technology.



□ PERRY

Deregulation will be accelerated, which will effectively change the rules of the game for most SA businesses. Some will be helped by deregulation and others will lose their protected position. Companies should be in no doubt about where they stand on this score.

In examining the trends of market growth, it is clear that black-driven markets have been showing steady upward growth, whereas white-driven markets are static. Companies must examine their positions and their alignment with consumers. Those which can find opportunities in markets traditionally driven by black consumers will find growth and competitive advantage handed to them on a plate.

Government spending will become increasingly directed at social reparation programmes, and companies would do well to prepare for the possibility that they may be forced by legislation into equal opportunity programmes.

It is better to address this "what if?" now than to be confronted with it later.

While an open economy will improve prospects for exports to the US, Europe and the Far East, it will also expose SA to foreign competition in its own backyard. This will not be limited to companies investing in SA but will include the advent of competition from development aid, which is likely to be given in

goods and services rather than cash. Globally, countries are tending to give aid in kind. This not only ensures that the aid resources are spent on the kinds of goods and services for which they are intended, but also provides the donor countries with the growth that comes out of manufacturing and producing these goods.

It could happen that local businesses find themselves increasingly under pressure as the ANC and other political parties repay "debts" to allies. Thus the competition will come not only from the usual sources (Europe and the US) but from favourable terms that may be granted to the Scandinavian countries.

Business resources will be stretched to meet the demands of both the SA first world and third world markets. The government will probably continue to take its share at the same rate, if not an increased rate, and business will be subjected to tougher international competition.

Contrary to many expectations, opening up the economy will thus make life harder, not easier, for SA businesses.

When will this start happening in earnest? Analysis of the Comprehensive Anti-Apartheid Act shows that US sanctions are most likely to be lifted on the anniversary of the enactment of the Act — in October this year. Wider action will depend on the political process here, but the SA government will have to conclude the negotiation process by September 1994, when the next "white" election is due. SA businesses thus have three years at the most in which to position themselves for these changes.

**T**here is time to adjust, but urgent, decisive action is needed. Business should bear in mind that the process might be accelerated if the vested interests of either the ANC or the government call for a quick resolution. Thus, although three years is the seemingly inevitable timeframe, things could happen much more quickly.

This is no "blue sky" political issue. It is upon us, and it will have a direct effect on every SA business.

□ Perry is a business strategy and marketing consultant.

## LETTERS

Dear Sir  
REPORTS have appeared in the

Slovo's Moscow Radio talks reveal all

As far as I know this by-law, an-

# Canberra 'will keep up pressure on SA'

Australian Foreign Minister Gareth Evans told ANC veteran Walter Sisulu yesterday that Canberra would keep up the pressure on President F W de Klerk to end South Africa's township carnage.

Mr Evans, speaking after talks with Mr Sisulu, said he had dismissed ANC fears that Australia was abandoning its support for the black cause.

At least 1 800 people have died since August in the worst urban violence in decades in clashes around Johannesburg between the Zulu-based Inkatha Freedom Party and pro-ANC residents.

Mr Evans, the most senior Australian Minister to visit

SA since apartheid rule started in 1948, told a news conference: "As I said to Mr Sisulu, the Australian government will give every help it can along with the rest of the international community to keep the pressure up, because obviously it's a very depressing and worrying situation."

Mr Evans said earlier during his week-long visit that Australia welcomed Mr de Klerk's reforms and would be as active in ending sanctions as it had been in imposing them.

Mr Evans laid flowers on the Pretoria grave of Australian folk hero Henry "Breaker" Morant, a volunteer who

fought for British forces in the 1899-1902 Anglo-Boer war.

Mr Morant, a former horse breaker, and another Australian officer were court-martialled and executed by British troops in 1902 for killing unarmed surrendering Afrikaner guerillas.

The two were acquitted of the murder of a German missionary who had witnessed the killings. 280

Mr Evans also toured Soweto's Baragwanath Hospital yesterday.

After the tour, he said the hospital was under pressure through limited resources.

— Sapa-Reuter



Shake on it. . . Gareth Evans and his wife, Merran, in Soweto yesterday.



It's like a dam wall bursting - De Klerk

# Africa sanctions crumbling

By Kaizer Nyatumba  
and Sapa-Reuter

NAIROBI — President de Klerk ended a historic visit to Kenya yesterday, saying black African resistance to trade with South Africa was crumbling as fast as apartheid.

"It's like a dam wall bursting," he told reporters on his flight home.

"If we can have a successful visit to two more important countries in Africa we will have turned things around."

He refused to tell reporters which countries he hoped to visit next.

But Foreign Minister Pik Botha told Kenyan television that Mr de Klerk might visit Nigeria later this year, and it is known that Egypt is seen to be of crucial importance.

Mr Botha said last night that Colonel Muammar Gaddafi's Libya was now the only African country with which South Africa did not trade, and African sanctions against South Africa were a thing of the past.

Briefing journalists during the return flight aboard SAA's "Spirit of the Ubombi", Mr Botha said Mr de Klerk's visit to Nairobi was a very important given Kenya's economic strength. It was regional economic

powers such as Kenya in east Africa, South Africa in the south, Nigeria in the west and Egypt in the north that could play a vital role in stabilising the continent.

Mr Botha said the other African countries were trading with South Africa directly or indirectly, and those whose trade with South Africa was still indirect could "score" by doing so directly.

He said now that Pretoria had ditched apartheid, many African countries would trade with South Africa openly as they realised the important economic role the country could play in the continent.

"As long as apartheid was there it was simply not possible for the average African country to trade with South Africa, a country which oppressed their African brothers," Mr Botha said.

South Africa, Mr Botha said, had for the past three years been advocating regional development in Africa but its views did not find favour because of apartheid. That problem was now over because South Africa was being accepted back into Africa.

Mr Botha said sanctions against South Africa were a thing of the past. This was so despite the fact that the Organisation of African Unity's summit in Abuja, Nigeria, last week had voted in favour of maintaining sanctions until more political change occurred in South Africa.

Unconfirmed reports say new OAU chairman, Nigerien President Ibrahim Bangida, will lift OAU sanctions shortly after the ANC's national congress in Durban next month.

Mr Botha said the attitude of the most important countries in Africa towards Pretoria was beginning to change. Mr Botha said although South Africa's trade with Kenya used to be relatively small, it would "increase massively" from about R10 million a year to anything between R200 million

and R300 million. Kenya, Mr Botha said, made about \$6 billion a year through tourism, and this was three times more than what tourism was bringing into South Africa.

It was also an economically stable country whose citizens were very hard working.

Mr Botha described Kenyan leader Daniel arap Moi as one of Africa's elder statesmen, and said he and the leaders of Nigeria and Egypt could play an important role "to change the whole situation vis a vis South Africa" on the continent.

Mr de Klerk spoke during

● To Page 3

sh site on Saturday.  
hi, the general man-

## il facts

y) — An American they said ran their a feature on a man r man. Michael and vere stunned when from their 1957 wed- l the headline in the Luke were happily s — then he fell in

## ng this way

ed for Chinese funer- additional mourning s as "I can't go on much for the official le are shocked and r said. Bands bored luges had recently als with tunes like ne woefully inappro- his way".

Sapa, Reuter, Associated Press

## nbling - FW

welcome in South Africa. said he would soon for- this invitation.

visit by the South Afri- ceived exhaustive cover- he local press.

as a lead story in all newspapers.

Kenyan Sunday Times' ory, headlined "New De vow to Africa", was n Mr de Klerk's press nce after his three-hour with President Moi.

Standard on Sunday's ry, and "De Klerk ex- and of friendship" was lay Nation's main story. e Klerk and his dele- - which also included ure Minister Dr Kraai kerk, Trade and Indus- ister Dr Org Marais, and Energy Affairs George Bartlet — will ne-day working visit to ad today.



# US big business is still against SA

Sowetan 10/6/91

280



**NEW YORK** - American big business and its shareholders are less eager than others to reward South Africa's steps toward ending apartheid.

Opponents of apartheid say US shareholders continue to support resolutions demanding that their companies reduce investments in South Africa and cut financial links with it.

In April the European Community responded to President FW de Klerk's reforms by ending the embargo on buying steel and other metals from South Africa. The International Boxing Federation ended a five-year boycott, scheduling a title fight for this month at Sun City.

Hints have come from US President George Bush's administration that it would like to loosen the 1986 federal law banning trade with South Africa, but not until greater reform is evident.

American opponents of apartheid argue that De Klerk's reforms are far too modest.

## Pressure

ANC deputy president Mr Nelson Mandela has urged Americans to keep pressure on the white minority government.

Many shareholder resolutions demanding the sale of South African assets got from 10 to 20 percent of the votes at annual meetings this year, said Ms Carolyn Mathiasen of the independent Investor Responsibility Research Centre Inc in Washington.

She said that was slightly lower than last year. Anti-apartheid activists said the vote percentages were at least equal to those of 1990.

Some of the resolutions passed and all got enough votes to remain on the agendas of 1992 annual meetings. A major goal of the movement is to embarrass companies into disinvesting by keep-

ing the issue before the public.

Large institutional investors who lead the drive for disinvestment, and businesses which have left South Africa, show little sign of relaxing their efforts.

"The fact that these South Africa votes have held up pretty well seems that institutional investors are waiting for Mandela to say 'No more sanctions' before they change their voting policies," Mathiasen said.

## Security

Tough anti-apartheid laws passed by more than 130 state and local governments have put the most pressure on corporations still operating in South Africa.

Mathiasen's organisation says 214 US companies have pulled out since 1984 and 106 remain.

On April 26, JP Morgan and Co stopped processing American depository receipts for South African companies. The receipts, known as ADRs, are a type of security that permits US investment in foreign stocks.

## Receipts

Morgan's announcement came after Massachusetts legislators demanded an investigation of Morgan's links with South Africa.

Massachusetts law prohibits companies with South African ties from doing business with the state. Morgan, the nation's fourth largest bank, could have been excluded from a R5,6-billion state bond offering.

Security Pacific Corp of Los Angeles also stopped its South African ADR business in the last year.

On February 25, Shell Oil Co lost the renewal of a five-year



**FW DE KLERK**

contract to operate 13 service stations on the New Jersey Turnpike because of its South African investments.

Ten US companies allowed their distribution or licensing agreements in South Africa to expire over the last year, according to Mathiasen's research centre.

"I think these are deeply held beliefs that took a while to get into the mainstream of political thought in this country, but now they are solidly there," said Mr Michael Zucker of the Amalgamated Clothing and Textile Workers Union.

Another anti-apartheid activist, Mr John Schultz, said: "The social activists who oppose the apartheid system certainly applaud the changes that have taken place, but there is still a long way to go."



**NELSON MANDELA**

Schultz is president of the Social Investment Forum of Minneapolis, a group of investment funds, banks and individuals which bases investment decisions on a company's conduct.

Others say the criticism is too harsh.

If De Klerk "does not receive some form of encouragement from the US to recognise what he has done, it could ... slow down the progress that we all want to see", said Professor Joel Stern, a New York financial consultant.

Stern, a visiting professor at the University of the Witwatersrand and the University of Cape Town, predicted Europe would resume full trade with South Africa soon and said Americans would "lose out to our competitors if we don't act as quickly". - Sapa-AP.



# Aussies and ANC agree on sanctions

*Sowetan 11/6/91* *280* *HP*

**THE Australian Government and the ANC have agreed on the phased reduction of sanctions against South Africa, with cultural and sporting ties set to be resumed after the current session of Parliament.**

This emerged yesterday at a media conference given by Australian Foreign Minister Gareth Evans and senior leaders of the ANC, including Alfred Nzo, Joe Slovo and Chris Hani.

Evans said following talks with the ANC that there was no difference of views on issues discussed.

The Australian Government would relax "people-to-people" sanctions first. He mentioned air links, sporting and cultural contacts and the provision of visas.

Stanley Mabizela, the ANC's deputy head of international affairs, said his organisation and the Australian Government

## SA Press Association

had agreed "on the need to restructure sanctions, but they must await the outcome of the current session of Parliament".

It also emerged that the Australian Government would be giving the ANC assistance. However, Evans would not give any details of the package, saying they would be made known later.

Nzo said there had been an exchange of views and Evans' visit to South Africa was "useful as he has gained personal experiences".

## Violence

On his talks with the South African Government, Evans said he had conveyed to them the international concern over the violence in the townships.

He added that Australian sanctions would be dropped if the obstacles to constitutional negotia-

tions were overcome. He mentioned the issues of political prisoners, exiles, apartheid legislation and the violence.

Later yesterday Evans was due to meet a delegation of the PAC, led by PAC deputy president Dikgang Moseneke.

However, in a statement the PAC said they would not meet Evans because of the arrest of a PAC member in Australia and the absence of financial assistance to the PAC.

The PAC member being prosecuted in Australia is Kerry Browning, and the PAC said all documents that were removed from its Australian office should be returned.

The PAC also said all their requests for financial assistance had been turned down. It accused the Australian Government of being "sectarian in regard to their assistance and support to liberation movements in our country".

# Anti-SA shareholder resolutions gain support

From SIMON BARBER

WASHINGTON. — Shareholder resolutions protesting US corporate involvement in SA gained more support than ever in this year's annual general meeting season, indicating no let-up in the grassroots sanctions movement.

Eighty-four SA-related resolutions were presented at 296 meetings tracked by the Investor Responsibility Research Centre (IRRC) — compared with 48 on the next most popular issue, the so-called Valdez Principles, named after the tanker involved in the 1989 Alaska oil-spill.

The SA resolutions were backed on average by just over 13% of shares voted, compared with just under 13% last year.

IRRC commented that institutional investors — public employee pension funds and the like — were sticking to their anti-SA positions in spite of the release of ANC Deputy President Nelson Mandela and other changes that have led the European Community to drop its sanctions.

The strongest support came for resolutions calling on banks to sever rela-

tions with SA. These included demands that the banks stop trading in American Depositary Receipts, instruments that enable US investors to buy SA shares issued before October, 1986.

As effort to persuade North Carolina National Bank to use its holdings in Royal Dutch Shell to pressure the oil company out of SA received less than the 10% support needed for the resolution to be resubmitted next year under Securities and Exchange Commission rules.

Resolutions calling for companies to withdraw from SA or, if they had already done so, to end all other "non-equity" ties, received an average of 11.9% support, marginally down from 12.4% year.

Such calls received the strongest backing at Unisys (21.8%), American Express (17.6%), and IBM (16.1%).

Resolutions calling on firms to stop sales to entities like Escom and Sasol remained popular, receiving 2% more support than last year. Affected companies include American Cyanamid, Amdahl, Dresser Industries, Caterpillar and Ingersoll Rand.



# Debate today on racist law

By ISMAIL LAGARDIEN  
Political Correspondent

THE repeal of the Population Registration Act - one of the demands made by the United States Government before investment in South Africa will be resumed and air links restored - comes up for debate in Parliament today.

The Act will be repealed by the end of this month, according to the State President Mr FW de Klerk.

Once passed, the new legislation, the Population Registration Act Repeal Bill, will formally end all new race classifications. *Donefer 11/6/91*

## Investment

The Comprehensive Anti-Apartheid Act passed by the United States Administration in 1986 prevents any investment in South Africa.

With the imminent repeal of the Group Areas and Population Registration Acts, the Government has met four of the five demands by the United States.

The CAAA stipulates that if four of the five demands are met, the President of the United States, Mr George Bush, can at his own discretion lift sanctions.

# Major aid package expected

*8/10/91 11/6/91*  
VISITING Australian Foreign Minister Gareth Evans is likely to announce a major financial aid package today as a prelude to the end of Commonwealth sanctions against SA.

Evans held talks yesterday with ANC officials and said agreement had been reached on "a package of assistance in one particular area of policy". He would not elaborate, but Australian sources said the package could add another R60m to the R30m aid package Evans announced last year.

ANC international affairs deputy head Stanley Mabizela said there was agreement about the need to restructure sanctions in the light of recent developments.

The ANC delegation included general secretary Alfred Nzo, finance head Thom-

**PATRICK BULGER**

as Nkobi and SA Communist Party leader Joe Slovo.

Evans said after yesterday morning's talk that his government and the ANC were in agreement on all major issues.

A phasing out of sanctions — starting with what he termed people-to-people sanctions like the sports boycott and air links — was contingent on government removing obstacles to negotiation.

He listed these as the release of political prisoners, the return of exiles, the repeal of security legislation, the scrapping of the last apartheid laws and an end to violence in the townships.

Evans stressed that violence had

□ To Page 2

## Aid package

*8/10/91 11/6/91*  
emerged as a major obstacle.

"We want to see the violence issue resolved before there can be any significant relaxing of sanctions. We take the EC view that the primary responsibility for dealing with the violence is that of the SA government," Evans said.

"This is still an apartheid constitution and until the constitution is rewritten this will still be an apartheid country. Much has been achieved and is in the process of being achieved and none of us want to be churlish about refusing to acknowledge it."

He said he was impressed by the sincerity of government responses to international unhappiness about the violence.

"I have no doubt that from a wide cross section of talks with the SA government that there is a genuine commitment to the democratisation of this country," he said.

Sapa reports the ending of SA's sporting isolation is set to top the agenda at a breakfast meeting today between Evans and SA sports officials in Johannesburg. He will meet the ANC's top sports negotiator, Steve Tshwete, as well as cricket supremo Ali Bacher.

LINDEN BIRNS reports the PAC cancelled a meeting scheduled for yesterday afternoon between Evans and PAC deputy president Dikgang Moseneke.

*8/10/91 11/6/91*  
□ From Page 1

In a letter sent to the Australian embassy yesterday, Moseneke said the meeting was being called off because the Australian government was still going ahead with the prosecution of Kerry Browning — wife of former PAC Australian diplomatic mission chief Maxwell Nemadzivhanani.

Browning was arrested in connection with a bomb explosion outside the US embassy in Australia, a PAC spokesman said yesterday.

Moseneke also said that the Australian government was "sectarian" in its support of only one SA liberation movement. He did not name the ANC or any other liberation organisations.

The organisation also claimed that despite receiving several requests, the Australian government had not invited any PAC representatives to visit Australia, while at the same time officials from a rival liberation movement had been invited to visit that country.

"At the end of the day it will not be the Australian government but the African masses in our country who will decide on the liberation movement which will form a future government in our country," Moseneke's letter concluded.

● Picture: Page 4



## Mandela in plea to EC

BRUSSELS — ANC deputy-president Mr Nelson Mandela has pleaded with the European Community to maintain economic sanctions against South Africa. ARGUS 11/6/91

An EC spokesman said that during talks with European Commission President Mr Jacques Delors here yesterday Mr Mandela had said he regretted the gradual easing of sanctions by the EC since December.

Mr Mandela had told Mr Delors the lifting of EC sanctions "was not a good signal for the full enforcement of the Harare agreements and for the end of violence in South Africa". — Sapa-AP.

## ANC, Australia agree sanctions on way out

JOHANNESBURG. — The Australian government and the African National Congress agree on the phased reduction of sanctions, with cultural and sporting ties set to be resumed after the current session of parliament.

This emerged at a media conference with Australian Foreign Minister Gareth Evans and the ANC's Mr Alfred Nzo, Mr Joe Slovo, Mr Chris Hani and others.

Mr Evans said there was no "difference of views on issues discussed".

He said the Australian government would relax "people-to-people" sanctions first. He mentioned air links, sporting and cultural contacts and visas.

Mr Stanley Mabizela, the ANC's deputy head of international affairs, said the ANC and Australia agreed "on the need to restructure sanctions, but they must await the outcome of the current session of parliament".

Mr Nzo said there had been an exchange of views and that Mr Evans's visit to South Africa was "useful as he has gained personal experiences".

On his talks with the government, Mr Evans said he had conveyed to them the international concern over violence in the townships.

He added that Australian sanctions would be dropped if the obstacles to constitutional negotiations were overcome. He mentioned the issues of political prisoners, exiles, apartheid legislation and the violence.

Mr Evans was also due to meet a delegation from the Pan Africanist Congress but the organisation said it would not meet Mr Evans because of the arrest of one of its members in Australia and the absence of financial assistance to it. — Sapa.



The OAU faces a dilemma on sanctions, writes Barney Mthombothi from Lagos

See 11/6/91.

280

# SA - Africa's new hot potato

**N**IGERIAN president Ibrahim Babangida, in his concluding remarks at the Organisation of African Unity summit last week, used phrases like unique, historic, epoch-making, the beginning of a new reawakening.

"We charted a new direction for Africa," added the new OAU chairman.

Stirring words indeed. A shade exaggerated perhaps, but for South Africa, the OAU summit held in Abuja, some 800 km north of Lagos, could indeed turn out to be a watershed.

The decision taken at the summit on South Africa has, for the first time, opened the prospect of direct dialogue between the OAU and Pretoria.

The OAU has, since its birth, wrestled with the South African problem. It has not made much headway but what it says on the situation has carried some respect around the world.

It has been said, with some justification, that SA's road to international acceptability goes through Africa.

At OAU summits, South Africa was a unifying issue. All the mem-

ber countries agreed it had to be isolated.

This is no longer the case.

Lurking in the background at this year's summit was the image of more and more African countries making their way to Pretoria in defiance of OAU decisions. P. K. Botha's diary these days is very crowded.

The secretary-general of the OAU, Salim Ahmed Salim, complained bitterly that this kind of behaviour by the organisation's member states was an embarrassment and the OAU's voice on South Africa was losing its credibility as a result.

Nelson Mandela made the same point, warning against what he called a "headlong rush" to do deals with Pretoria.

But none of these countries spoke out in public in defence of their actions. The watchword seems to be: sit tightly on the fence and keep your mouth shut.

Only Madagascar stood up to face its critics, albeit behind closed doors. It earned a lot of scorn — and some respect, too — for its courage.

President Daniel arap Moi of

Kenya made a long speech to the conference, and then went home to entertain Mr de Klerk, who was visiting Nairobi.



Ready to move Ibrahim Babangida.

Two days before Mr Moi's speech, in which he uttered nary a word on SA, his foreign minister had gone along with a tough resolution calling for sanctions, including the arms struggle, against South Africa.

The differences of opinion were also reflected at the top. Outgoing chairman Yoweri Museveni of Uganda, brushed aside changes in South Africa as irrelevant. The issue, he said, was the vote, power. Everything else was peripheral.

He was immediately followed to the podium by General Babangida, who said Mr de Klerk was a man of courage.

For Africa, South Africa is no longer a safe subject. It has become, like so many other issues on the continent, a hot potato.

The foreign ministers' tough resolution on South Africa, for in-

stance, was not part of its general resolutions. It was treated separately and its contents were never made public.

But there are no secrets at such gatherings. People talk, and they leak information. And throughout all this, when the foreign ministers were marshalling the old clichés, there were whispers in the corridors of the existence of an unsigned document by the ANC calling for a progressive lifting of sanctions.

The document didn't win any converts but it was used quite effectively as a bargaining chip at a meeting of Frontline foreign ministers to significantly water down the sanctions position on South Africa. Whereas the Harare Declaration, which has also been endorsed by the UN, said a democratic government had to be in place before sanctions could be lifted, the Abuja Declaration gave the OAU chairman a free hand to review the situation, taking into account developments within South Africa.

Ironically, it was President Museveni who complained that the OAU chairmanship was a toothless position. The chairman had no

power to decisively influence events on the continent, he said.

The Abuja Declaration has given General Babangida the power to act. And he seems determined to use it.

Those who know him say he won't hesitate to come to South Africa if that would help.

General Babangida is also keen to send a team of foreign ministers to South Africa to assess the situation. One thing he kept repeating was that the township violence would have to stop — and he didn't even seek to blame it on the SA security forces.

If the OAU drastically changes course on sanctions it is likely to be accused of betraying its stand against apartheid. But failure to move could lead to more African countries doing deals with Pretoria regardless of what the OAU says. That would heap more embarrassment on the organisation. It could also cut the OAU out of the equation at a time when it is keen to be seen to be involved in conflict resolution.

The desertion of the anti-sanctions fold by some African countries can be traced to several reasons.

President de Klerk seems to have convinced some of these countries that he means business.

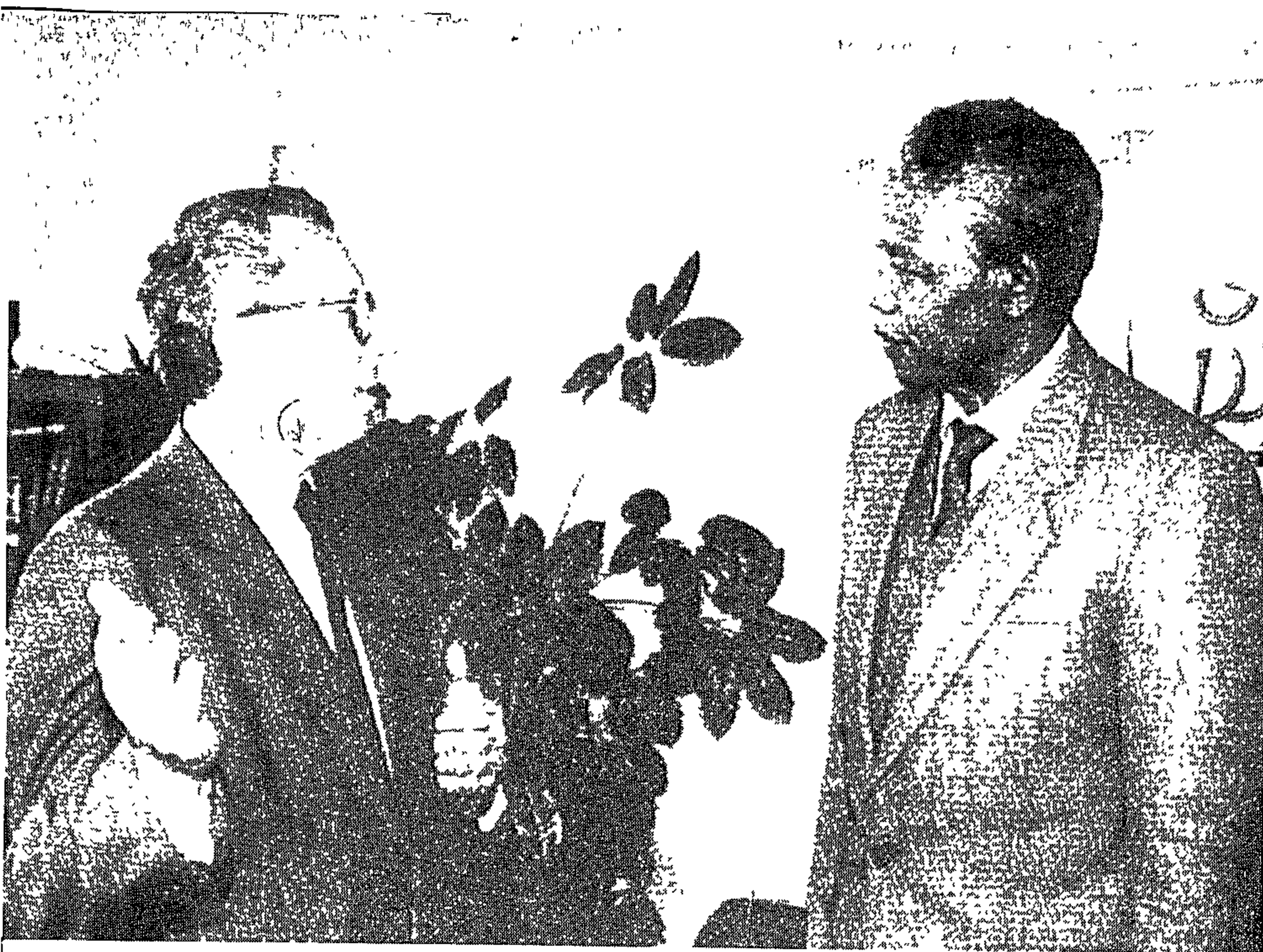
Another reason is simply that the world has moved since 1989. Eastern Europe is free and is looking for friends and markets. It's a question of getting to South Africa before the Eastern Europeans.

Also, some African countries are of the view that it is about time black people in South Africa got their act together. There is a feeling that black Africa has stood by them through difficult times and now, when there is a ray of hope, black people start a quarrel among themselves.

The next stop for the sanctions debate is Harare in October at the Commonwealth summit. But things could happen before then. The OAU chairman could convene the ad-hoc committee of the organisation if the situation warrants it. This is a 14-nation standing committee of the OAU which meets between summits and has the power to make decisions on behalf of the OAU.

Nigeria, Algeria and the Frontline states are members of the committee — Star Africa Service. □





**SANCTIONS PLEA . . .** European Commission president Mr Jacques Delors with Mr Nelson Mandela at the commission's headquarters in Brussels yesterday. Mr Mandela, on a private visit to Brussels, urged the EC to maintain sanctions against South Africa.

## Mandela leads bid to keep EC sanctions

LONDON, — The anti-apartheid movement, headed by ANC deputy president Mr Nelson Mandela, yesterday stepped up its campaign to urge the European Community to maintain sanctions pressure on the South African government until demands are met for the release of political prisoners and the return of exiles.

Yesterday Mr Mandela had an hour-long meeting in Brussels with the president of the the European Commission, Mr Jacques Delors, during which he expressed "regret" at the EC decision last December to partly lift sanctions.

And yesterday morning a delegation from the Liaison Group of the EC Anti-Apartheid Movements, led by Arch-

bishop Trevor Huddleston, held an hour-long meeting in Luxembourg with Foreign Minister Mr Jacques Poos, the president of the European Council of Ministers.

"I came away with the clear impression that there is a changing perception in Europe as to the reality of the situation in South Africa," Archbishop Huddleston said after the meeting.

Mr Poos said President F.W. de Klerk had failed to keep his promises in respect of political prisoners and exiles. He also accepted the need to maintain international pressure on the South African government. — Own Correspondent and Sapa

280 11/6/91 Picture: AP



3/2/91 12/6/91  
**Zimbabwe 'no'**  
**to full SA ties**

HARARE — Zimbabwe is standing firm against SA's diplomatic drive into Africa, holding back on formal contact until various anti-apartheid movements give the green light.

Diplomatic sources said Pretoria felt Zimbabwe was perhaps not giving enough credit for moves to dismantle apartheid.

Harare had approached Pretoria to renegotiate a 1964 trade agreement vital for the success of the five-year economic reform programme Zimbabwe embarked on earlier this year. But at the same time Zimbabwe was making a hard-line call at the OAU summit to maintain sanctions.

SA is Zimbabwe's biggest trade partner.

President Robert Mugabe has welcomed changes but said they fell short of full eradication of apartheid. — Sapa-Reuter.

**Former foe gives African readers a survey on SA**

8/2/91 12/6/91 ROBERT GENTLE  
A SPECIAL edition survey on SA in the influential African publication Jeune Afrique signals an end to years of open hostility by the magazine.

The 50-page survey in the current affairs journal will bring SA to the attention of Francophone Africa and will also be sold in SA.

The magazine says "a long debate" was necessary before it decided to run the survey. It admits that its readers may be "shocked" to discover advertisements from SA companies.

"One thing is sure: it is not our convictions that have disappeared, but that SA has changed," says the introductory editorial.

The survey contains interviews with President F W de Klerk, ANC deputy president Nelson Mandela and Inkatha president Mangosuthu Buthelezi.

It also lifts the veil on SA's increasingly fruitful trade contacts with the rest of Africa, speaking of "liaisons" that have become "less and less discrete".

SA industrial companies like Eskom, AECL, Tiger Oats and research centre CSIR are described as "dynamic" to "high-tech". Engen, Senbank, Dulux Paint and Consol have advertised in words that leave no doubt they are angling for future African business.

The survey ends with a questionnaire addressed to Jeune Afrique readers asking whether African presidents should meet De Klerk and whether readers would be prepared to visit SA.

<sup>3/12/91</sup>  
<sup>12/6/91</sup>  
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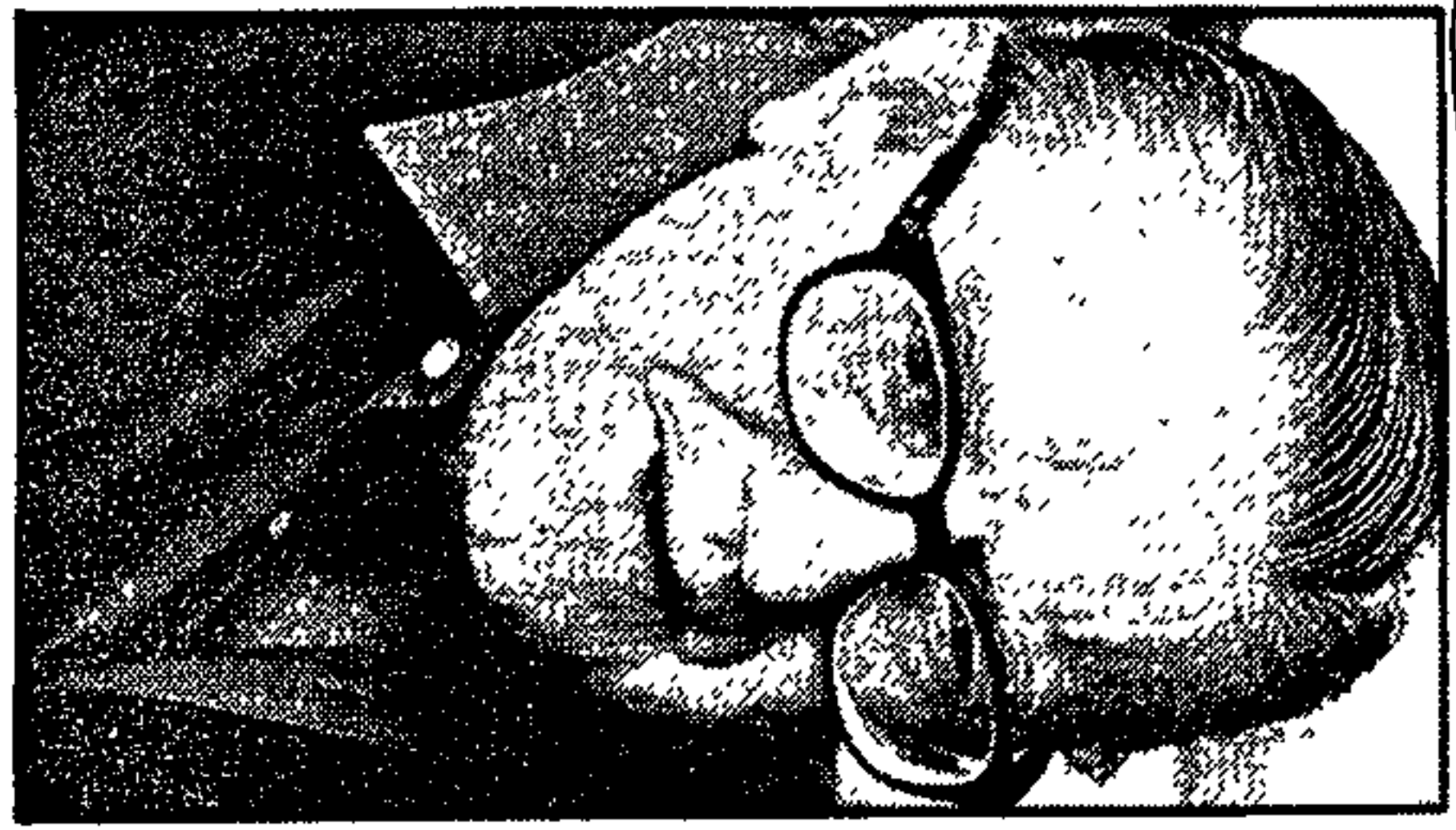
# US microscope on SA reforms

The Government's redrafting of the Population Registration Act was a result of pressure from the US State Department, according to a former editor of the Rand Daily Mail.

**THE GOVERNMENT'S** redrafting of the Population Registration Act was a result of the US State Department's reservations about Pretoria's good faith in complying with conditions imposed under the US anti-apartheid legislation, according to former newspaper editor Raymond Louw.

Writing in the latest edition of his weekly Southern Africa Report, Mr Louw said the State Department's reservations about the Government's good faith in complying with conditions in the Comprehensive Anti-Apartheid Act (CAAA) of 1986 had forced Pretoria to redraft the Population Registration Act.

This development, Mr Louw wrote, could have an effect on the Government's plans as outlined in the recently released Education Renewal Strategy. Mr Louw said Home Affairs



Raymond Louw



Gene Louw

Minister Gene Louw's decision to withdraw the controversial Population Registration Act Repeal Bill and reintroduce the redrafted Bill as a combined measure with the Further Abolition of Racially Based Measures Bill last week was a result of direct US intervention. The State Department had

found the language used in the Population Registration Act Repeal Bill, providing for population registration to continue so that the tricameral Parliament could continue to function, "too vague". Mr Louw said that whereas the Bill "did not spell out clearly that racial categorisation

was being scrapped", the redrafted Bill and the Further Abolition of Racially Based Measures Bill specifically scrapped 16 apartheid laws and deleted racial clauses in seven other Acts.

He said the State Department's move was important because, in addition to cautioning the SA Government "in general terms", it had also intervened directly in Government legislation, thus forcing Pretoria to change its legislation to comply with the CAAA.

The CAAA, imposed by the US Congress in 1986, stipulates conditions which have to be met before US sanctions against South Africa could be lifted.

"This is significant because it means the State Department is placing every piece of South African legislation and the South African Government's actions under the microscope to ensure there is full compliance with US demands.

"The rapidly with which South Africa responded by withdrawing the Population Registration Act Repeal Bill and redrafted it indicates, too, how sensitive South Africa is to this pressure and how desperate the Government is to get rid of sanctions," wrote Mr Louw. — Political Staff. □

Star 12/6/91.

# Sanctions may be 'gently' eased out

280  
CT 12/6/91.

LONDON. — The Commonwealth may begin a phased relaxation of economic sanctions against South Africa as early as July if Pretoria meets certain conditions, the 50-nation group's secretary-general said yesterday.

Chief Emeka Anyaoku said the process could be initiated by the repeal of the legislative pillars of apartheid, the release of all political prisoners, the return of political exiles and the review of "oppressive" security laws.

"I would expect that in the course of July that Commonwealth governments will acknowledge that these things have been done and so will recommend or decide on the process of sanctions relaxation," he said.

"The position of the Commonwealth as far as sanctions are concerned is that they should be relaxed in tandem with concrete progress towards the end of apartheid."

He said this would be started at the next meeting of the Committee of Foreign Ministers on South Africa, chaired by Canada, which is due to be held in July, probably in New Delhi.

Other members of the Commonwealth committee are India, Guyana, Zambia, Zimbabwe, Nigeria and Tanzania.

Diplomats in Harare say, however, that Zimbabwe is standing firm against South Africa's diplomatic drive into Africa, holding back on formal contact with Pretoria until various anti-apartheid movements give the green light.

Chief Anyaoku ruled out a quick return to Commonwealth membership for South Africa, as Britain is advocating, until the violence is halted, allegations of security force complicity in the violence are answered and progress is made towards negotiations on a new non-racial constitution. — Sapa-Reuter



## Commonwealth (280) may ease sanctions

8/10 am 12/6/91  
LONDON — The Commonwealth might begin a phased relaxation of economic sanctions against SA as early as July if Pretoria met certain conditions, the 50-nation group's secretary-general said yesterday.

Emeka Anyaoku of Nigeria said the process could be initiated by the repeal of the legislative pillars of apartheid, the release of all political prisoners, the return of political exiles and the review of what he called "oppressive" security laws.

"I would expect that in the course of July that Commonwealth governments will acknowledge that these things have been done and so will recommend or decide on the process of sanctions relaxation," Anyaoku said in an interview.

"The position of the Commonwealth as far as sanctions are concerned is that they should be relaxed in tandem with concrete progress towards the end of apartheid."

He said this would be started at the next meeting of the committee of foreign ministers on SA due to be held in July, probably in New Delhi.

Anyaoku would not say which sanctions would be lifted in a first phase.

He ruled out a quick return to Commonwealth membership until the violence was halted, allegations of security force complicity in the violence were answered, and progress was made towards negotiations on a new non-racial constitution. — Sapa-Reuter.

## 'Sanctions 280 not to blame for SA woes'

Byday 13/6/91

GRAHAMSTOWN — SA's massive economic problems are mostly structural and should not be ascribed to apartheid and sanctions, says Alec Erwin, a senior Cosatu official and head of the National Union of Metalworkers' education department.

In an address to the Rhodes University economics department recently he said: "One cannot assume that capital will flow to SA once sanctions are lifted, especially with our declining manufacturing economy, small shrinking market, deteriorating infrastructure and distance away from big markets."

Capital would be scared off by inefficient and inept economic policies, he said.

With this in mind, high unemployment and the possibility of massive retrenchments in mining, Cosatu was preparing to enter into a different type of negotiating to ordinary wage bargaining — negotiations on the structure of industry and the economy.

Objectives are growth through redistribution and an external orientation for the economy. — Sapa.



# Commonwealth is eyeing a new SA

Sowetan

13/6/91

SOWETAN FOREIGN STAFF

LONDON - Is there life beyond apartheid for the Commonwealth?

Once apartheid has gone, what will hold the Commonwealth together?

These are some of the questions the quaintly named 10-member Commonwealth High Level Appraisal Group would have asked itself in London this week if its meeting had not been postponed (because of unexpected difficulties the Australian and Indian governments are having).

## Apartheid

Commonwealth supporters are in no doubt. This is a watershed period for the Commonwealth from which it can emerge bigger and more influential - not only because apartheid is ending but also because, a few fragments excepted, decolonisation is over.

The Group's meeting has been postponed to October 15 in Harare, when the Commonwealth Heads of Government Meeting will also take place. CHOGM is likely to draw up a written invitation to South Africa to return to the Commonwealth once a democratically elected government takes over.

## Bleak years

It may be a few years before South Africa meets this condition,

but CHOGM feels it may be proper to put down a marker at this stage.

Would a post-apartheid South Africa accept the invitation?

Thirty years have passed since Dr Hendrik Verwoerd led South Africa out of the Commonwealth into the bleak years of isolation and no one really knows what the state of black and white opinion is on returning to the Commonwealth.

One can only guess that the majority of both groups will want to return to the fold.

## Critics

The Commonwealth has many critics - from Tory MPs who dismiss it as a club for Third World moaners and scroungers to cynics worldwide who say it has no identity or function. Yet the case for not only continuing the institution but also expanding it is persuasive.

It survived Suez, Rhodesia and South Africa.

## English

Its 50 members represent one-third of the countries in the world and one-third of the votes at the UN.

In a talk to the Royal African Society in London here the noted Commonwealth expert Derek In-

gram suggested that the use of English as an official language should be the first of the new rules. English, says Ingram, is the binding cement.

## Empire

Mozambique might find it easy to do on the grounds that so many people there speak English. Namibia has already joined, although it never formed part of the British empire.

With the exception of Angola, therefore, the whole of Southern Africa could be members of the Commonwealth. Would South Africa want to stand outside this grouping?

The other condition suggested by Ingram is that every new country applying for membership should be able to show that it practises at least the substance of democracy.

## Members

Quite a few Commonwealth members do not meet this condition, but a new democratising influence is abroad. Certainly in Africa the pressure is on all black governments to democratise - or miss the aid and investment bus.

The Commonwealth, to its credit, spoke out against human rights abuses in Uganda under Idi Amin - the OAU, to its shame, did not.

EDUCATION

FM 14/6/91

## CLOSING THE DOORS

Not so long ago, the Afrikaners were an oppressed and needy people. They had been deprived of their country by the cynical, greedy British. The civil service was run by English-speakers. Arrogant imperialists insisted that English must be the language of instruction in schools. The "poor white" problem was almost entirely an Afrikaans one. Simple farmers were forced to leave the land in search of unskilled, badly paid work in the cities. Children went hungry.

*En kyk hoe lyk hy nou!*

The Afrikaner understood that the way out of poverty was through education. In Afrikaans communities the teaching profession still stands equal with the church, law, medicine and engineering. They understand (more than English-speakers, who have always taken education for granted) that without good schools there will be nothing else.

Which makes it all the more difficult to understand the mind of Piet Clase. This verkrampte Minister, responsible for own affairs white education, has decided to close five teacher training colleges — at a time when black colleges are forced to turn away thousands of aspirant student teachers. One Natal college that had been under threat survived, with permission to go nonracial, but only under enormous and anxious pressure from educationists, opposition politicians

and businessmen.

Only if white education could be seen in isolation, as it was in Verwoerd's mad visions, would the closures make any sense. But they are absurd.

Even government's own Education Renewal Strategy, issued last week, recommends a single education department. The strategy also officially acknowledges the desperate need to train more teachers.

The sop thrown by Clase — that the buildings made empty will still be used for education — is alluring but meaningless. The black education establishment is certainly in no condition to staff and maintain new colleges, and the white professional expertise that will be lost through the closures is irreplaceable.

Minister Clase, a former Free State headmaster of whom better things might have been expected, is evidently unaware of the new strategy. Perhaps someone should enlighten him.

But perhaps, too, we should start asking whether this "rationalisation" is in fact a deliberate scorched-earth policy, with whites retreating into the laager and making it as difficult as possible for blacks to empower themselves.

If this is the hidden agenda, it has to be asked: does the State President approve of it? ■

SA-AUSTRALIA RELATIONS

280 FM 14/6/91

## THE LATE NEWS

It is very broadminded of Australia's Foreign Affairs Minister Gareth Evans to visit this country and find out for himself what changes are taking place, and what our future needs may be. It's also a pity that his government, proud of having orchestrated Commonwealth sanctions against us, has taken so long to send someone of his position and obvious integrity.

It is idle to speculate what Australia's position may have been had this education been sought a little earlier. The material circumstances of many blacks who are now out of work could have been less onerous had that happened.

Evans, we guess, would disagree: he appears to have that turn of mind which prevents some Sixties radicals from coming to terms with the demise of their romanticism.

If Evans had spent time with our northern neighbours, he would have seen into what frightful economic and political degradation policies similar to the thinly veiled collectivism of the ANC and its ally the SA Communist Party have fructified. Once-prosperous black populations are facing starvation while all political dissent has been dealt with in a manner no less horrifying for being nonracial.

Despite Evans being here to see the removal of the last vestiges of apartheid, he still advocates the retention of financial sanctions to discourage the Nats from delaying

constitutional negotiations. Yet he is not prepared to countenance the idea that the ANC itself could be the cause of delay — an ANC bereft philosophically, administratively inept, and incapable of curbing the violence of its supporters.

Having seen and acknowledged the need to uplift so many poor South Africans and provide them with the basics of civilised life, Evans still argues for the retention of those sanctions that are most economically destructive. He will have to forgive us for seeing contradiction in his views.

What we hope he will have learnt from this visit is that the international community should be working to create a new society which avoids the perpetuation under another regime of the political and economic depredations of the apartheid government.

That is not a plea for the veiled preservation of white privilege. For if the ANC wishes to take over where the Nats left off — and there is every indication that it does so — many more blacks than whites are going to see their suffering, both economic and political, perpetuated if not intensified.

Or are Commonwealth members, with their mixed record on human rights and economic proficiency, unable or unwilling to face that reality? ■



# Apartheid worse than sanctions

Staff Reporter

16/9/71  
SANCTIONS against South Africa were not a significant cause of unemployment when compared with the effect of 40 years of apartheid policies, ANC spokeswoman Ms Gill Marcus said yesterday.

Commenting on the ANC's call for the government and employers to prevent retrenchments and create jobs, Ms Marcus said this did not conflict with the organisation's stance that sanctions should be maintained.

"Obviously sanctions have been a factor (causing unemployment), but they have also gone a long way to help resolve the real causes."

"It is a very easy excuse for business to blame sanctions and disinvestment for all the ills of apartheid."

# Keep the heat on SA, says Evans

Argus 14/6/91

(280)

## Argus Africa News Service

**HARARE.** — Australian Foreign Minister Mr Gareth Evans says the situation in South Africa is so grave it is imperative that pressure be maintained on Pretoria until it delivers on promised reforms.

Speaking to the Press in Harare on his way home from a week-long visit to South Africa, Mr Evans said: "The situation there is very, very serious and I think it is important that we maintain maximum pressure on the South African government to deliver the reforms that everybody knows are necessary."

He agreed with the Commonwealth policy that as achievements were recorded, interna-

tional sanctions should be lifted.

"Until now there have not been sufficient achievements. We all hope that in a very short time there will be some achievement which will be appropriate to recognise," Mr Evans said.

He referred to the repeal of basic apartheid legislation, the release of all political prisoners, the return of all exiles and ending violence in the townships.

"Until all those issues are resolved I don't believe we should take any steps to lift Commonwealth sanctions," Mr Evans added.

"And even when we do so it will only be a preliminary step

and the major sanctions, the financial sanctions, should be left until much later in the process."

● The Argus political staff reports that the diplomatic row stirred by Mr Evans's insult to a policeman was put to rest when he apologised publicly to all South Africans and the government.

The controversy, following Mr Evans's alleged remark to a police escort in Khayelitsha that he was "f.....g useless", dominated the Australian senator's Press conference at Jan Smuts Airport before his departure yesterday.

Mr Evans said he had been upset by a heavy police contingent which followed him to

Khayelitsha when they had agreed on only three police cars following him.

"It was a misunderstanding and I'm sorry that I reacted in the manner that I did. I hope you understand."

The Australian senator praised President De Klerk for his "courageous statesmanship" in introducing reforms and said he was going home full of optimism for the country's future.

Addressing another Press conference after seeing Mr Evans off, Foreign Minister Mr Pik Botha said Mr Evans regretted the Khayelitsha incident and had apologised to the government and the policeman concerned.



## US sanctions hit only few items

By TOM HOOD, Business Editor

THE lifting of American trade sanctions is unlikely to affect the bulk of South Africa's trade with the US because only a relatively few items have been affected, says the South African Foreign Trade Organisation.

The selective purchasing laws on the books of 49 states, cities and countries were expected to long outlive federal sanctions legislation and penalise indirect relations with and direct investment in South Africa, said Safto general manager Ms Ann Moore.

Once sanctions went, South African companies should be aware of strict American legislation about qualities of manufactured goods, especially health and ingredient standards and product liability claims, she said.

But in spite of sanctions the US had remained one of South Africa's most important markets, accounting for 9 percent of our total trade.

Many American merchandise imports over the past two years included platinum group metals, ferrochrome, ferromanganese, ferrosilicon, manganese, chrome ore and other minerals (worth \$1 billion in 1989) and diamonds and other gem stones (about \$24 million in 1989).

Although South African exports to the US slumped by almost R1,9 billion in the sanctions years, two-way trade had increased.

South African exports to the US rose slightly to R1,7 billion last year from R1,53 billion in 1989, while imports from the US reached R1,7 billion last year after R1,66 billion in 1989.

Durban conference must end embarrassing situation, writes **Barney Mthombothi**

# Sanctions ghost haunts ANC

Star 17/6/91

280

130/111

**P**ROBABLY the most difficult item on the agenda for delegates at the ANC national conference in Durban next month will be the subject of sanctions.

The erosion of international sanctions, especially the defection by African countries, means the matter cannot be deferred any longer. Next year may be too late. There may no longer be any sanctions to talk about.

There are at the moment conflicting signals coming out of the organisation on this issue. The ANC is publicly committed to the continued application of international sanctions, but to some senior members of the organisation, sanctions are looking increasingly like a tiger that has to be dismounted, and very quickly too.

A face-saving formula to lift them has to be found. The plan circulated by Thabo Mbeki, the ANC's head of international relations, to some African countries at the OAU summit last week, is an

attempt to find such a formula.

The weakness of the Mbeki position is that it does not seem to enjoy grassroots support in the ANC. It was shot down from the floor at the ANC consultative meeting in December.

It didn't get any support from the OAU either, but an increasing number of African leaders are coming over to the view that the argument over sanctions is becoming futile and that the time being wasted on it could be better spent attending to the innumerable problems facing this country.

The OAU summit decided sanctions should remain, but gave a mandate to the chairman, General Ibrahim Babangida of Nigeria, to review the situation in consultation with the frontline states.

Thabo Mbeki... his plan does not seem to have grassroots approval.



in fact been widened.

General Babangida's main hurdle may turn out to be Zimbabwe's President Robert Mugabe, who is not convinced sanctions should go. Mr Mugabe told a recent meeting of the Frontline states that Zimbabwe would argue for the retention of sanctions at the Commonwealth conference in Harare in October.

But the Commonwealth seems to be backing the three-step strategy advocated by Mr Mbeki.

Chief Emeka Anyaoku, its secretary-general, said this week the organisation could begin lifting sanctions progressively as early as July, when its Committee of Foreign Ministers on South Africa will meet in New Delhi.

The fact that the heads of both the Commonwealth and the OAU are Nigerians means there is more likelihood of the two bodies working together on the issue. Most OAU countries are also members of the Commonwealth.

The Commonwealth is, however, different from the OAU in one crucial respect — the presence of Britain, its most influential member. Britain has always taken an independent line on South Africa and sanctions.

John Major takes the same view as his predecessor, Margaret Thatcher, that encouragement, and not sanctions, has got South Africa where it is today.

Britain could be expected to campaign quite vigorously at the Commonwealth summit for sanctions to go.

However, the trigger for the lifting of sanctions lies within the country. That is why the forthcoming ANC conference is of crucial importance. It will either have to decide sanctions have to

go, or, if the decision is to retain them, devise a strategy which will stop the current erosion and see to it that the organisation doesn't end up with egg on its face.

Convincing its supporters won't be easy. There is a feeling that the ANC leadership has allowed Mr de Klerk and his Government to walk all over it and that it has nothing to show in return for the concessions it has made.

Instead, the townships have been plunged into dreadful bloodshed, with the Government seen as either being behind the violence, or doing nothing to stop it.

Government behaviour has also not helped the case of those within the ANC arguing for the progressive lifting of sanctions.

Some prisoners have had to almost starve themselves to death before they were released in terms of the Groote Schuur and Pretoria agreements.

And the Government has been pretty reluctant to allow the UN High Commission for Refugees

(UNHCR) to get involved in the repatriation of exiles. The repatriation exercise has therefore had to depend on the goodwill of countries like Sweden for monies to ferry people home.

ANC delegates will need to be convinced that the Government is not dragging its feet.

Although the OAU at some point in the coming months may want to act on the sanctions issue, it doesn't want to be seen to be out of step with the bulk of black public opinion in this country.

President Kaunda said at the OAU summit in Abuja that Africa would be guided by the "joint approach" of the ANC and PAC on the sanctions issue. This means that even if the ANC were to agree to the lifting of sanctions at conference it would have to get the PAC to come along too.

The PAC maintains that nothing has happened in the country so far to justify the lifting of any embargo. — Star Africa Service. □



Bush to move soon on sanctions (280)

# Act falls, and 'apartheid is history'

B1 Day 18/6/91

CAPE TOWN — Parliament yesterday scrapped the Population Registration Act which has classified South Africans by race since 1950.

In response, the US State Department indicated that President George Bush would move shortly to repeal the Comprehensive Anti-Apartheid Act (CAAA).

The US ban on new investment, embargoes on SA steel, coal, uranium, textiles and products of public enterprises, plus the ban on direct flights between the US and SA, could fall away within weeks.

The State Department said all sanctions contained in the CAAA would be removed as soon as the US embassy in Pretoria determined that all remaining "prisoners of conscience" had been released.

And Japan pledged yesterday to begin reviewing its SA policy, Sapa reports.

In a state of the nation address to a joint sitting of Parliament shortly after the Act's repeal, President F W de Klerk declared apartheid to be history and called on the ANC finally to abandon the armed struggle and to join negotiations on a new constitution.

He said a new constitution was attainable only through negotiation and was within reach in a few years. Only a small minority led by the CP and a few extra-parliamentary splinter groups were negative and did not trust government.

The new SA was on the march and nothing could stop it anymore. The next step forward to ensure rapid progress was that multiparty talks get off the ground soon.

Government had not been dragging its heels and would do everything possible to

BILLY PADDOCK  
and SIMON BARBER

get the multiparty conference off the ground before the end of the year.

The ANC welcomed the Act's repeal, Sapa reports.

In a statement it reiterated its opposition to the legislation, which it said should never have been on the statute book. All vestiges of the legislation should be removed, including own affairs departments and the allocation of state expenditure on the basis of race.



● DE KLERK

for blacks and whites, and whether it would integrate all white government schools.

"Clearly as long as such blatantly racist practices continue, the Population Registration Act will have been removed in name only, while in reality little will have changed."

The ANC said it was unacceptable that

□ To Page 2

## Apartheid

B1 Day 18/6/91

the population registration list would continue to exist. It rejected government claims that the list was needed to conduct by-elections for the tricameral Parliament, calling for the tricameral system to be replaced by an interim government.

SA's ambassador to Washington, Harry Schwarz, said the repeal was a culmination of his life's work and that of many other opposition politicians.

But he said he was not yet ready to lobby for a repeal of sanctions because he did not want the issue to build into a major political dispute, Sapa-Reuter reports.

The British government warmly welcomed the Act's repeal, KIN BENTLEY reports.

Senior Whitehall sources said Britain would now be "pressing even harder within the Commonwealth for it to lift its sanctions against SA and for the EC to continue the process"

(280)

From Page 1

De Klerk said the repeal of apartheid legislation such as the Group Areas Act, the Population Registration Act and the Land Acts had brought to an end an era "in which the lives of every South African was affected in the minutest detail by racially based legislation". Now, everybody was free of it.

Government had also adopted 18 important Acts reforming the law, security legislation and brought legislation aiding victims of violence.

He said strong and far-reaching initiatives had been taken to quell violence. The police had been strengthened by 10 000 and citizen force members and reservist police were being called up regularly. Several thousand were being deployed already and if it was necessary government would not hesitate to act even more strongly.

# Union calls for rethink on sanctions

THE 190 000-strong Clothing and Textile Workers' Union (Sactwu) — the third biggest union in Cosatu — called at the weekend for a review of sanctions.

Sactwu is the second major union to call for a rethink on sanctions. The NUM in April called for a conference on sanctions involving all parties which had earlier called for punitive economic measures, among them trade unions and churches.

Sactwu linked the lifting of sanctions to the formulation of a labour code for foreign investors. The NUM, in its decision, linked the lifting of sanctions to an investment code and the achievement of "irreversible" change in SA.

Sactwu assistant general secretary Ebrahim Patel said yesterday delegates to the conference accepted a

By Day 18/6/91

VERA VON LIERES

"necessary link between the pace of lifting sanctions and the progress towards a political settlement".

He said the lifting of sanctions had to comply with basic trade union rights. "As sanctions are lifted, you have to ensure that governments elsewhere and foreign investors agree to the terms on which they invest. These would have to be in compliance with a labour code."

He said delegates decided on the organisation of farmworkers, VAT, industrial restructuring, industrial training, the closed shop and the organisation of workers in Swaziland and Lesotho. In a move that signals a shift towards regional concerns, Sactwu committed itself to working more closely with workers in Swazi-

land and Lesotho, and to consider including them in the union.

Sactwu would also campaign for the removal of VAT on basic foodstuffs and necessities and will consider asking employers to grant an unscheduled interim wage increase to compensate for the anticipated increase in inflation related to VAT.

Other conference resolutions included organising cotton and wool workers, strengthening the union's organisation in the leather and clothing retail sectors, and considering a national strike to achieve a national industrial council in the sector.

Delegates also discussed restructuring the industry to create jobs and ending factory closures by introducing a training strategy, through greater beneficiation of wool and by becoming more export-orientated.



# Workers' rights 'key to lifting of sanctions'

By SHARON SOROUR  
Labour Reporter

THE largest trade union in the Cape has called for the lifting of sanctions to be linked to the development of worker rights.

At the biggest union national congress held in Cape Town, the 190 000-strong SA Clothing and Textile Workers' Union (Sactwu) said the relaxation of sanctions had to be linked to "progress" in two areas: achieving a democratic political settlement and developing worker rights.

Union assistant general secretary Mr Ebrahim Patel said the congress had called for a conference, to be convened by Cosatu, to thrash out the rights trade unions could expect in a new constitution.

When sanctions were lifted completely and international trade links resumed, there had to be an understanding that basic labour rights be recognised, Mr Patel said.

Sactwu, which has about 68 000 Western Cape members, also resolved to campaign for basic foodstuffs and other necessities to be exempted from value-added tax (VAT).

The congress, held at the weekend, decided to explore the possibility of employers giving an "unscheduled, interim wage increase" to workers to compensate for the expected increase in inflation from VAT.

Other major decisions taken at the congress included:

- A drive to include cotton and wool workers in the union and to have the Labour Relations Act extended to all farm-workers.

- Asking employers to re-structure the industry to create jobs and stem the spate of factory closures through a major training and re-training strategy.

Cosatu general secretary Mr Jay Naidoo and ANC constitutional committee member Mr Kader Asmal addressed delegates.

280  
ARGUS 18/6/91

# Japan pledges to ease up on SA sanctions

TOKYO. — Japan's Foreign Ministry pledged yesterday to review its policy of strict sanctions against South Africa following sweeping legal changes in the country.

Details of relaxations will be announced this week, a spokesman said.

And in a statement, the Japanese consular-general in Johannesburg praised yesterday's repeal of the Population Registration Act as "an historic event in the process toward establishing a non-racial democracy".

He said Japan would review its SA policy "with a view to supporting the country's further progress in a desir-

able direction".

Japanese newspapers said at the weekend that the government would ease its bans on sporting, cultural and educational exchanges and on issuing tourist visas and on its public servants using South African Airways.

The Tokyo Shimbun newspaper said these relaxations would begin at the end of June and that Tokyo would invite President F.W. de Klerk to visit Japan this year and would set up full diplomatic relations.

Tokyo bans the import of SA iron and steel, and investment in the coun-



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REPEAL OF POPULATION REGISTRATION ACT IS PROCEEDING

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CT 18/6/91

(280)

# Major union calls for sanctions review

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Sactwu is the second major union to call for a rethink on sanctions. In April the National Union of Mineworkers (NUM) called for a conference on sanctions involving all parties that had earlier called for punitive economic measures.

Sactwu linked the lifting of sanctions to the formulation of a labour code for foreign investors. NUM, in its decision, linked the lifting of sanctions to an investment code and the achievement of "irreversible" change in SA.

Sactwu assistant general secretary Mr Ebrahim Patel yesterday said delegates to last weekend's national conference accepted a "necessary link

between the pace of lifting sanctions and the progress towards a political settlement".

He said the lifting of sanctions had to comply with basic trade union rights.

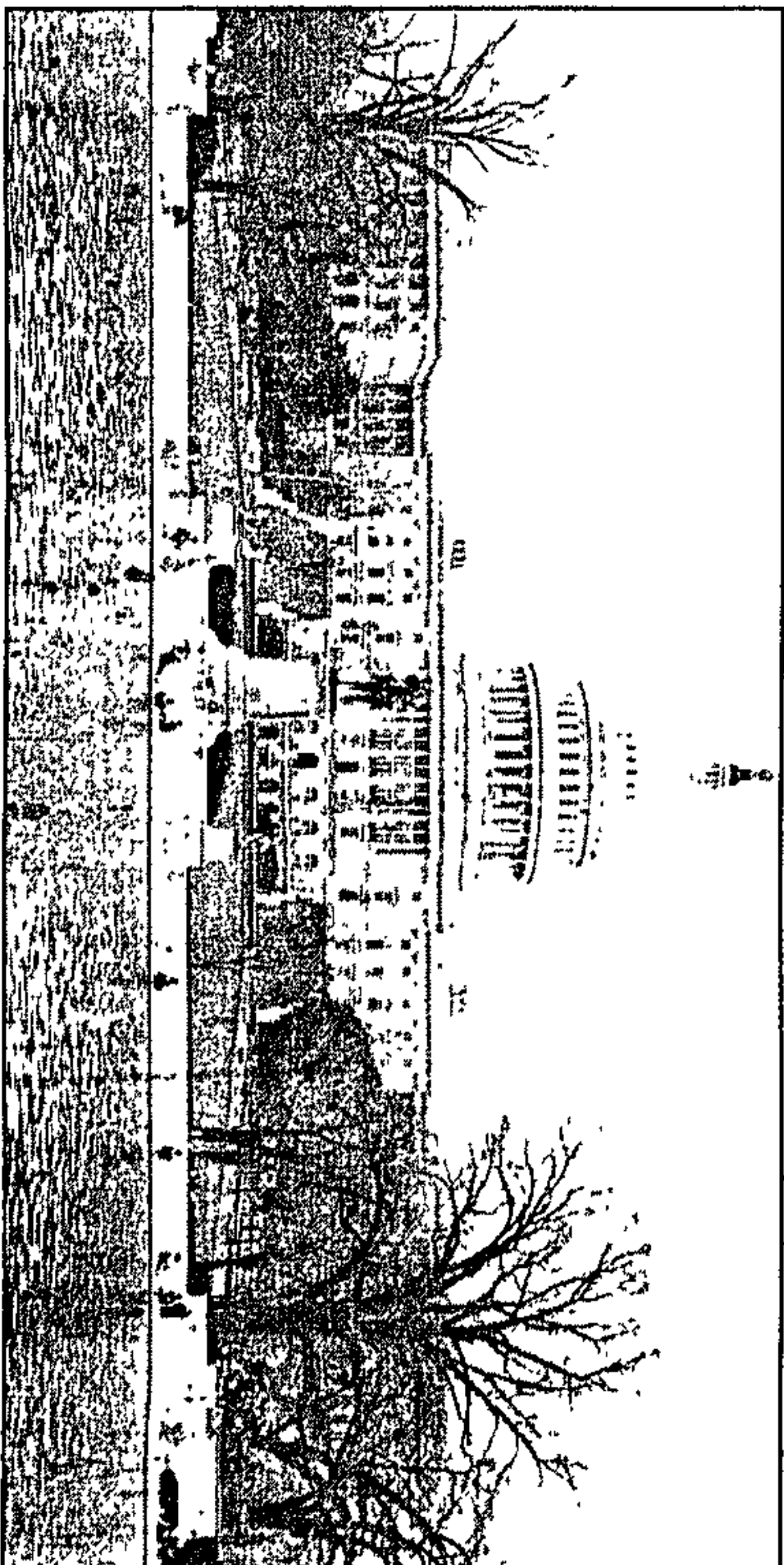
In a move that signals a shift towards regional concerns, delegates committed Sactwu to a closer working relationship with workers in Swaziland and Lesotho.

The union also resolved to campaign for the removal of basic foodstuffs and necessities to be excluded from VAT. Delegates also resolved to consider asking employers for an unscheduled interim wage increase to compensate for the anticipated increase in inflation after the introduction of VAT.

Other conference resolutions included organising workers in the cotton and wool sector.



# It's tough keeping up



— US ambassador to South Africa, William Lacy Swing

granted but you're hearing a lot less now of the kind of sterile stereotypical generalist view about nationalisation versus capitalism and all that. That has been replaced by much more sober and much more rational dialogue about how we move this country forward. I'm encouraged by that.

Although he does not use the term, Mr Swing intimates that the US recognises the need for a "mixed economy" in order to redress imbalances in a future South Africa.

"You're probably looking at a situation given the legacy of apartheid — education housing health and other considerations — where you're going to have to have a predominant private sector that is healthy and growing. But you've also got to expect a fairly significant macro-economic management of policy by the Government in order to make up for some of these backlogs.

"You'll have to find that magic combination between the two. Market forces alone won't do it. There'll have to be planning. That's not necessarily contradictory. We did it in the 30s during the Depression.

He also sees a positive side to the equation. "I don't mean to sound naive or callous or flip but some of these issues while they are problems, are also opportunities.

"I mean a lot of (American) businesspeople are going to say 'How many million houses did you say you needed by what year?' That's an opportunity, in addition to being a problem. The question is how do we, through growth policies, through a new social contract, how do we turn that into the opportunity? Because it's there."

Mr Swing is sanguine about the solidity of the negotiations process in spite of the frequent crises since it got tentatively under way.

"I think you'll work through it, and I think you will do it without the use of an outside or international mediator. I can't tell you how you will do it, but you've got the talent and the background in this country to do it on your own — with the support of a lot of friends, obviously."

"You've got an all-party conference coming up, with possible agreement about such mechanisms — and you'll hopefully come by the end of the year to a set of constitutional principles which would then cause people to be a little more relaxed — saving well, if we can agree on these five or six things, then we've got a basis for negotiating. □

Dull moments have not featured in Bill Swing's life over the past two years. And, writes Star Special Writer SHAUN JOHNSON, the US ambassador to South Africa has had to do a lot of thinking on his feet in adapting his embassy to the breathtaking pace of change since President de Klerk came to power.

The president (George Bush) has made it very clear we will not shift the (sanctions) goalposts... We already have in place, ready to go, an investment and trade strategy.

**W**ILLIAM Lacy (better known as "Bill") Swing arrived in South Africa as United States ambassador in 1989. He could not have known that within 10 days the long reign of P W Botha would be over. Nor could he have known that a Cabinet Minister by the name of F W de Klerk would shortly assume the state presidency and quickly overturn all the old certainties of South African politics.

"I had two diagonally opposed sensations when I was named here," he told The Star in an interview.

"I was ecstatic because I've always loved this country — it's had a warm spot since I was posted here in the 1960s — but I was concerned because I really thought I was going to come and just mark time for about three or four years.

"In fact, I have been delightfully surprised. The changes here have far exceeded what I expected to occur."

It was a superb, if unimpeccable, piece of timing, and it has meant that Mr Swing has had to preside over a marked shift of emphasis in the work of one of the most vitally important foreign embassies in this country.

"Because of its unique and idiosyncratic internal situation, South Africa has always been a tough posting for diplomats, and more than any of his predecessors, Mr Swing has been called upon to apply diplomatic skills which do not feature prominently in the discipline's standard textbooks.

His approach has been deceptively unassuming and he has moved to centre stage without fanfare.

"I believe (the rapid changes) here called for a more activist role (for the embassy)," he says. "Certainly we've tried to do this. For one thing you have a rapidly congesting political stage, and I have to spend a lot of time just trying to keep in touch with all the players. Leaders are coming home, out of jail.

"I think we've had to make a reassessment of what we should be doing in terms of our assistance programmes and being able to get ready for both the post-apartheid and the post-sanctions periods.

"Everybody has been quite heavily engaged in the past our efforts were directed at the whole issue of apartheid and now, while we continue to oppose apartheid, and continue to support the Government and the black groups in trying to

dismantle it, we are also looking ahead.

"That involves dialogue with everybody. Everybody has sensed that we are entering a period of transitional politics in which we could no longer do the traditional, classical diplomacy — if in fact we ever did. We've now got to use good offices wherever possible to support the process."

This transition has been discussed endlessly within embassy circles, according to Mr Swing. "It's a constant theme in our discussions as a team — how we can use ourselves and our limited resources to support the negotiations process."

He has been aided, he believes, by the unusual level of bipartisan congressional co-operation on the South African issue as well as the fact that "our (current) president and secretary of state have devoted more time to SA, and are better informed on a day-to-day basis, probably than all of their predecessors. They take it seriously."

Mr Swing says the US message he bears to all South African political leaders is simple, and the same for all. "That the best and possibly the only rational option for South Africa is negotiations. And even if you don't agree with negotiations as the means of bringing about a new SA, you still have to take part in it."

The embassy's spectrum of contact with political groups "won't go further Right than to the Conservative Party," he says, but is otherwise a widely spread net.

The embassy doesn't want to dabble in detailed issues of policy, he argues, but regards it as proper to encourage all groups to take part in the broad peace process.

He dismisses the perception — widely held and spreading among many white South Africans — that the US will eventually "shift the goalposts" with regard to sanctions.

"When we talk about the US government," Mr Swing says, "I think it's important to recognise the kind of system we have, and that there are clearly leaders within our system who will look at the question of lifting sanctions from a different angle to just that of the Comprehensive Anti-Apartheid Act (CAAA)."

But there is no question about this administration's commitment to adhering strictly to the law, and that when the conditions have been met it will enter into a consultative process with the Congress as well as with the groups within SA with a view to lifting sanctions.

"The President (George Bush) has made it very clear that we will not shift the goalposts and he means by that that we will not reinterpret or allow others to reinterpret the CAAA of 1986."

Mr Swing is also convinced that US interest in SA will not wane once apartheid is re-

moved as the country's political imprimatur. "I know there is a feeling that, as in Namibia, once you get an independent country, international interest subsides," he says.

"But I don't think Namibia is a good parallel to draw. We have important interests here, we have had them for a long time, and I think they will be abiding."

After all, one year before the end of this century we will be coming up to the bicentenary of our relationship. We've had a consulate in Cape Town since 1799. And we also in a certain sense see SA as offering a strong, powerful and appealing paradigm for the rest of Africa — where State-run economies and one-party states simply haven't worked.

"You've got 27 African countries now that are trying to pursue a multiparty democratic path. We happen to think that South Africa may very well show the way and on sound

economic policy.

"You're shortly going to have a 10-nation region south of Zaïre to the Indian Ocean that's going to be at peace with itself and ready to do business with one another. So we see a lot riding on what happens in SA."

While reluctant to say anything "that might be seen to be committing public sector funds", Mr Swing is bullish about investment prospects — despite the threat of instability in South Africa.

"I believe that the US not only will stay the course, but that our assistance effort will increase. We already have in place, ready to go, an investment and trade strategy. I would see us hopefully increasing our assistance and coming forward with a very strong private sector initiative to get investment in and trade growing."

"Our investment has fallen from about 360 companies down to about 100. We've dropped from about \$4 billion (about

to about \$1.5 billion (about \$4.2 billion). We need now to try to redress that.

"It's simply not logical that the US, which has been among those countries which has long urged the SA Government to move away from apartheid should somehow lose interest when we (SA) do the right thing. I just don't see it happening."

As a representative of the world's most powerful proponents of free enterprise economics, Mr Swing is notably unconcerned by the fact that key actors — among them the ANC — are less than poised to jettison elements of socialist economic policy.

"Although it was very late in engaging — it was at least five months later than the political programme that began on February 2 1990 — I frankly think the economic dialogue has come a pretty good way to go. "It has a long way to go,



World reacts favourably as Population Act goes

# Sanctions set to crumble

By Political  
Correspondent  
Sapa and Reuter

280  
8/18/69

being brought to an end," he said.  
America, however, adopted a more cautious approach.

"We're going to analyse it carefully," President George Bush told reporters. "The law, our law, says lift the sanctions when . . . four out of five conditions are complied with."

State Department spokesman Richard Boucher said in a policy statement: "By repealing the Population Registration Act and earlier this month the Group Areas Act . . . the South African Government has met a fourth of the five requirements for the termination of sanctions under the Comprehensive Anti-Apartheid Act of 1986."

The conditions laid down by Congress in 1986 legislation for the lifting of sanctions are

- The unbanning of political parties
- The lifting of the state of emergency
- The declared intention to engage in good-faith negotiations
- The repeal of the Group Areas Act and the Population Registration Act.

The outstanding condition is the release of political prisoners, which is well under way — although the ANC has heaped abuse on the Government for allegedly dragging its feet.

Mr de Klerk rejected the ANC's accusations in his speech yesterday

"The Government had gone to extremes to ensure all applications for indemnity, immunity or release were dealt with expeditiously," he said

About 7 000 applications had been received for the return of exiles. Only a fraction had returned, but the pace of return was determined by the returnees themselves and not the Government. Up to June 14 more than 1 000 political and un-

The international community reacted favourably yesterday to news that South Africa had abolished the Population Registration Act, which for 41 years has formed the cornerstone of virtually all apartheid legislation

The United States, Britain and Japan all welcomed the decision to end race classification and hinted strongly at a review of their attitude on sanctions.

President de Klerk told Parliament yesterday he "expected further international developments" to follow the repeal of the Population Registration Act and other Government efforts to scrap apartheid

Addressing Parliament in a joint sitting, Mr de Klerk said the Government had removed discrimination to serve the best interests of South Africans and not to win international recognition.

"We are not working to the agendas of the United States, Africa or Europe in order to have sanctions lifted or to gain favour

"We wish to do that which is right for South Africa. The fact that this has led already to international breakthroughs is a bonus"

The most enthusiastic response to the repeal of the Act came from Japan, which said yesterday it would review its policy of strict sanctions against Pretoria.

British Foreign Minister Douglas Hurd, attending a meeting of European Community foreign ministers in Luxembourg, also welcomed the move, adding that he would visit South Africa next month

"Apartheid, step by step, is



# World welcomes repeal of Population Act 280

From Page 1

rest-related prisoners had been released.

Only those who had committed serious offences such as murder or robbery remained to be considered for release.

These were cases over which there might be a dispute as to whether they fell within the guidelines for defining political offences. This called for serious consideration of every case.

US legislation says the president can lift the sanctions when four of the five conditions are fulfilled — but states that the release of political prisoners must be one of the four.

US officials said the Bush administration was still studying South Africa's claim to have fulfilled Congress's fifth condition.

"We're still in a process of examining that issue and we have not yet made a determination," said a State Department official.

Star 18/6/91

The conclusions of this study would be passed to Mr Bush to decide whether the condition set by Congress had been met, the official said. He declined to say how long this might take.

Some US officials have been saying it is quite likely Mr Bush will decide to lift sanctions next month.

## Visas

A Japanese Foreign Ministry official said an announcement on the review was likely this week.

Japanese newspapers at the weekend said the Japanese government would ease its bans on sporting, cultural and educational exchanges and on issuing tourist visas to South Africans.

The Tokyo Shimbun newspaper said on Sunday these relaxations would begin at the end of June, that Tokyo would invite Mr de Klerk to visit Japan this year and that Japan

would set up full diplomatic relations.

Tokyo Shimbun said Japan would also remove sanctions on investment as soon as South Africa freed political prisoners.

In a statement last night the ANC welcomed the repeal of the Population Registration Act, but called on the world to keep sanctions in place until it was clear that the process of moving towards a totally nonracial society was irreversible.

It said all the vestiges of the Population Registration Act should be removed — including the abolition of own affairs departments and the allocation of State spending on the basis of race.

As long as black and white pensions were different and white Government schools remained segregated, the Population Registration Act would have been removed in name

only, it said.

The ANC said it was totally unacceptable that the population registration list would continue to exist and rejected the Government's argument that the list was needed to conduct by-elections for the tricameral system. It said the tricameral Parliament should be replaced by an interim government.

"Nothing short of the complete abolition of racial classification and all its negative effects will be acceptable to us. We know that this is also the intention of the Comprehensive Anti-Apartheid Act and other sanctions legislation. Our call to the world is that sanctions remain in place until it is clear that the process of moving towards such a society is irreversible."

# Kennedy threat to sue Bush over sanctions

From HUGH ROBERTON  
The Argus Foreign Service

WASHINGTON. — Senator Edward Kennedy has warned President George Bush that leading members of Congress might go to court to prevent him lifting sanctions against South Africa.

At the same time the black caucus in Congress has requested an urgent meeting with Mr Bush to discuss the issue.

The warning from Senator Kennedy was delivered in a special statement read from the floor of the Senate chamber as Washington buzzed with speculation that the White House was about to scrap most, or all, existing sanctions in response to the repeal this week of the Population Registration Act.

The action would be "premature and irresponsible" and "a serious insult to Congress" because statutory conditions for lifting sanctions "have clearly not been fulfilled".

Mr Kennedy said the White House had no right to act unilaterally, without the support of Congress and "if the president persists, the validity of his action may have to be settled in court".

Senator Kennedy, who continues to enjoy wide respect as a legislator and campaigner for human rights in spite of his recent involvement in a drunken indiscretion at his Palm Beach mansion, read his statement after hurried meetings with other senators and members of the House of Representatives.

Because a politician of his seniority has taken up the cudgels on sanctions so forcefully — and so soon — indicates that the battle is likely to spill over into next year's presidential election campaign.

In terms of the Comprehensive Anti-Apartheid Act, President Bush is required to give Congress 30 days' warning of his



Senator Edward Kennedy

intention to lift sanctions.

The only legislative way in which Congress could stop him would be to pass an opposing joint resolution by majority vote in the Senate and the House of Representatives.

Liberals and conservatives agree that the pro-sanctions lobby does not have anything like the support necessary to do so. The only alternative would be to seek an urgent restraining order in court.

Precedents exist for such action, but rarely have the courts gone against the president. But court action would mean a long and tortuous legal tussle. This would delay the lifting of sanctions — possibly into next year — and damage Mr Bush's campaign next year.

Senator Kennedy's statement urged President Bush to avoid an "unnecessary confrontation" with Congress.

"The important progress taking place in South Africa gives all of us hope that apartheid is coming to an end. US sanctions have played a critical and essential role in making that progress possible.

"President De Klerk deserves credit for the steps he has taken and he deserves support against the hardline defenders of apartheid. But he does not deserve to have sanctions lifted at this time," Senator Kennedy said.

● See page 3.



# US sanctions move likely to be opposed

ARGUS  
19/6/91  
280

WASHINGTON. — The United States government is prepared to lift sanctions as early as next month, but such a move will not go uncontested.

Three senior Republican officials said the administration wanted to deal with the matter quickly.

President George Bush's advisers want to make the move soon so it does not present a political target next year, when the president faces re-election, an official said.

Others said the administration would make soundings of sentiment on Capitol Hill and await the outcome of a major African National Congress meeting in July before moving to lift sanctions.

White House spokesman Mr Marlin Fitzwater reiterated yesterday that the administration expects the release of more political prisoners before it can declare all conditions for lifting sanctions satisfied under the 1986 law that imposed them.

"This is a process which is still under way," Mr Fitzwater said.

"It's very clear that the president cannot act legally to lift sanctions," said Anne Griffin, legislative director for the anti-apartheid group TransAfrica.

"We think President Bush has very loosely interpreted the conditions in the law. We think there are some plans in the works (to lift sanctions) and we're getting ready to respond accordingly," including mounting protests and lobbying in Congress to prevent the action, Miss Griffin said.

Inkatha Freedom Party leader Chief Mangosuthu Buthelezi, visiting Washington, has added his weight to lifting sanctions.

"I call for the scrapping of sanctions now because if ever they had any utility they have none now," he said.

● In London 18 Conservative MPs led by Mr John Carlisle have urged their government to drop sanctions.

The MPs have placed a motion on the Commons order paper — an expression of opinion

rather than a subject for debate — in which they "warmly welcome the repeal of the Population Registration Act, thus removing all apartheid legislation from the statute book".

The MPs look forward to "positive responses from the international community, including the withdrawal of all forms of sanctions or boycott".

In Cape Town the Ministry of Justice and Correctional Services said that the government was confident that the criteria laid down by the United States for the lifting of sanctions could be met.

All ANC "politicals" committed to peaceful solutions had already been released, the ministry said.

The ministry disputed claims by the Human Rights Commission of political status for remaining prisoners, who the ministry said had been convicted of serious common-law crimes such as murder, robbery and aggravated assault. — Sapa-Reuter-AP.

## Zimbabwe to review defence strategy

Argus Africa News Service

HARARE. — Zimbabwe's defence strategy is to be reviewed and streamlined in line with the positive political developments taking place in Mozambique and South Africa.

President Robert Mugabe, opening a new session of parliament, said the peace moves in both countries were encouraging phenomena from which Zimbabwe drew hope of a secure and peaceful future.

The government believed that without peace in the sub-region there could be no meaningful economic progress.

This was why the government looked forward to the fruition of the Mozambique peace talks and the efforts under way to establish a truly democratic political system in South Africa.



**AMERICAN VISIT:** Russia's President Mr Boris Yeltsin smiles after his arrival at the Andrews air force base in Maryland in the United States. He will meet President George Bush tomorrow.

## Yeltsin tells US: 'We will travel your road'

WASHINGTON. — Russia's President Mr Boris Yeltsin arrived in Washington to say Russia had suffered through a Marxist experiment but was now determined to follow the Western road to democracy, free markets and profit.

"We believe we will travel the road you travelled some time ago. We will not deviate from this road," Mr Yeltsin told a crowd that included many prominent Americans at a crowded reception in his honour at the Soviet Embassy.

"We have come to show you that we are working now for a better future, but not one that has been made for us by somebody else. We will build it with our own hands and we believe that we will build a future of democracy and free enterprise," he said.

Mr Yeltsin, riding high as the newly elected Russian president, arrived in the United States yesterday afternoon for a four-day high-profile visit during which he will meet President George Bush and congressional leaders.

Just one week ago the radical reformer was elected president of the Russian Federation, the largest and

most populous of the Soviet republics, in the first such popular ballot in Russia's 1 000-year history.

Many doubted Russia was ready for democracy and a transition to a market economy, but the fact that they elected him as president proved otherwise, Mr Yeltsin said.

"Today Russia for the first time ever has voted for democracy," he told the crowd which included Mr Robert Gates, President Bush's nominee to head the Central Intelligence Agency.

"We believe that we have left behind the experiment that we had to go through, the experiment we called Marxism."

Now Russia wanted foreign investment and the Russian parliament was considering legislation to make this possible, he said.

"We want to make profit and we do believe the people of Russia will benefit from that," he said to applause. But he stressed that he had not come to the United States begging for aid.

"We have not come here hat in hand ... We have come to tell you the truth about Russia," he said. — Sapa-Reuter.



# Not time yet to lift curbs - US

*Sowetan 19/6/91*

*280*

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WASHINGTON - The US State Department yesterday said the repeal of the Population Registration Act meant that only one condition - the release of political prisoners - remained before US sanctions against South Africa could be lifted.

Spokesman Mr Richard Boucher said the repeal of the Act was a "historic moment" which signified the elimination of an "important pillar of apartheid".

"We welcome this positive development which should encourage all South Africans to move speedily into the process of negotiations on the country's political future."

The 1986 Comprehensive Anti-Apartheid Act specified that US

sanctions would be lifted once the president was able to report to Congress that South Africa had taken action to dismantle apartheid.

"The only condition remaining to be met is the release of all persons persecuted for their political beliefs or detained unduly without trial," Boucher said.

## Prisoners

"This is a process which is still under way," he said.

Boucher said South Africa had released more than 1 000 prisoners so far. The US Embassy in South Africa would follow developments closely to determine if all prisoners of conscience had been released, he said.

Congressional sources, asking not to be identified, said there was a

disagreement between the administration and many anti-apartheid activists on Capitol Hill who were advocating a hold-the-line policy on sanctions.

Mr Randall Robinson, head of the anti-apartheid group, TransAfrica, said three of the legislative requirements for lifting the sanctions had not been fulfilled.

Robinson said there were between 2 000 and 3 000 political prisoners in South Africa. He also said there were more than 30 000 exiles who had not yet been given permission to return home.

In addition, Robinson said, the repeal of the Population Registration Act was not a breakthrough because it applied only to those born after the effective date of repeal. - Sapa-AP.



Court action threat and pressure from black caucus

# Kennedy leads battle to maintain sanctions

Star 19/6/91.

280 237  
By Hugh Robertson

WASHINGTON — Senator Edward Kennedy fired the first salvo in a battle over the lifting of sanctions against South Africa yesterday with a warning to President Bush that leading members of Congress might go to court to prevent a change in policy.

At the same time the entire Congressional black caucus has requested an urgent meeting with Mr Bush to discuss the issue.

The warning from Senator Kennedy was delivered in a special statement read from the floor of the Senate chamber as Washington buzzed with speculation that the White House was about to scrap most, or all, existing sanctions in response to the repeal this week of the Population Registration Act.

Three senior Republican officials, speaking on condition of anonymity, said the administration wants to deal with the matter quickly.

Others, however, said the administration would make soundings of sentiment on Capitol Hill and await the outcome of the major African National Congress meeting in July before moving to lift sanctions.

Senator Kennedy argued that unilateral action by the administration "would be premature and irresponsible on the merits, and an especially serious insult to Congress because the statutory conditions for lifting the sanctions have clearly not been fulfilled".

He added: "There is strong disagreement with the administration's interpretation of the statutory conditions. If the president persists in this course, the validity of his action may have to be settled in court."

In terms of the Comprehensive Anti-Apartheid Act, Mr Bush is required to give Congress 30 days warning of his intention to lift sanctions. The only legislative way in which Congress could stop him would be to pass an opposing joint resolution by majority vote in both the Senate and the House of Representatives.

Liberals and conservatives agree that the pro-sanctions lobby does not have anything like the support necessary to do so.

The only alternative open to sanctioners would be to seek an urgent restraining order through the courts which could result in months of delay on the sanctions decision while the case was prepared and heard.

However conservatives insist Pretoria has met all conditions for the lifting of sanctions and that a refusal now to give the benefit of existing doubts would amount to a shifting of the goalposts.

Senator Richard Lugar, an author of the sanctions law, told journalists: "A serious discussion about the lifting of sanctions ... could occur within the next few weeks."

"Our thoughts ought to turn now to constructive action that this country will take to boost democracy and a market economy in South Africa."

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Sowetan 19/6/91

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Star 19/6/91.

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"Our thoughts ought to turn now to constructive action that this country will take to boost democracy and a market economy in South Africa."

# Bush faces battle Over SA sanctions

286 CT 20/6/91

From SIMON BARBER

WASHINGTON. — A battle over South Africa is shaping up here as President Bush prepares to lift United States economic sanctions by August.

President Bush is expected to decide soon that SA has fulfilled the conditions for lifting the Comprehensive Anti-Apartheid Act.

However, Senator Edward Kennedy, who is in favour of maintaining sanctions, has threatened to take the matter to court if necessary.

"If the president persists in this course, the validity of his action may have to be settled in court," Mr Kennedy said in the Senate on Tuesday.

The threat is seen by the administration more as an admission of defeat than a serious option.

The State Department main-

WASHINGTON. — Chief Mangosuthu Buthelezi attacked sanctions on Tuesday in meetings with congressional foreign relations committees, prompting both support and opposition.

"I call for scrapping of sanctions now because if ever they had any utility they have none now," the leader of the IFP said.

He will tomorrow meet President George Bush who, officials said, would like to lift sanctions next month.

Chief Buthelezi said he found the meetings useful because they helped senators "to broaden their knowledge of the situation by hearing both sides of the story" rather than only the ANC's.

At a breakfast meeting, he bristled at those who challenged his commitment to a multi-party system in KwaZulu, where there are no rivals to Inkatha. — Sapa-AP

tains that once SA has released all "prisoners of conscience", all five of the Act's conditions will have been met. Mr Bush would then be legally obliged to sign an order terminating sanctions.

In Mr Kennedy's view the only condition that has been satisfied is the ending of the state of emergency. The repeal of the Population Registration

Act did not go far enough since the current population register would remain in effect pending agreement on a new constitution.

Mr Kennedy predicted that Mr Bush would launch an "August surprise", terminating sanctions after Congress had left Washington for the recess. Republican Senate sources, in favour of ending

sanctions, concurred.

Senator Richard Lugar, the Indiana Republican who was the Act's principal author as the then chairman of the Senate foreign relations committee, said Mr Bush was unlikely to make any move until after the ANC conference and "may be other significant meetings" in July.

Congressman Mr Stephen Solarz, a Democrat on the House foreign affairs committee, said he believed that once the criteria were met, Congress would not overturn a Bush decision to end sanctions.

● President F W de Klerk will meet Mr Nelson Mandela today for talks that might include the dispute over political prisoners. The ANC says 960 remain behind bars, but the government insists that all who fit the definition have been released.



# OAU to review SA sanctions policy

Sowetan 20/6/77

280

LAGOS - Nigerian President Ibrahim Babangida has set the wheels in motion for the Organisation of African Unity to review its sanctions policy against South Africa.

Babangida, the OAU chairman, plans to convene a meeting of a special committee following the repeal of the Population Registration Act by South Africa.

He said the repeal was a positive and courageous step towards ridding South Africa of apartheid but added that some obstacles remained, including the unconditional release of remaining political prisoners. - Sapa-Reuter.

## Buthelezi on sanctions

WASHINGTON - Kwa-Zulu Chief Minister Mr Mangosuthu Buthelezi attacked sanctions on Tuesday in closed meetings with Congressional committees, winning some endorsements and some condemnation.

Buthelezi will today meet President George Bush.

Four of five conditions set out by the United States sanctions law have been met. The remaining condition is that South Africa release its political prisoners.

Senator Ms Nancy Kassebaum said after the meeting that Buthelezi told the Senate Foreign Relations committee there are no political prisoners in South Africa. - Sapa-



Norway to open embassy in SA

# OAU chief urges sanctions rethink

Star 20/6/91

Nigerian President Ibrahim Babangida has set the wheels in motion for the Organisation of African Unity to review its sanctions policy on South Africa.

State radio in Lagos reported yesterday that General Babangida, the OAU chairman, planned to convene a meeting of a special committee following the repeal of the Population Registration Act.

The Nigerian leader was quoted as saying the repeal was "another positive and courageous step" towards ridding South Africa of apartheid. However, he warned that some obstacles remained, including the unconditional release of the remaining political prisoners.

"The repeal has by and large expunged apartheid from the statute books," the radio quoted General Babangida as saying.

"In recognition of the positive measures undertaken so far by President de Klerk, a process has been set in motion to convene a meeting of the OAU's Ad Hoc Committee on Southern Africa (comprising Frontline states and South African anti-apartheid groups)," he said.

The meeting will review the recent developments for an appropriate response to them on the basis of the Abuja Declaration on Southern Africa.

General Babangida urged Pretoria to begin the "negotiation process with all democratic forces in South Africa" to bring about a non-racial, democratic society.

## Relaxed

The Abuja Declaration, paving the way for a new and more relaxed attitude towards South Africa, called for the maintenance of sanctions but, for the first time, the OAU acknowledged that Pretoria's isolation was probably ending.

The declaration was adopted at a summit of the 51-member OAU in the Nigerian city of Abuja earlier this month.

It also indicated that any decision on easing sanctions would not have to be put to an OAU summit, but could be left to the OAU chairman or the ad hoc committee.

In another development on the diplomatic front, it was reported yesterday that Norway planned to open an embassy in Pretoria this year.

However, Oslo said it was not yet ready to lift sanctions.

"We have begun practical preparations to establish an embassy in South Africa," Foreign Ministry spokesman Bjoern Blokhus said. "We might get the embassy in place during the course of the year."

Mr Blokhus said South Africa's moves to abolish race discrimination had prompted Norway's decision. "It is a good development... and we want to follow the situation closely by having a (diplomatic) station there."

Norway closed its embassy in 1952, but has a consulate-general in Cape Town. South Africa has a consulate-general in Oslo. Sapa-  
Reuter

# OAU 'must strike while sanctions iron is hot'

US  
ARGUS 20/6/91

LAGOS. — The Organisation of African Unity (OAU) must move quickly to maintain influence over dealings with South Africa when anti-apartheid sanctions are crumbling elsewhere, diplomatic sources said.

Nigerian President Ibrahim Babangida, the OAU chairman, has set the wheels in motion for the OAU to review its sanctions policy following the repeal of the Population Registration Act, state radio said yesterday.

Mr Babangida, an army general whose career has been notable for swift and decisive action, must take into account public opinion on a continent where opposition to South Africa has been a binding glue for the 51-member OAU, sources said.

But time is not on the side of the OAU, with a growing number of African states already trading with Pretoria, the European Community having eased sanctions, and Washington likely to scrap sanctions soon.

"It would be dangerous for him to lose time, that is to find himself lagging behind the mo-

mentum in South Africa and externally," said Mr George Nene, ANC representative in Lagos.

A Western diplomat said "Also, the situation in Africa requires that the countries concerned should not be distracted much longer from essential businesses such as economies and the environment that are affecting millions of people."

State radio quoted Mr Babangida as saying the race act repeal was a positive, courageous step towards ridding South Africa of apartheid.

But obstacles remained.

This month's OAU summit in the Nigerian city of Abuja called for the maintenance of sanctions but indicated that further decisions would be left to Mr Babangida, the committee on southern Africa, and South African nationalist groups.

A Western diplomat said: "The only way in which real progress can be made must be an eyeball-to-eyeball meeting between the two protagonists — Babangida and De Klerk."

Nigeria says Mr De Klerk would only receive a positive welcome if he first gave a basic timetable for one-man-one-

vote, ended township violence, released all political prisoners, and brought exiles back to South Africa.

● Spurred by recent moves by Japan and the European Community to lift or ease their trade embargoes against South Africa, US business leaders said today they wanted economic sanctions against South Africa ended soon before "once again shooting ourselves in the foot"

Mr John Howard, trade policy director of the US Chamber of Commerce, warned that the US would lose trade to Japan and the EC.

President Bush is pushing for an end to sanctions from next month but this decision has provoked a fierce response on Capitol Hill. Court action to prevent him from lifting sanctions has been threatened by opposing groups led by Senator Ted Kennedy.

Lengthy court proceedings would effectively retain sanctions for up to a year.

● Inkatha Freedom Party president Chief Mangosuthu Buthelezi has entered Washington's explosive debate on sanctions, but conceded today that his meetings with leading black

members of Congress had failed to change their firm support for sanctions.

He told an audience at the conservative Heritage Foundation today that after an afternoon of pleading with black congressmen he had come to the conclusion that until the ANC changed its views on sanctions there was little prospect of black politicians in America changing their minds.

Chief Buthelezi, who is to meet President Bush at the White House tomorrow, has made several impassioned public appeals for an end to sanctions, and has made the issue the centrepiece of a high-profile visit to the US.

He has appeared on three television shows, has addressed a press conference, and has delivered speeches to at least two of Washington's leading "think tanks".

Chief Buthelezi has emerged as the most conspicuous South African campaigning in the US on the sanctions issue, and black groups have accused him of doing the work of the South African government. — Sapa-Reuter-Argus Foreign Service.



# Bush tells Buthelezi he will lift sanctions if ...



**TOP LEVEL:** Inkatha Freedom Party leader Chief Mangosuthu Buthelezi with US President Bush after their talks at the White House in Washington yesterday.

The Argus Foreign Service

WASHINGTON. — After a meeting at the White House with Inkatha Freedom Party president Chief Mangosuthu Buthelezi, President Bush said he fully intended lifting sanctions as soon as the South African government had complied with the provisions of the Comprehensive Anti-Apartheid Act.

(280)

In general remarks on the south lawn of the White House after what officials said was a "useful and productive" meeting, Mr Bush said he shared Chief Buthelezi's views on the lifting of sanctions, but added ambiguously that more would have to be done.

ARG 21/6/91

This was interpreted as meaning that the White House did not believe Pretoria had complied fully with the requirements of US sanctions legislation, and that the lifting of sanctions might be delayed until all doubts had been removed.

President Bush declined to answer questions, but Chief Buthelezi returned alone to the south lawn microphones after bidding farewell to Mr and Mrs Bush and said their discussion on sanctions had included an exchange of views on the dispute over the release of political prisoners.

He evaded a question on whether or not he had told Mr Bush that all political prisoners had been released, saying only that before his departure he had consulted the Minister of Justice, Mr Kobie Coetsee, on the issue and had been given an assurance that virtually all prisoners covered by the Groote Schuur and Pretoria Minutes had been released. He had conveyed this to Mr Bush.

Chief Buthelezi said he had been given no hint of when Mr Bush might take action on sanctions, and White House sources confirmed that the decision was likely to be delayed until after the ANC's national conference next month, although the president "sometimes has a knack for surprising us."

President Bush is understood to have telephoned President De Klerk to brief him on his discussions with the IFP leader, and he is likely also to have telephoned ANC leader Mr Nelson Mandela.

The Bush Administration gave Chief Buthelezi an unusually cordial welcome, upgrading yesterday's meeting from an originally scheduled brief morning audience to a formal meeting followed by lunch in the old family diningroom of the White House.

Immediately before his meeting with Chief Buthelezi, Mr Bush had a lengthy discussion with the former British Prime Minister, Mrs Margaret Thatcher.

When he greeted Chief Buthelezi, Mr Bush reminisced about their past meetings. "I think this is at least the fifth time you and I have met in the last few years," he said.

Yesterday afternoon the IFP leader had a meeting with the Assistant Secretary of State for African Affairs, Mr Herman Cohen, and other State Department officials, and he is due in New York today to address a meeting of the influential Foreign Policy Association, and to meet the editorial board of the New York Times.

● Chief Buthelezi is expected to meet British Prime Minister Mr John Major when he visits Britain next week.



SANCTIONS

280

~~SECRET~~

## MAKING THE LINK

Two major Cosatu unions have called for a review of sanctions — an action which could provide impetus for toppling the policy at the ANC conference in the first week of July. However, there is a *quid pro quo*: sanctions are to be lifted in exchange for what are termed "social clauses in trade agreements."

The 190 000-member SA Clothing & Textile Workers' Union (Sactwu), Cosatu's third largest affiliate, envisages that these social clauses will cover basic trade union rights — to join unions, to strike and picket.

Sactwu assistant general secretary Ebrahim Patel says the lifting of sanctions needs to be linked to progress towards the achievement of a political settlement, and compliance by employers with basic labour rights in a labour code.

Precise definitions will be worked out at a special conference to be convened soon — but the definition of political progress seems destined to be left deliberately vague so that it does not itself become an impediment to progress.

Patel says the labour rights would include protection for workers not now covered by labour legislation, such as farm workers. The effect of such a code, and its adoption by foreign governments, would bring to bear

*continue — D*

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~~SECRET~~

further pressure for rapid labour reform and strengthen the hand of the union movement.

In April, the National Union of Mineworkers (NUM), Cosatu's largest affiliate with 275 000 members, called for a conference on sanctions involving the tripartite alliance it has with the ANC and SA Communist Party, as well as church and anti-apartheid groups active in calling for sanctions in the past.

The FM of May 24 noted that a powerful bloc in Cosatu rejected the ANC's commitment to sanctions and that the issue was being increasingly debated in union circles. All eyes are now on this weekend's conference of the National Union of Metalworkers of SA, Numsa, Cosatu's second largest affiliate with 275 000 members.

Numsa has tended to be one of the most militant pro-sanctions unions. But faced with major layoffs, it may decide on a more tactical approach — and if so, there is little doubt that the ANC conference will support the conditional lifting of sanctions, particularly if President F W de Klerk releases remaining political prisoners by June 30.

The conditions likely to be imposed will include social responsibility and union rights agreements from new investors. Support for the total lifting of sanctions would require the scrapping of security legislation, particularly the Internal Security Act. Yet the ANC may even take a pragmatic view on

this law as long as all political prisoners are freed and violence is ended or dramatically reduced.

In December the ANC rejected a document on the easing of sanctions by international department secretary Thabo Mbeki. At the time elements in the union movement were its most hostile opponents — but those unionists re-examining the sanctions issue are now thinking along similar lines to Mbeki.

□ Most Cosatu unions will have held their annual congresses before the federation's fourth congress in Johannesburg on July 24. Though the Cosatu conference, in turn, will be affected by whatever decisions are taken at the ANC conference in Durban, it could take decisions that do not necessarily merely rubber-stamp those made by the ANC.

Charlene Smith



**US may lift its  
curbs by July**

So we get 21/6/91

**WASHINGTON - President George Bush is ready to end economic sanctions against South Africa as early as July, according to administration officials.**

The administration's willingness to lift sanctions stems from the repeal this week of the last legal pillar of apartheid — the Population Registration Act.

The willingness of normally secretive officials to discuss Bush's attitude strongly suggested that Washington was applying public pressure to resolve the one remaining obstacle to halting the sanctions - a dispute over political prisoners.

Although the Government contends it already has released all political prisoners,

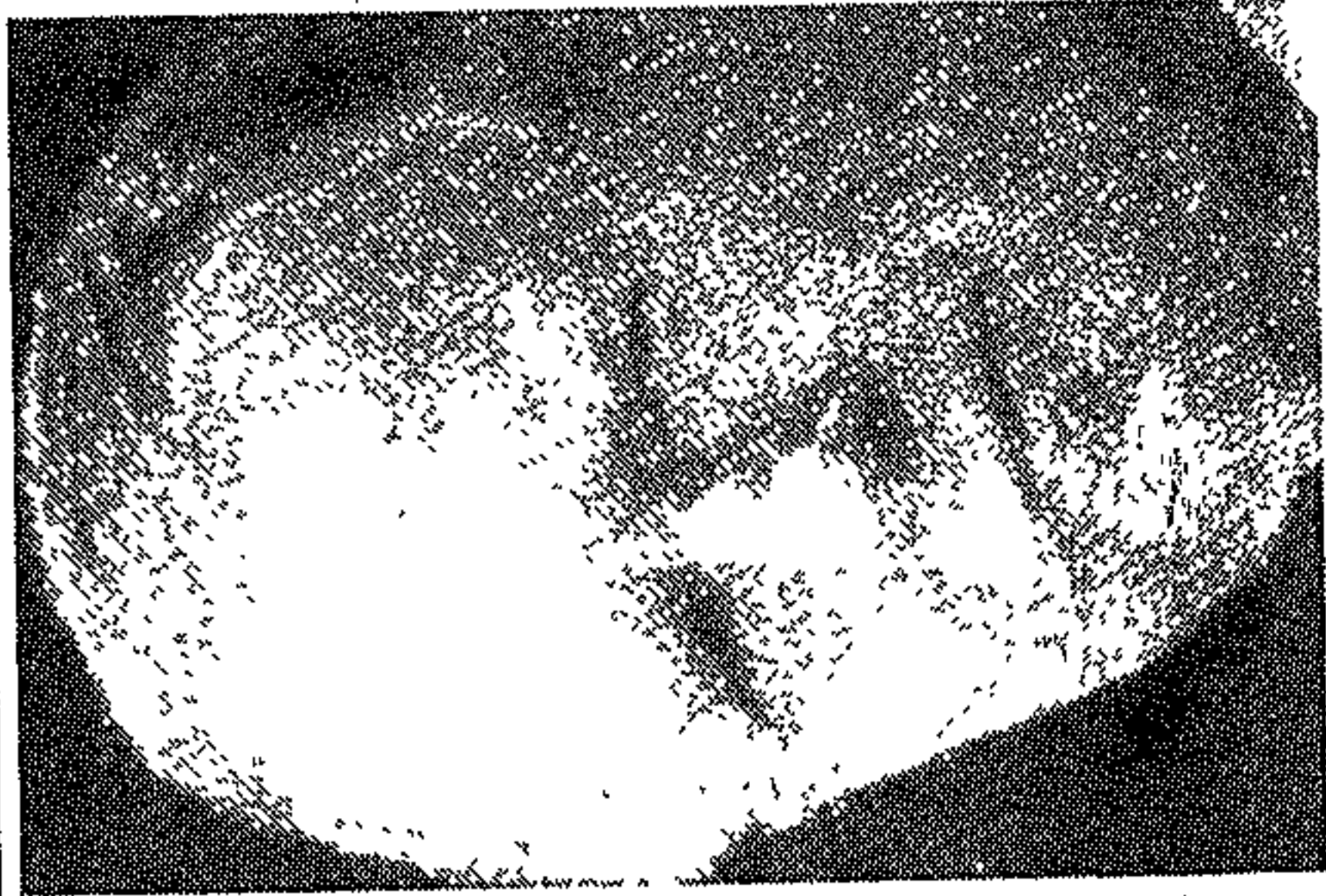
**the ANC insists that more than 960 remain in jail.**

The Government insists all who clearly fit the definition have been released. About 350 other cases are still under review.

The Act classified all South Africans into one of four racial groups at birth and has served as the foundation for segregation since 1950.

The US sanctions, in addition to forbidding US investment in South Africa, also cut commercial air links and prohibit the export of military goods, computer technology and nuclear items.

The law also bans imports of food and agricultural products, iron, steel, coal, gold coins, sugar, oil and petroleum products. - *Sapa-Reuter*.



# GEORGE BUSH

By TOM HOOD, Business Editor

**HOPES** of better times ahead had a boost today with news of surging exports and the possibility of the United States lifting sanctions against South Africa next month.

Better prospects also set the Johannesburg Stock Exchange alight — with more than R158 million in shares changing hands as foreign and South African investors piled into the market.

The ending of American economic sanctions could attract fresh overseas funds to the mining industry and could open up markets for coal, steel, gold coins, sugar and other commodity exports.

Traditionally the share market anticipates business conditions a year or so down the line.

In the latest buying binge, share values of industrial companies surged by 1,8 percent and gained a staggering R3 billion yesterday after gaining R2,7 billion on Wednesday.

The industrial share index, the market's barometer, rose 70 points to a record 3911. Since the beginning of January the industrial market has risen by 30 percent.

### **Foreign investors**

Dealers said foreign investors were returning to buy industrial shares after a 15-year absence. Most overseas investors sold their industrial shares in 1976 after the Soweto riots.

Led by institutions, investors are piling into blue-chip counters, which make up the indices, but are tending to ignore second- and third-line stocks.

Buying centred mostly on quality industrials like Barlows, SA Breweries, Rembrandt and retailer Pick 'n Pay. In the mining sector De Beers and Anglo American were in good demand.

Market analysts said the market could go still higher, but warned that the outcome of the ANC congress in Durban next month would have a bearing on the market.

### **Record highs**

On an almost daily basis, most of the JSE indices move to record highs this week.

What confuses analysts is the discrepancy between the strength of the share market and the poor outlook for company profits.

Meanwhile exporters are taking full advantage of the opening of new markets and the recent weakening of the rand against the US dollar.

Exports in May at R5,78 billion were slightly down from April's record level of R5,85 billion, but pushed total exports so far this year to R26,1 billion from R24 billion in the same period last year, The Argus Correspondent reports from Johannesburg.

The trade surplus in May rose to R1,83 billion (April: R1,71 billion) as imports during the month declined slightly from R4,14 billion to R3,96 billion.

The fall in imports, after three successive monthly increases, is an indication that the recessionary conditions are finally impacting on demand for imported goods.

But for the first five months of the year total imports of R19,57 billion are still well ahead of last year's comparative figure of R17,6 billion.

Many sectors of the economy reported an improvement in exports in the January to May period this year.

Exports of unclassified goods (mainly gold and other precious metals) rose to R11,06 billion (January to May 1990: R9,97 billion) while base metals increased to R3,83 billion (R3,52 billion).

### **Poor harvest**

On the manufacturing side exports of vehicles, aircraft and transport equipment improved from R542 million to R562 million.

But reflecting lower international mineral prices, the revenue from mineral products fell from R3,03 billion to R2,76 billion.

Agricultural exports continued to fall in May as a result of the poor harvest and exports so far this year are R200 million lower at R801 million.

**Boom time**

280  
ARGUS 21/6/91



# AAM 'stunned' over Krugerrands launch

ARGUS 21/6/91 280 509  
LONDON. — The Anti-Apartheid Movement said it was "stunned" at the "arrogance and ignorance" of the South African gold industry after its decision to re-launch the sale of Krugerrands.

An European Community ban is still being upheld by Denmark.

Mr Mike Terry, executive secretary of the British AAM in London, said: "We are astonished, stunned ... don't they know its still illegal and liable to prosecution if they go ahead?"

He described the announcement in Johannesburg by Chamber of Mines President Clive Knobbs as "arrogant and ignorant of the international situation".

Although the EC decided in April to lift its 1986 ban on the import of gold coins, this move is still blocked by Danish opposition parliamentarians, who have combined in a majority to stop the Copenhagen government from endorsing the EC's decision.

Mr Terry warned that AAM activists would definitely take the necessary steps to inform relevant authorities in Europe if any sales of Krugerrands took place before the prohibition was lifted.

Danish opposition MPs were not expected to give the go-ahead to the sanctions-lifting move until President De Klerk agreed to ANC demands for a constituent assembly and interim government.

"In the meantime, it gives us something to campaign against," Mr Terry said.

The EC in Brussels confirmed that the ban on Krugerrand imports was still in place because of the Danish situation.

Mr Terry said it was apparent that Mr De Klerk and Foreign Minister Pik Botha had failed to advise the Chamber of Mines of the true situation in Europe.

"We're stunned that they could be so ignorant and arrogant.

"If anything, this will harden the attitude in Denmark and also among other EC member states who were secretly relieved at the Danish block," Mr Terry said. — Sapa.

# 'Relief' for Mandela

Own Correspondent

LONDON: — Mr Nelson Mandela will privately be relieved if the US lifts sanctions against South Africa next month, because it will free him to prepare the ANC for office.

That is the view of the London Financial Times, which yesterday carried an analysis of the impact such a decision would have on South Africa.

The article said President F W de Klerk would have no illusions about the task that lay ahead, while Mr Mandela "may well heave a private sigh of relief".

"For Mr Mandela — who in private has been resigned to the US action — it may mark the end of a pro-sanctions stance that has been losing credibility by the week.

"Few issues consumed his time so fruitlessly and so undermined

his credibility as the decision by hard-line ANC members that sanctions had to stay."

Whatever doubts he had, Mr Mandela "wearily trod the world's sanctions circuit, trying to rally increasingly sceptical audiences".

Now, said the Financial Times, he can "spend more of his time preparing the ANC for office", starting with the ANC congress next month.

## Breakthrough

"And he can console himself with the fact that the internal pressures that helped bring an end to apartheid — trade union power, grass-roots resistance, the widening ratio of black to white and township violence — leave Mr De Klerk no alternative but the conference table."

For Mr De Klerk, the article said, the impending US decision was "the most important breakthrough in the sanctions campaign".

"But there is still a long and bumpy road to tread before Pretoria secures the agreement critical to long-term economic success — a constitutional settlement."

Meanwhile, Sapa reports from Windhoek that ANC leader Mr Walter Sisulu said there yesterday that the ANC was "disturbed" and "unhappy" about Kenya's moves towards normalising some ties with South Africa.

"We are not only disturbed, we regard ourselves so much as one family and we expect to move together," he told a media briefing at State House.

"When Kenya takes steps contrary to other states, it must disturb us," he said.



# Bush won't lift sanctions yet

Sowetan 21/6/91 280

**WASHINGTON** - South African Zulu leader Chief Mangosuthu Buthelezi urged President George Bush yesterday to lift economic sanctions against his country and Bush said he would do so as soon as possible.

Buthelezi, after a meeting and lunch with Bush in the White House, told reporters that the president gave no date for a lifting of the five-year-old sanctions.

The United States is waiting for confirmation that all political prisoners have been freed by South African authorities, the last of five conditions for lifting sanctions that Congress imposed to protest against apartheid policies in 1986.

"The president said that as soon as there is compliance with the conditions stated in the legislation, then sanctions will be lifted," Buthelezi said.

Bush called the meet-



**President George Bush greets Chief Mangosuthu Buthelezi in the Oval office at the White House in Washington yesterday.**

ing with the leader of the Inkatha Freedom Party "a very good, productive meeting".

"We agree with him that dramatic progress has been made" in dismantling South Africa's offi-

cial policies of strict racial segregation, the president said.

"We both agreed that more progress must be made," he said in a Rose Garden appearance with Buthelezi before returning

to the Oval Office to let Buthelezi answer questions.

"The law is very clear. When the five conditions are met, the sanctions will be lifted," Bush said. - Sapa-Reuter

# Bush says he'll lift <sup>(280)</sup> sanctions as soon <sup>CT 21/6/91</sup> as possible

WASHINGTON. — Chief Mangosuthu Buthelezi urged President George Bush yesterday to lift sanctions and Mr Bush said he would do so as soon as possible.

Chief Buthelezi, after a meeting and lunch with Mr Bush in the White House, told reporters that the president gave no date for a lifting of the five-year-old sanctions.

The United States is waiting for confirmation that all political prisoners have been freed by South African authorities, the last of five conditions for lifting sanctions that Congress imposed to protest against apartheid policies in 1986.

"The president said that as soon as there is compliance with the conditions stated in the legislation, then sanctions will be lifted," Chief Buthelezi said.

## 'Law clear'

Mr Bush called the meeting with the leader of the Zulus' Inkatha Freedom Party "a very good, productive meeting".

"We agree with him that dramatic progress has been made" in dismantling South Africa's official policies of strict racial segregation, the president said.

"We both agreed that more progress must be made," he said in a Rose Garden appearance with Chief Buthelezi before returning to the Oval Office to let the Zulu chief answer questions.

"The law is very clear. When the five conditions are met, the sanctions will be lifted," Mr Bush said.

Chief Buthelezi represents 1,8 million Zulus.

South Africa claims it has freed all political prisoners, but the ANC says nearly 1 000 are still being held. US officials have said Mr Bush wants to lift sanctions by mid-July, but wants assurances that all political prisoners have been freed. — Sapa-Reuter



# Union calls for rethink on sanctions

Staff Reporter

MECHANISMS allowing progressive foreign companies to reinvest in South Africa are to be proposed at the Cosatu conference next month — and union-endorsed export markets for South African firms employing code of labour practices are being considered.

The 190 000-member SA Clothing and Textile Workers' Union is the second major union to call for a rethink on sanctions and the first to suggest a method linked to democratic reform in South Africa.

The National Union of Mineworkers in April called for a conference on sanctions involving all parties that had earlier called for the punitive economic measure.

A Sactwu resolution will call for reinvestment by companies which have a comprehensive code of labour.

Sactwu assistant general secretary Mr Ebrahim Patel said that as far as unions are concerned, "the relaxation of sanctions will be tied to progress in clinching a democratic settlement".

The mechanism seeks to whittle away sanctions as democracy is imposed in South Africa, he said.

Rewards for South African companies recognising trade union rights are also under review, Sactwu spokesman said.

It is possible that companies which enjoy good worker relations could be endorsed by the union in foreign markets before sanctions have been completely lifted, the spokesman said.

## Drop sanctions, Buthelezi urges Bush 280

WASHINGTON — Chief Mangosuthu Buthelezi yesterday urged President Bush to lift economic sanctions and was told that the American leader would do so as soon as possible.

After a meeting and lunch with Mr Bush in the White House, Chief Buthelezi told reporters that the president gave no date for the lifting of the five-year-old sanctions.

The US is waiting to see that all political prisoners have been freed in South Africa, the last of five conditions for lifting the sanctions imposed by Congress in 1986.

"The president said that as soon as there is compliance with the conditions stated in the legislation, then sanctions will be lifted," Chief Buthelezi said.

Mr Bush called the meeting

with the Inkatha Freedom Party and KwaZulu leader "a very good, productive meeting".

"We agree with him that dramatic progress has been made in dismantling South Africa's official policies of strict racial segregation. We both agreed that more progress must be made. The law is very clear. When the five conditions are met, the sanctions will be lifted," Mr Bush said.

The South Africa Government claims it has freed all political prisoners, but the ANC says nearly 1 000 are still being held.

US officials have said that Mr Bush wants to lift sanctions by mid-July, but wants assurances that all political prisoners have been freed, and will

wait for the US State Department to verify this.

"Sanctions, you know, are very cruel indeed," Chief Buthelezi said. "The armed struggle is tied up with the sanctions because with sanctions, there's poverty, and with poverty, there's revolution."

Chief Buthelezi, in Washington this week to appeal for even-handed treatment from US officials, has argued that ongoing violence in South African townships was provoked by the ANC's "drive for supremacy".

It was reported from London last night that Chief Buthelezi is expected to meet British Prime Minister John Major when he visits Britain next week. — Sapa-Reuter and Star Foreign Service.



280  
Star 21/4/91

# Kenya drops sports ban

● From Page 1

tion Registration Act in Parliament on Monday.

Said a cautious Joe Stutzen, chairman of the South African Amateur Athletics Union: "It certainly looks like the coast is clear, but finally the go-ahead has still got to come from the IAAF."

Equally as important is the fact that we've still got to see where we stand in terms of the sports moratorium.

"It's tremendous that the doors seem to have opened, but I think we should wait until we hear what Nebiolo announces at a very important press conference scheduled for Rome on July 6."

Danie Malan, chairman of the SA Track and Field Association, said more clarification had to be obtained on the issue.

"I've always said the way back is through Africa — in fact I suggested that we should stage a meeting locally and invite all the African stars to come and compete here."

"And to hear that a country like Kenya, with all its Olympic stars, is keen to compete against us is very exciting."

The IAAF has been trying to facilitate a South African presence at the world athletics championships in Tokyo, starting on August 23.

But the All-African Games in Cairo in September could well be the first multi-event competition featuring South Africa in many years.

## Quayle: No rush to lift sanctions

WASHINGTON — US vice-president Dan Quayle, comparing the leaders of the Soviet Union and South Africa, said yesterday the United States was in no rush to lift the five-year-old set of penalties aimed at forcing an end to apartheid. (280) AEC 246/91

"There is no rush. We have a very precise statutory requirement that has to be met before the president can consider lifting sanctions," he said. Sanctions were imposed to elicit change which had come about, he said adding that President F W de Klerk was similar to Soviet President Mikhail Gorbachev. "He has instituted reforms. We're trying to figure out a way to encourage reforms in the Soviet Union." — Sapa-Reuter.



## ILO votes <sup>280</sup> for sanctions

CT 22/6/91  
GENEVA. — The International Labour Organisation yesterday voted overwhelmingly in favour of continuing sanctions against South Africa, saying that "most of the fundamental bases of apartheid" remained intact.

The organisation's annual conference adopted by 317 votes to two a report urging the "creation of a non-racial, democratic society based on one person, one vote".

Government and employer delegates from the United States voted against the resolution. There were 67 abstentions. — Sapa-AP

# Japan open to South Africans

280 CT 22/6/91

**TOKYO.** — Japan yesterday decided to lift sanctions on personnel exchanges with South Africa, but to maintain economic sanctions.

The government will resume issuing tourist visas to South Africans, stop advising Japanese tourists against visiting the country and lift a ban on Japanese government officials using South African Airways.

The cabinet decision follows Pretoria's abolition of the population registration act, the last legal pillar of apartheid.

Foreign Minister Mr Taro Nakayama said Japan would agree to sports exchanges if South African teams included blacks.

The SA consulate-general said in a press statement that he welcomed the decision and hoped normalisation of relations would

occur soon. Japan has never had relations beyond the consular level with South Africa.

Meanwhile Israeli Trade Minister Mr Moshe Nissim has urged his government to lift sanctions.

Israel, under US pressure, imposed 10 sanctions limiting economic, cultural, scientific and sports links with South Africa, but press reports said the Jewish state continued trade discreetly.

Kenya has eased sanctions and the European Community lifted some of its sanctions last April.

President George Bush has said the US will continue sanctions until Pretoria releases all political prisoners.

Vice President Mr Dan Quayle said yesterday the US was in no rush to lift the penalties.

"We have a very precise statu-

tory requirement that has to be met before the president can consider lifting sanctions," he said in an interview on NBC television.

● In London, conservative columnist R W Johnson said yesterday that once the US lifted sanctions, the campaign around the world as well as all other forms of boycott were likely to crumble.

Writing in the Times of London, Prof Johnson, a fellow of Magdalen College, Oxford, said that "in a broad sense" sanctions had worked.

"Full of holes though they were, they symbolised international rejection of apartheid and exercised a potent psychological pressure on white South Africa."

— Daily Telegraph, Sapa-Reuter, UPI



# OAU violated sanctions, says its secretary

DAR ES SALAAM. — The Organization of African Unity, once seen as united against South Africa, has an unkept secret: Many of its members states are doing business with the white-led nation.

Mr Salim A Salim, the organization's secretary-general, was quoted yesterday as saying more than half of the OAU's 51 members nations have violated sanctions by establishing open or secret commercial ties with South Africa.

Mr Salim, a Tanzanian, expressed his disapproval on Tuesday at a meeting with local journalists.

"This is not good. It makes our tasks at the OAU headquarters very difficult," Mr Salim said.

"How do I explain this to the outside world?"

Mr Salim said the OAU's members must maintain a unified stand on relations with South Africa, including when to establish ties.

"It is not good to agree on one position to get together and do the exact opposite individually," Mr Salim said.

He said the OAU summit in Nigeria early

this month formed a committee to look into the issue of future relations with South Africa.

The OAU and its members have long supported a policy, if not the practice, of maintaining diplomatic, commercial and sports sanctions against South Africa because of its apartheid policy of racial segregation.

However, President F W de Klerk has been gradually dismantling apartheid and has persuaded several African states to establish ties with his government. — Sapa-AP

# Lifting of sanctions

## poses new problems

RORY CHANNING

RESTRICTED for years by sanctions, businessmen may find the air bitter-sweet as the market opens up.

Emerging from an economy hit by trade, loan and investment embargoes they should expect to encounter problems as well as reap windfalls, analysts say.

"Contrary to many expectations, opening up the economy will make life harder, not easier for businessmen," says business and marketing consultant Mike Perry.

The economy is mired in recession, having shrunk by one percent last year and expected to show no growth in 1991. Finance Minister Barend du Plessis sees an upturn around the year-end.

But analysts voice concern about continuing violence, high interest rates and inflation running stubbornly at around 14 percent annually.

Mr Perry said that although a more open, post-sanctions economy will generate new trading opportunities abroad, business could face trade challenges on its own turf which in past years have been absent.

"While an open economy will improve prospects for exports to the US, Europe and the Far East, it will also expose the country to foreign competition in its own backyard," he declared.

This will not only involve companies wishing to invest in the country, but also development aid which he said is likely to be given in goods and services rather than cash. — Sapa-Reuter.



SI Times 23/6/91

# Japan is prisoner-bound

(Bus Times) 280

TWO-WAY trade between South Africa and Japan could double to about \$8-billion within a year of the removal of all sanctions.

But it will not happen until the ANC has certified that the SA government has released all political prisoners.

Japan's promise to review its long-standing sanctions after the removal of the last apartheid legislation this week raised hopes that the way would be cleared to en-

By IAN SMITH

courage reciprocal trade and the door would be opened to Japanese investment in SA.

But that is not on — for the time being at least.

Japan's Foreign Ministry is still strongly resisting pressure from the Ministry of International Trade and Industry (Miti) and the Federation of Economic Organisations (Keidanren) for the

removal of all sanctions.

Foreign Ministry officials are apparently unwilling to risk offending the African bloc at the UN or the black lobby in the US before Japan is given a seat in the UN Security Council.

The sanctions issue will now be handled in two phases. The first phase, linked to the scrapping of apartheid legislation, will remove restraints which have little real impact.

They include the lifting of visa restrictions on tourists to and from Japan, the removal on the ban on promoting tourism to SA in Japan and the removal of the ban on Japanese officials travelling on SAA. These measures were announced on Friday.

The second phase, which would see the removal of the ban on direct Japanese investment in SA, will be linked to the release of political prisoners.

The catch lies in the fact that the Japanese will require the ANC to certify that all political prisoners have been freed. They also will not move until the US has scrapped at least some of its anti-SA sanctions.

Observers point out that all Japan has done so far is remove the "informal" restrictions which limited trade to 1986 levels.

## Success

Japan has taken a much harder line on prisoners than the US, which has said that it does not regard people who have committed acts of violence for political reasons as political prisoners.

Tokyo's stance has been particularly disappointing for SA business because of the success of the Keidanren's first visit to SA in decades last April. Japanese businessmen were highly impressed by what they saw in SA.

They forecast that reciprocal business could be doubled within a year from the current \$4-billion.

# US scholars return to SA

STimes 23/11/77

Sunday Times Reporter 289

SIX American university professors have taken up posts at South African universities, marking the end of a 20-year suspension of the Fulbright Scholarship programme to South Africa.

Visits to SA universities by American professors were suspended in 1971 in protest against apartheid in education.

Professor Jerry Eckert, of the Department of Agricultural Economics at Colorado State University, is visiting the University of Cape Town Economics Department. Five other scholars are working at Wits, Rhodes and the University of the Western Cape.

During the 80s Professor Eckert directed a research programme on income inequality sponsored by the SA government.

Professor Eckert will be conducting research on post-apartheid economic policy options.

He believes South Africa has a strong economic future, but that democracy requires more economic equality than exists in South Africa.



# It's a 'good news week for SA as trade bans ease

S Times 23/6/91.

280

## THE SUNDAY ASSESSMENT by MIKE ROBERTSON

THE Population Registration Act died this week. And sanctions barriers against South Africa crumbled further.

Now it is only the problems of the return of exiles and the release of political prisoners delaying the much-prophesied end of sanctions. Resolution of those issues remains largely in the hands of Justice Minister Kobie Coetsee.

It was, on the whole, another "good news" week for the South African government

Japan and Gabon opened the door to South African tourists while Kenya invited South African runners to take part in a marathon in Mombasa

The Zambian cabinet, meanwhile, approved the lifting of trade sanctions against South Africa and, two weeks ago, scrapped visa requirements for South Africans.

But the key still remains the United States, where old agendas and new demands are in collision

The Bush administration made it clear that sanctions would only be lifted once the release of political prisoners and the return of exiles were satisfactorily resolved.

### Assist

It is because of this that Mr Coetsee has set aside a week of his time, starting tomorrow, to thrash out agreement with the ANC and human rights groups on who, precisely, is a political prisoner.

The return of exiles was also the subject of lengthy talks this week between Justice, Home Affairs and Foreign Affairs officials and a United Nations High Commission for Refugees delegation led by Mr Nicholas Bwakira. Foreign governments have offered aid of up to R196-million to assist with the return of exiles if UNHCR involvement is secured.

South African diplomats in Washington said the US administration had made it clear there would have to be progress on the return of exiles before President Bush acted to undo the Comprehensive Anti-Apartheid Act

It would not be necessary for every exile to return home, but simply to have some mechanism in place to begin the process, they said.

The diplomats were also optimistic that the US administration would conclude that the South African government had complied with provisions on the release of political prisoners. They said this after White House spokesman Marlin Fitzwater disclosed that the US had its private estimate of the number of releases required to trigger the lifting of sanctions.

Mr Fitzwater defined these prisoners as those held for their "political views or expression of those views" but not "those who commit acts of violence for political reasons".

This definition is far narrower than that of the South African government.

A US State Department lawyer is expected to arrive in South Africa today to ascertain whether prisoners which the Bush administration defines as political, have been released

If so, it is likely that the US will drop sanctions after the ANC congress in July.

Such a decision will also trigger the ending of Japanese trade sanctions. Japanese Foreign Minister Taro Nakayama this week announced the lifting of curbs on tourism and cultural or educational exchanges

But the Japanese made it clear that they would follow the lead of the US and the European Community before lifting their economic sanctions

South African officials believe that when their requirements are met, the Japanese will invite President De Klerk to visit. Diplomatic contact could be stepped up from consulate to embassy

There are also strong signs that the Norwegian government will upgrade its mission. The EC countries, which have already lifted all significant trade sanctions, also welcomed the scrapping of the apartheid acts. Members are to meet on June 28 and the lifting of sporting and cultural sanctions can be expected.

In Africa, where trade sanctions are honoured in the breach, oil-rich Gabon announced it was opening its doors to South African tourists. South African officials, while welcoming another breakthrough, are looking at this warily, as Angola — provided the recent peace accord holds — is a more attractive potential supplier of oil.

### Meeting

The South African government regards Nigeria as the key to normal links with the continent. Mr Duro Onabule, President Ibrahim Babangida's chief press spokesman, said the decision would enhance prospects for a visit by Mr De Klerk to Nigeria this year.

President Babangida also announced that he would call a meeting of the OAU ad hoc committee on southern Africa to discuss sanctions. At the recent OAU conference he was authorised, as chairman, to undo sanctions after consulting the Frontline States.

In Zambia, too, there are changes afoot. Zambian premier Kenneth Kaunda is expected to announce a cabinet decision to lift sanctions at a trade fair later this week.

Apart from increasing South Africa's standing among the international community, free trade with Zambia would offer South Africa new markets, particularly for consumer items.

## Academic visits from US resume

ET 24/6/91  
Education Reporter

THE US government has resumed its sponsorship of academics visiting South Africa after suspending the Fulbright Scholarship programme 26 years ago in protest against apartheid.

Six US professors are now in the country, including Prof Jerry Eckert of the agricultural economics faculty of Colorado State University, who is researching post-apartheid economic policy at UCT.

A spokesman for the university said the restoration of the programme would allow US academics to participate in rebuilding South Africa.

The programme is expected to be expanded in future to include more local universities.



# US ex-envoy slates 'twisting of facts'

The Argus Foreign Service

NEW YORK. — Mr Nelson Mandela, under pressure from ANC radicals, now seems to agree with his wife Winnie's dictum that there can only be negotiations about the transfer — and not the sharing — of power in South Africa, says former US Ambassador to Pretoria Mr Herman Nickel.

He was responding yesterday to comments by influential Washington liberal Miss Pauline Baker, a senior associate at the capital's Carnegie Endowment for International Peace.

In a lengthy article in the newspaper Washington Post, Miss Baker criticized President De Klerk for his "halting, provocative and dangerous" steps towards negotiations and urged President Bush not to lift sanctions against South Africa.

Mr Nickel said "Miss Baker's statements show the lengths to which the pro-sanctions movement will go to move the goal posts in order to stay in business

"By twisting the facts to impugn Mr De Klerk's good faith in negotiating a new democrat-

ic order, she builds a case that adds up to bad law and worse policy

By signalling to Pretoria that solemn undertakings by both legislative and executive branches of the US government are subject to constant re-interpretation — and are thus meaningless — the effect of her advice would be to undermine US credibility and influence on the De Klerk government during the critical negotiations ahead

"By sending the ANC and its ally, the South African Commu-

nist Party, the message that Washington has become their 'useful idiot', the effect would be to make them more intransigent just when more flexibility is needed"

Mr Nickel said if there was one thing ANC and government economists could agree on it was that political transition was doomed unless the South African economy resumed its growth very soon.

It would be a disaster for the US to sign the agenda advocated by lobbyists and commentators like Miss Baker.

# Now ANC faces Israeli setback

By Kaizer Nyatumba  
Political Staff

The African National Congress could suffer yet another blow to its sanctions stance when the Israeli government reviews its policy on South Africa.

Israel, its embassy in Pretoria said yesterday, was favourably inclined to changing its sanctions because of the reforms.

A spokesman was reacting to a report in a Johannesburg newspaper quoting bulletins from Israel saying that at its meeting on Sunday the Israeli Cabinet accepted a proposal by Deputy Prime Minister and Trade and Industries Minister Moshe Nissim that most sanctions imposed on South Africa four years ago be lifted.

In reaction yesterday, ANC spokesman Gill Marcus criticised any lifting of sanctions.

"We think (the Israeli decision) is premature and incorrect.

"They should take note of our position and maintain sanctions. It is regrettable.

"We would have hoped they

would respect the views of the people of South Africa."

The embassy spokesman said the Israeli government had not decided yet whether or not to lift sanctions against South Africa, but was favourably inclined towards lifting them.

The ANC has suffered numerous embarrassments in the last few months, with the major one being the European Community's decision to relax sanctions only a day after the ANC had called on the international community to maintain them.

## Sporting ties

Recent developments in Africa indicate that the organisation might be losing the sanctions fight on the continent.

At least one influential African country, Kenya, recently restored sporting ties with South Africa, and many more are expected to increase their above-ground contact with Pretoria.

Nigerian President and Organisation of African Unity chairman General Ibrahim Babangida is understood to be keen to establish contact with

South Africa.

With the repeal of the Population Registration Act, General Babangida called an urgent meeting of the OAU to review sanctions against Pretoria.

Asked if the rush to either lift or relax sanctions by some governments — in spite of the ANC's calls to the contrary — weakened the organisation's position, Ms Marcus said that was not the main issue.

"The issue is not whether it (the lifting of sanctions by these governments) weakens our position. The issue is whether we put a position that is correct," she said.

All the major extra-parliamentary organisations such as the Pan-Africanist Congress, Azanian People's Organisation, Workers Organisation for Socialist Action and the New Unity Movement also want sanctions against South Africa maintained.

Among those in favour of the lifting of sanctions are Chief Mangosuthu Buthelezi's Inkatha Freedom Party and John Gogotya's Federal Independent Democratic Alliance.



# Reaching out to Africa

Star 25/6/91

The Government has repeatedly argued that South Africa must develop new links with other African countries. MARK SUZMAN looks at the potential partners.

(280)

THE State President's recent visit to Kenya highlighted the Government's intention to break out of international isolation through the continent it once shunned.

"We are part of Africa," declared Mr de Klerk in Nairobi, as he set out parts of a tentative blueprint to revitalise the embattled continent.

The Government's new plan is apparently to establish four allied regional economic blocs, each led by a regional powerhouse: Nigeria in west Africa, Egypt in the north, Kenya in the east and South Africa in the south.

Some analysts predict that when South Africa is admitted to the Organisation of African Unity, this economic co-operation could potentially translate into a loose political alliance to co-ordinate African policy.

Nevertheless, while in Africa can terms these countries are relatively wealthy, all share legacies of economic problems and political instability which may render such grandiose visions of co-operation untenable: ● Kenya While Kenya has traditionally been regarded as Africa's paragon of democratic government and sound economic policies, over the past decade President Daniel arap Moi has been prone to adopting increasingly autocratic policies.

After an unsuccessful coup in 1982 in which 3 000 people were arrested, the government began to detain and torture dissidents while all opposition parties were banned.

Last year a wave of riots throughout the country had to be put down by force, with a number of people killed. But

President Moi has now entered on a policy of limited reform, although the clampdown on dissidents remains harsh.

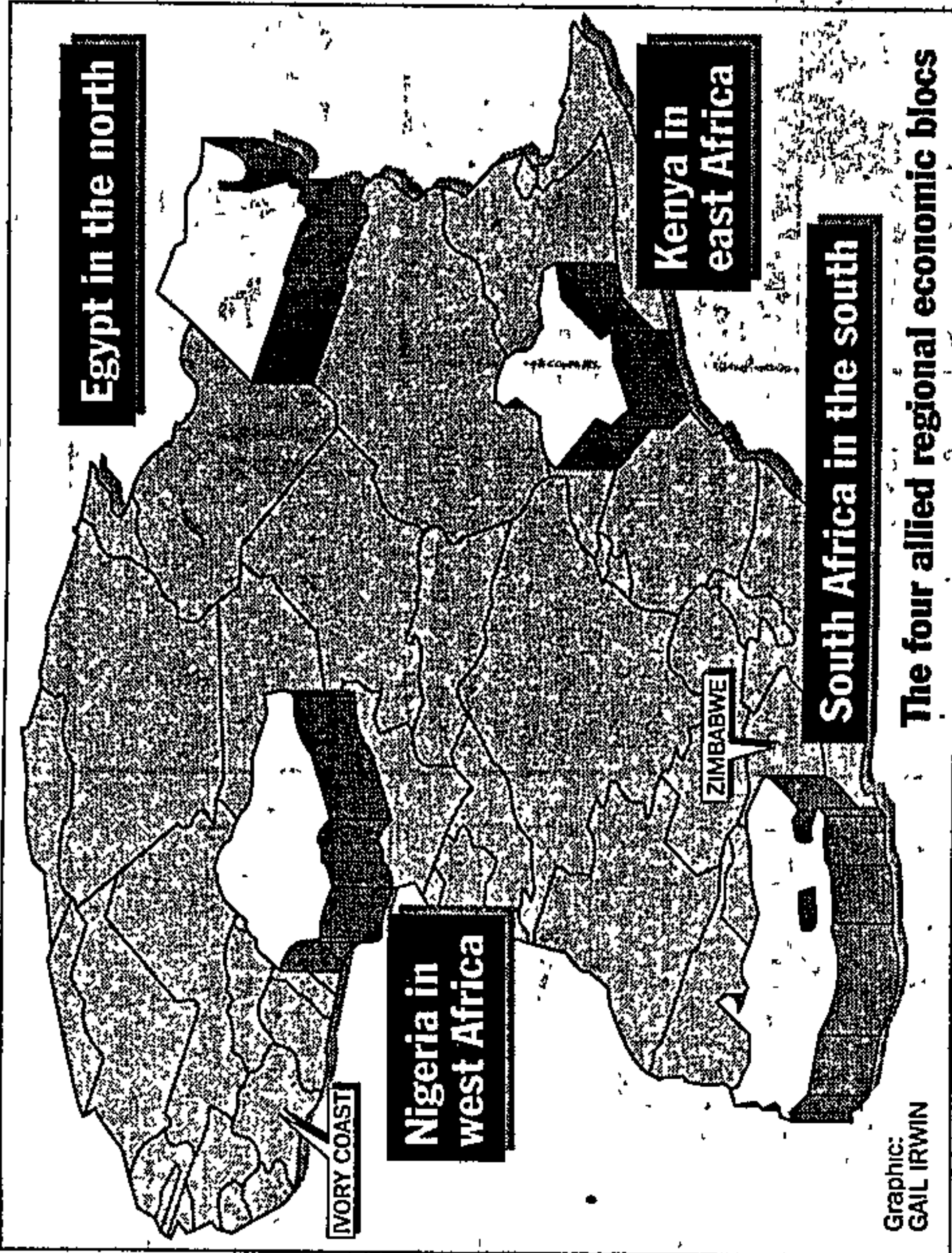
Economically the country has a relatively small gross domestic product of about R20 billion. Although it has enjoyed steady growth averaging almost 5 percent over the past five years, the fact that its population growth is the fastest in the world keeps per capita wealth down. Its biggest exports are tea and coffee, while it imports cars and industrial machinery.

After President de Klerk's visit, political and economic relations with South Africa are expected to continue to improve. While the prospects for direct trade are relatively small, one potential spin-off could be persuading some of the many tourists who travel to Kenya each year to visit South Africa as well.

● Nigeria This oil-rich country, with 110 million inhabitants, is the most populous nation in Africa, and the only sub-Saharan country with an industrial base comparable to South Africa's.

Politically it has oscillated between military and civilian rule, and the last democratic government was overthrown in 1983. The current ruler, Major General Ibrahim Babangida, has promised to restore democracy by 1992.

Like South Africa, the country is divided. In addition to having three major tribal groups — the Ibo in the west (responsible for the Biafra civil war in 1967 when they tried to secede), the Yoruba in the east and the Hausa in the north — the country is divided along re-



The four allied regional economic blocs

states, the country is largely dependent on foreign aid and ran up a debt of nearly R140 billion over the last decade — more than its total GDP of R100 billion.

The Gulf War has both helped and hindered the country: an estimated R10 billion annual revenue from migrant workers in Kuwait and Iraq has been lost, but the United States has forgiven huge chunks of debt as a reward for Egyptian help.

Prime Minister Hosni Mubarak has remained in power since the assassination of Anwar Sadat in 1981. He won re-election in 1987, but the results were recently declared null and void by the Supreme Court and new elections are likely to be scheduled soon.

South Africa's links with Egypt were first made during the one-leg of peace negotiations over Namibia that took place in Cairo and the country is believed to have allied with Nigeria in calling for a softer line on South Africa at the OAU. Potential trade areas include chemicals, textiles and foodstuffs.

According to Richard Cornwell, editor of Africa Insight, South Africa's strategy is to help establish a set of power blocs in Africa that may be able to co-operate on economic and political issues.

"While they remain small in absolute terms, Kenya, Egypt and Nigeria all stand out as regional giants," he notes.

Mr Cornwell cautions that the constant threat of instability and fundamental economic weaknesses may yet prevent the formation of such a four-cornered axis from becoming an engine for Africa.

But if the Government's new initiatives do get off the ground, there is significant potential for economic and political co-operation with benefits for both South Africa and the continent it has been isolated from for so long. □

and the posting of a senior South African diplomat to Abidjan in neighbouring Ivory Coast suggests that unofficial links are well advanced.

Analysts also suggest that President Babangida would welcome South Africa's recognition of Nigeria as the leader of black Africa — a move that would be a serious snub to Zimbabwe's Robert Mugabe, who lays claims to the position.

● Egypt: With a population of 50 million people, Egypt is another example of a quasi-democracy with a sizeable, but shaky, economy. Lacking the vast oil revenues of other Arab

countries, the country is burdened by a heavy debt accumulated in the 1970s, recent economic reforms, approved by the International Monetary Fund, have helped boost industrial production and maintain growth rates above 4 percent.

The mini-oil boom from the Gulf War has strengthened export revenues. Nevertheless, oil still accounts for more than 90 percent of exports and the country is vulnerable to fluctuations in the commodity's price.

There are fairly good prospects for increased trade between Nigeria and South Africa,

ligious lines. Most of the north is Muslim while the south is Christian and animist.

To combat these rivalries, President Babangida has dismissed all existing parties as being too focused on old ethnic and religious divisions, and has created two new parties based on ideological lines.

Although local elections last December suffered from a low turnout, President Babangida remains resolved to hand over power to a civilian government on schedule.

Economically, Nigeria's GDP is around R67 billion, most of it based on oil.



# Sanctions, Buthelezi, SACP — turns in US for ANC to ponder

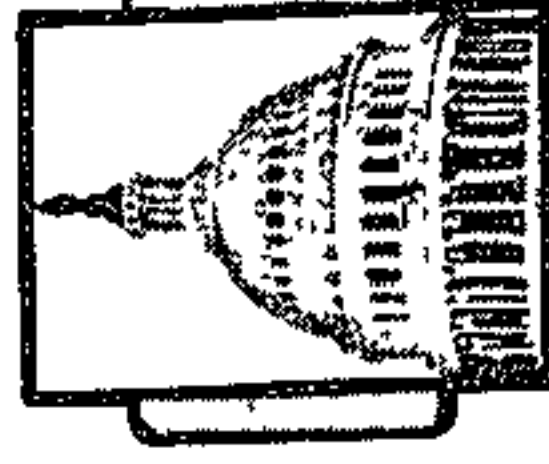
CT 25/6/91

(280)

ASSUMING the ANC cares about what happens in Washington and seeing as how it has budgeted about R280 000 a year to keep an office here, one resumes it does, it might want to mull three developments of the past week.

The administration announced that it intended to repeal the bulk of US sanctions as soon as it was satisfied that all remaining "prisoners of conscience" were free. Inkatha Freedom Party president Mangosuthu Buthelezi spent three unusually high profile days here and was accorded the status of a major player not just by the White House but on Capitol Hill as well. A sizeable majority of the House of Representatives indicated that it was troubled by the ANC's relationship with the SACP. Technically, all that prevents President George Bush from signing an order terminating the Comprehensive Anti-Apartheid Act sanctions is the absence of an official finding that every "prisoner of conscience" has been freed and that the repeal of the Group Areas Act does not go into formal effect until June 30.

The delay is largely political. There is a growing belief in the administration that the relevant prisoners — defined as those jailed or their views but not those who commit acts of violence for political reasons — are either already out or will be in a matter of days. But it has been decided to keep an open mind until around July 15 so that the President's announcement does not interfere with the ANC's conference. Put another way, Washington is giving the organisation one last chance to take the initiative.



**Washington Letter**  
by SIMON BARBER

climate and whatever it produced would be subject to a presidential veto.

The CAAA's bans on new investment and air links and embargoes on iron, steel, uranium, coal, textiles, and agricultural goods, will all lapse, though mandatory labour practices for US companies will remain in force. The separate Rangel amendment, adopted a year later, will also fall away since it is contingent on the same five conditions. The only slight difference is in procedure. The Secretary of State, James Baker, must provide

fore SA can apply for a loan. It merely requires the senior US representative at the Fund to oppose any SA drawing unless the Treasury Secretary first informs certain Congressional committees, one, that the proceeds will contribute to the elimination of apartheid and its various economic manifestations and, two, that SA has a genuine balance of payments problem that cannot be addressed through private capital markets.

This no longer amounts to what Senator Nancy Kassebaum has called "a ban

with respect to Namibia. But even here, the administration is discussing ways to pre-empt such laws as part of a package to encourage investment.

And while we're on the subject, Senator Edward Kennedy's threat to challenge the administration's interpretation of the CAAA conditions in court is quite baseless, a desperate rhetorical trope. No judge would hear such a case, dismissing it as an entirely political matter. Courts exist to rule on the law as written, not on what lawmakers subsequently decide was left out when they were writing it.

This then is the week's first lesson for the ANC: American sanctions are about to be history and there is nothing your friends can do about it. Relying on outside pressure to

support your constitutional demands is a lost cause. Lesson two is that Washington, while it may not be universally ecstatic about Buthelezi, takes him seriously and is far from sold on the idea his partisans are the principal culprits for the violence.

## Orchestrated

The key facts of Buthelezi's visit are that both the administration and Congress went out of their way to show him respect and that television was only too happy to present him to the public as an important figure in a story which, because the sanctions issue is reaching a denouement, is once again gaining prominence.

What mattered were the visuals. They were carefully orchestrated to demonstrate that the US would not countenance a two-sided nego-

tiating table or base its policy on the claims of the "independent" Human Rights Commission.

Last, and with special reference to its upcoming leadership stakes, the ANC needs to pay very careful attention to the 279 Congressmen — 127 of them Democrats — who voted last Thursday to deny funds to any organisation "affiliated" or "associated" with the SACP. They shared the concern of the motion's author, Republican Congressman Robert Walker, that the ban on aid to the SACP which the House had unanimously adopted a few moments earlier might not, by itself, cover "the whole of the Communist Party's activity in SA".

The horse-and-rider puzzle is starting to attract the scrutiny of moderates.



There has been a certain amount of misinformation about the exact procedure for lifting the sanctions. Contrary to what House Speaker Tom Foley and others suggested last week, the law gives Congress no 30-day review period. Once the President determines that the CAAA's five conditions have been fulfilled, neither he nor Congress have the legal authority not to terminate those sections of the law that impose sanctions.

If he wished, Bush could reimpose some or all with a decree of his own. The only option open to Congress is to enact an entirely new law. That would be an unthinkable laborious process in the present

written certification to the Secretary of Treasury. He would also be wise to pre-cook the issue with the chairmen of the Senate Finance and House Ways and Means Committee. Unlike their brethren who dabble in foreign affairs, these gentlemen, Senator Lloyd Bentsen and Congressman Dan Rostenkowski, wield real power.

### IMF ruling

Other than the arms embargo, one important sanction will remain in force, though to call it a sanction is misleading. The Gramm Amendment is generally held to bar SA from IMF facilities. It does not, nor does it have to be physically repealed before US support for IMF loans. That is merely a useful fiction for those who wish to reassure themselves, their constituents and the ANC that at least some sanctions will remain in force after those of the CAAA are discarded. When the time is ripe — which means not before the administration has persuaded Congress to replenish the US contribution to the IMF and World Bank later this year — the administration will signal Pretoria that it should feel free to start running up a balance of payments deficit.

The state and local measures discriminating against US firms that do business in SA will also survive, as many still do

(280)

CT. 25/6/91

# Buthelezi slams ANC on sanctions

LONDON. — Inkatha Freedom Party president Chief Mangosuthu Buthelezi yesterday slammed the ANC for continuing its support for sanctions at a time when all African countries apart from Libya currently trade with South Africa.

Addressing a press conference

here on his way home from the United States, Chief Buthelezi said looking at the backlogs caused by apartheid "it is criminal really to go on saying that sanctions must be kept in place".

While African states were forced to "deal with South Africa in the dark", he said it concerned

him that ANC deputy president Mr Nelson Mandela still spoke of keeping sanctions in place.

He said "when it suited them the captains of industry exploited my people — in other words they made profits out of apartheid", thereby creating the concept that capitalism was synonymous with apartheid. — Sapa

280 CT 25/6/91



# The spirit of Solidarity

Azapo still believes sanctions have a role to play and has scorn for those in the international arena who believe they should be lifted. Here, in an article specially prepared for Sowetan, the movement explains its position.

## Azapo scorns all who want them lifted

*Boolefer  
25/6/91*

AZAPO continues to believe in the good intentions of the spirit of sanctions. It is disturbing that the good intentions behind the spirit of these stances are now deliberately misunderstood.

Azapo regards the sports and cultural boycott, disinvestment and sanctions as components of the "Isolate South Africa Position".

This position was adopted as a weapon of struggle against an oppressive and exploitative system which is currently in force and for the liberation of black people.

The solidarity of the international community was enlisted. To Azapo, the issue has never been whether or not to isolate the system, but to clarify against whom and in

favour of whom were such measures decided upon.

For as long as oppression and exploitation continue to characterise black existence, there can be no doubt about the wisdom to pursue the cause of liberation of black people.

### System

Even in the face of international interests evidently switching allegiance to the oppressor camp, it would not make sense for the liberation movement to abandon its positions solely because the international community now thinks otherwise about the liberation of black people.

The choices to be made are simple: It is either the system or liberation. Azapo stands for liberation.

Even before February 2 1990, Azapo had foreseen the conflicting interpretations that were going to be brought to bear by all interested parties as to the direction that our struggle should take.

It was with this view in mind that Azapo saw the crucial need for the holding of a consultative conference at which liberation movements could confer so that they could address themselves to this need and not continue to be at cross purposes with each other.

To Azapo, February 2 1990 did not legitimise liberation but freed political activity as a survivalist option by the system to negotiate its reform and continued existence by co-option of

credible structures of the oppressed people.

It should be noted that the difference between the National Party government pre-February 2 1990 and the NP government post this date lies in the leadership styles of two men, PW Botha and FW de Klerk.

### Police

The former was a fixated conservative whose alarming dependency on the army and the police had misguided him to pilot survivalist objectives of the NP through the involvement of discredited leaders.

FW De Klerk is a flexible liberal, who has found that the system can adapt and truly survive by the involvement of credible leaders.

The difference be-



FW DE KLERK



PW BOTHA

tween Botha and De Klerk, therefore, lies in the choice of people that the two leaders have chosen to travel within their endeavours to make the system survive.

Azapo sees no cause to find fellowship in travelling with De Klerk for purposes of liberation.

This is where Azapo parts company with anti-sanctioners and the sports and cultural boycott busters.

Suddenly, black people are assumed as hopeless sinners for insisting on sanctions and are otherwise esteemed as saints for displaying the opposite point of view.

To Azapo, February 2 has brought no change in

power relations. It has not redressed social imbalances, nor has it delivered the black working class and the homeless of our people. It has brought no liberation to the oppressed and the exploited people of this country.

### Liberation

Therefore, if the international community were to use February 2 as a passport to switch their allegiance to the oppressor camp, it is fraudulent trickery to enlist the oppressed people and their representative organisations to act contrary to liberatory imperatives.

Azapo believes that 1991 is a year in which the line of demarcation between liberation move-

ments - which are motivated by the desire to liberate - and political parties whose first preoccupation is to govern, shall be more discernible.

Those who stand impatiently opposed to liberation, shall reveal themselves by their calls for the lifting of sanctions as well as their haste for cultural co-operation with the reformist manoeuvres of the system to survive.

Azapo believes that the oppressed and the exploited people are their own liberators and that they should not rely on the caprice of international community interests which may desert them in their hour of need as is demonstrably the case now.



**A**SSUMING the ANC cares about what happens in Washington — and seeing as how it has budgeted \$100 000 a year to keep an office here one presumes it does — it might want to mull over three developments of the past week.

The administration announced that it intended to repeal the bulk of US sanctions as soon as it was satisfied that all remaining "prisoners of conscience" were free. Inkatha Freedom Party president Mangosuthu Buthelezi spent three unusually high profile days here and was accorded the status of major player not just by the White House but on Capitol Hill as well. A sizeable majority of the House of Representatives indicated it was troubled by the ANC's relationship with the SACP.

Technically, all that prevents President George Bush from signing an executive order terminating the Comprehensive Anti-Apartheid Act's (CAAA) sanctions is the absence of an official finding that every last "prisoner of conscience" has been freed and the fact that the repeal of the Group Areas Act does not go into formal effect until June 30.

**T**he delay is largely political. There is a growing belief in the administration that the relevant prisoners — defined as those jailed for their views but not "those who commit acts of violence for political reasons", are either already out or will be in a matter of days. But it has been decided to keep an open mind until around July 15 so that Bush's announcement does not interfere with the ANC's congress. Put another way, Washington is giving the organisation one last chance to take the initiative.

There has been a certain amount of misinformation about the exact procedure for lifting the sanctions. Contrary to what House speaker Tom Foley and others suggested last week, the law does not give Congress a 30-day review period. Once the president determines that the CAAA's five conditions have been fulfilled, those sections of the law imposing sanctions will automatically lapse, and neither the president nor Congress has the legal authority to prevent that happening.

If he wished, but he does not, Bush

# ANC is powerless to stop the US lifting sanctions

SIMON BARBER in Washington

12 Dec 1986

could reimpose some or all with a decree of his own. The only option open to Congress is to enact an entirely new law. That would be laborious and whatever it produced would be subject to a presidential veto.

The CAAA bans on new investment and air links and embargoes on iron, steel, uranium, coal, textiles, and agricultural goods will all lapse, though mandatory labour practices for US companies will remain in force. The separate Rangel Amendment would also fall away since it is contingent on the same five conditions. The only slight difference is in procedure. Secretary of State James Baker must provide a written certification to the secretary of treasury. He would also be wise to pre-cook the issue with the chairmen of the Senate finance and House ways and means committees. Unlike their brethren who dabble in foreign affairs, these men, Senator Lloyd Bentsen and Congressman Dan Rostenkowski, wield real power.

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tribute to the elimination of apartheid and its various economic manifestations and, that SA has a genuine balance of payments problem that cannot be addressed through private capital markets.

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tion for those who wish to reassure themselves, their constituents and the ANC that at least some sanctions will remain in force after those of the CAAA are discarded. When the time is ripe — which means not before the administration has persuaded Congress to replenish the US contribution to the IMF and World Bank later this year — the administration will signal Pretoria that it should feel free to start running up a balance of payments deficit.

The state and local measures discriminating against US firms that do business in SA will also survive, of course, as many still do with respect to Namibia. But even here, the administration is discussing ways to pre-empt such laws as part of a package to encourage investment.

And while we are on the subject, Senator Edward Kennedy's threat to challenge the administration's interpretation of the CAAA conditions in court is quite baseless, a desperate trope. No judge would hear such a case; it would be dismissed as an entirely political matter.

This, then, is the week's first lesson for the ANC: American sanctions are about to be history and there is nothing your friends can do about it. Relying on outside pressure to support your constitutional demands is a lost cause. Lesson two is that Washington, while it may not be universally ecstatic about Buthelezi, takes him seriously and is far from sold on the idea that his partisans are the princi-

pals culprits in the violence.

The key facts of Buthelezi's visit are that both the administration and Congress went out of their way to show him respect and that television was only too happy to present him to the public as an important figure in a story which, because the sanctions issue is reaching a denouement, is once again gaining prominence. It is also worth noting that at the Carnegie Endowment for International Peace, Buthelezi drew an even larger crowd than MK chief Chris Hani two months ago. Regrettably, he was at his most defensive that morning and did not charm the groundlings quite as successfully.

The Senate and House foreign affairs committees, and the House intelligence committee, all Democratic-controlled, listened graciously to what he had to say. Both the president and the vice-president entertained him. Bush had all his major policy advisers — except Baker, who was out of town — sit in at their meeting on Thursday. Afterwards, he made a point of escorting Buthelezi out onto the south lawn of the White House and treating him like an old and dear friend for the cameras.

The actual talks were not, by all accounts, that substantive. Bush was not entirely sure what to say, though he did apparently mention he was still irked by ANC deputy president Nelson Mandela's position on the Gulf war. What mattered were the visuals. They were carefully orchestrated to demonstrate that the US would not countenance a two-sided negotiating table or base its policy on the claims of the "independent" Human Rights Commission.

**L**astly, and with special reference to its upcoming leadership stakes, the ANC needs to pay very careful attention to the 279 congressmen — 127 of them Democrats — who voted last Thursday to deny funds to any organisation "affiliated" to or "associated" with the SACP. They shared the concern of the motion's author, Republican Robert Walker, that the ban on aid to the SACP which the House had unanimously adopted a few moments earlier might not, by itself, cover "the whole of the Communist Party's activity in SA".

The horse and rider puzzle is starting to attract the scrutiny of moderates.



□ BAKER



# US diplomats expect surge in investment once CAAA provisions go

WITH provisions of the Comprehensive Anti-Apartheid Act likely to be terminated next month, the American Chamber of Commerce in SA (Amcham) and US diplomats expect a significant surge of investment in SA by US companies.

This will include new investment by companies without a previous presence in SA and reinvestment by companies that disinvested over the past six years, and will feature a number of well-known multinational companies.

US commercial attache Dick Jackson, based at the Johannesburg US consulate,

said yesterday US diplomats had met "several delegations from US corporations looking at investment prospects here, and there had been a number of others which did not link up with us."

"I expect several substantial investments to arise from these visits. They are just waiting for sanctions to go."

He was unwilling to name names but indicated companies in, among others, the hotel, food processing and hair care products sectors were seriously investigating options. These were mostly companies without a previous presence in SA.

Amcham executive director Wayne Mitchell yesterday also expressed optimism: "There is a lot going on at all levels — politics, trade and investment." He said, however, city and state sanctions still represented an obstacle.

"When the CAAA goes the battle only begins," he said.

He said it was mainly consumer goods manufacturers which were expressing the strongest interest. While US companies saw SA itself as the production base be-

cause of its relatively advanced infrastructure, their target market would be the whole of the southern African region.

Mitchell named Apple Computers and Heinz Foods as two of the companies with an apparent special interest in establishing operations in SA. Neither of them have previously invested here.

But he said a number of companies which left between 1985 and 1989 were likely to return. These would be mostly from among those which sold out to local management and included in the transaction a simple "buyback" clause should conditions

make reinvestment attractive.

He declined to name the companies. Among the better known US companies that disinvested through MBOs were General Motors, cosmetics manufacturer Procter & Gamble, and publishers Dunn & Bradstreet and McGraw Hill.

A source who declined to be identified named two other companies said to be taking a close look at SA. A delegation from electronic goods producer Digital Equipment Corporation was in SA last week for talks with business, political and labour or-

□ To Page 2

## Investment

26/6/91

280

From Page 1

"I don't have much flexibility," Bush said at the start of an hour-long meeting with the Congressional Black Caucus.

But he received a cool reception. Democratic representative John Conyers accused Bush of being "on the verge of making a historic mistake" on SA.

"Removing sanctions at this time would be dangerous and wrong," Conyers, senior member of the caucus, said in a statement issued on behalf of the 26-member congressional group.

The caucus has called on the administration to leave the five-year-old sanctions in place until blacks are able to vote

ganisations, he said. And chemical and machinery manufacturer Air Product and Chemicals Inc is another likely candidate. Mitchell said the attitude towards foreign investment in SA had improved recently as levels of violence had declined in recent weeks. The weekend peace summit had further improved the state of business confidence.

Sapa-AP reports from Washington that President George Bush yesterday told sceptical black members of Congress that he had little choice under law but to lift sanctions once the final condition, the release of all political prisoners, was met.

31 Day 26/6/91

## Dutch delegation in SA to renew ties

280 LESLEY LAMBERT 19

CAPE TOWN — SA's return to the international fold is a step closer with the official renewal of trade and economic links with the Netherlands. 45

A high-powered delegation of Dutch government officials and businessmen is in SA this week — on the first official visit from their country in several decades — to formally renew ties between SA and the Netherlands.

The 25-member delegation, headed by Netherlands Economic Affairs Ministry senior official F A Engerling, arrived in Johannesburg on Sunday.

Sapa reports that the delegation yesterday met President F W de Klerk and senior Cabinet Ministers, including Finance Minister Barend du Plessis and Foreign Minister Pik Botha.

Engerling said re-establishing political and economic ties between SA and his country was discussed. "We want to see business and political relations normalised as soon as possible."

Remaining Dutch sanctions would be lifted "as soon as there has been enough political development", he said.

The delegation also met the ANC while in Johannesburg. Engerling said he had expressed the view that change in SA was irreversible and that there was "no longer a need to isolate the country". The ANC said it understood.

Engerling said the Netherlands government would make R20m available for education in SA.



# Japan <sup>(280)</sup> eases <sup>Star 26/6/91</sup> restraints on trade

TOKYO — Japan has unofficially lifted its call for "voluntary restraint" on expanding trade with South Africa, but has cautioned companies not to go too fast, trading firm officials said yesterday.

The Ministry of International Trade and Industry has told trading companies they can expand trade with the country, but at a maximum of 20 percent a year, the officials said.

In 1987 Japan became South Africa's top trading partner, spurring strong criticism in the West. As a result, Tokyo banned new investment and said trade volume should not increase.

## Dismantled

Last Friday, Japan ended curbs on tourism and other human exchanges with South Africa but said it would retain strict economic sanctions until apartheid was totally dismantled.

Japanese figures show imports from SA, mainly coal and minerals, in the year ending last March 31 at \$1.8 billion (about R4,9 billion), down 14,7 percent from a year earlier.

In the same period, exports to South Africa, mainly cars, electrical appliances and machinery, totalled \$1,48 billion (R4,1 billion), down 6,1 percent from a year earlier. — Sapa-Reuter.

# I must lift sanctions

280

Bush

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26/6/91

WASHINGTON — President George Bush told sceptical black members of Congress yesterday that he has little choice under law but to lift sanctions against South Africa once a final condition — the release of all political prisoners — is met.

"I don't have much flexibility," Mr Bush said at a picture-taking session at the start of an hour-long meeting with the Congressional Black Caucus. Mr Bush also sought to explain his threatened veto of major civil rights legislation in the United States. He received a cool reception on both South Africa and civil rights issues.

Democratic Representative John Conyers accused the president of being "on the verge of making a historic mistake" on South Africa.

"Removing sanctions (against South Africa) at this time would be dangerous and wrong," Mr Conyers, who is a senior member of the caucus, said in a statement issued on behalf of the 26-member congressional group.

The caucus has called on the administration to leave the five-year-old sanctions in place until the South African Government gives blacks the vote.

Mr Bush, never enthusiastic about the sanctions, was prepared to lift them by the middle

of next month, according to congressional and administration sources.

The president last week cited "dramatic progress" toward democracy in South Africa, with the repeal of the last major apartheid law.

He has made it clear that he would lift the sanctions once the remaining requirement of the 1986 law that imposed them — the freeing of all political prisoners — is met.

US officials say the other four conditions, including the repeal of segregation laws, have now been met.

Mr Bush said yesterday he wanted to "hear from them (the Black Caucus members) and

then I want to tell them how I see the law, which was written by Congress, and how I would interpret the law".

"We have differences on some issues. I don't think we have differences in terms of questioning each other's motives," he said.

The Black Caucus disputes the administration's claim that four of the five conditions of the 1986 sanctions law have now been met.

"For example, while political parties are now permitted, political participation for blacks, including full voting rights and the right to run for office remain prohibited," Mr Conyers said. — Sapa-AP.



# Japanese business remains cautious on SA

By Edward Neilan  
Star Foreign Service

**TOKYO** — Japanese business circles have welcomed the Tokyo government's decision to lift sanctions on exchanges with South Africa as a major step towards improving business ties between the two countries.

Lifting of the remaining economic sanctions is expected soon on the condition that political prisoners are released and that human rights for blacks improve.

These sanctions include a ban on iron and steel imports, and new direct investment by Japanese firms, as well as a call for restraint in loan extensions and gold coin imports.

Tourism is the first industry that may see a surge, analysts say.

Hong Kong's Cathay Pacific Airways already

has plans for a Johannesburg flight which can be fed by its current service from Tokyo to carry high-spending Japanese travellers to a "new" destination.

But most domestic firms remain cautious, expecting that the recent slump in the South African economy will serve as a temporary barrier to the expansion of bilateral trade and investment.

Takashi Watanabe, general manager of the regional analysis department of Mitsu and Co., said, "South Africa, which is rich in precious metal and mineral resources, has no doubt the highest potential for economic growth in Africa."

In the long run, the company was willing to support the rehabilitation of the country's economy, he said.

However, while economic and political situ-

ations were seen as unstable by Japanese firms, Mr. Mitsu said Mitsu and others were likely to refrain from direct investment or loans to the country.

His views were largely shared by other trading firms and by firms involved in the current limited trading with South Africa.

## Rapid growth

Soichiro Toyoda, president of Toyota Motor Co., said: "Because rapid economic growth in the South Africa is not assured, we plan to increase auto parts exports to the country only gradually while monitoring the situation closely."

The company's production and sales began in Johannesburg in 1962.

Although the local subsidiary has strongly re-

quested an increase in motor parts exports to South Africa to boost production, Toyota refrained from increasing exports of engines and other parts beginning in 1988 in line with the government's call for restrictions on trade with Pretoria.

Spokesmen for Hitachi, Matsushita Electric Industrial Co and Sharp Corp, which have exported electrical appliances to firms and households in South Africa, told the Japan Times they did not plan to expand trade with the country immediately.

Contrary to the prevailing cautious attitude, Royal Co, a Kyoto-based fruit trading firm, has resumed imports from South Africa after a lapse of five years.

The company made the move after the Agriculture, Forestry and Fisheries Ministry gave

permission in May for the import of South African grapefruit, oranges and lemons.

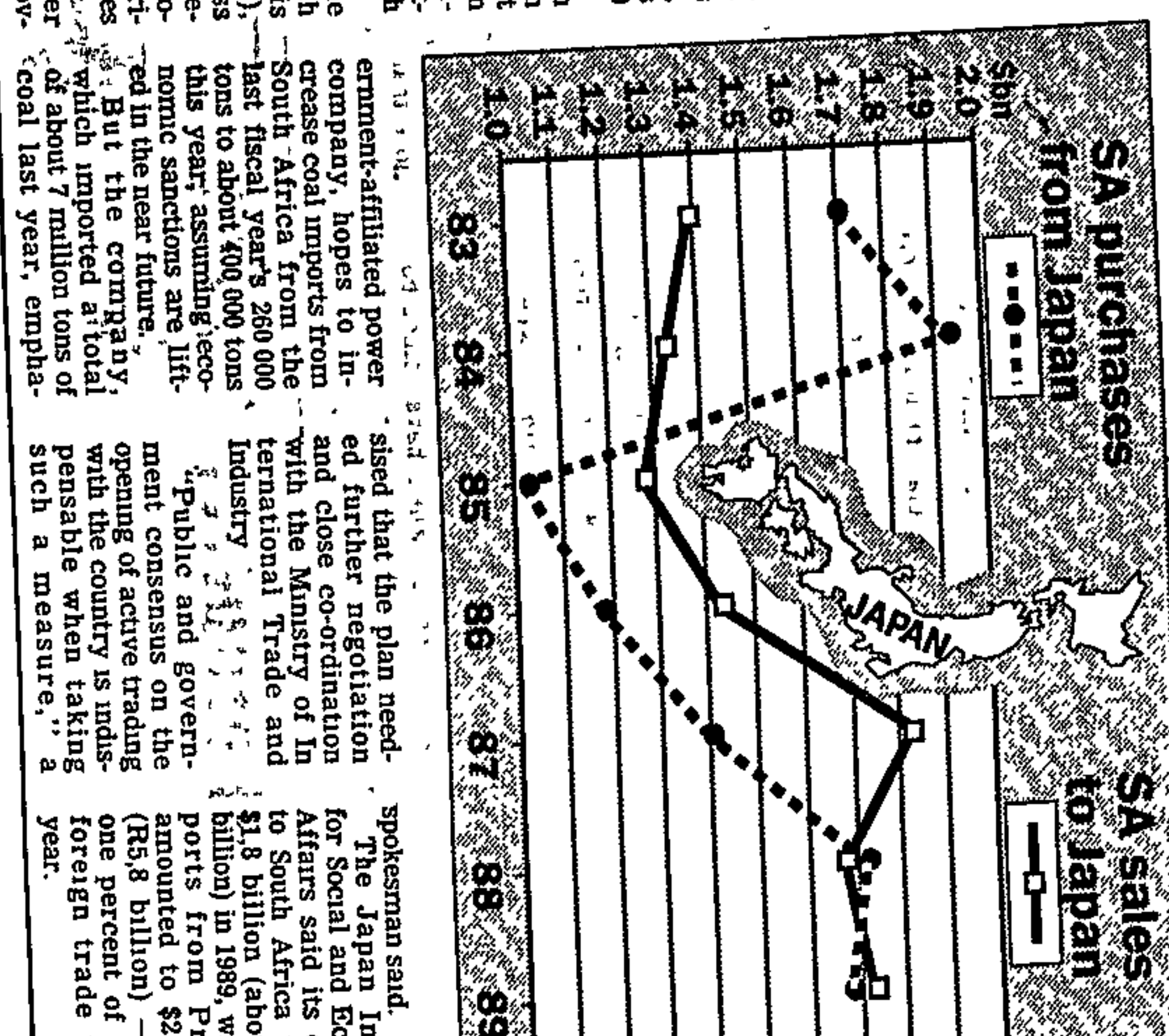
This year's shipment of about 3,600 tons of grapefruit, 680 tons of oranges and 1,020 tons of lemons was scheduled to arrive by October, a spokesman for the company said.

## Boost imports

He said Royal Co, which was the only company importing citrus fruit from South Africa, planned to boost imports threefold to about 17,000 tons next year.

The company began importing South African citrus fruit in 1974, but it halted imports in 1986 in line with the government's policy of restricting trade with South Africa.

"Considering that the buying price of South African grapefruit is about \$11 (per unit), which is about \$5 less than California grapefruit, we see a great potential in the South African market," the spokesman said.



ment-affiliated power company, hopes to increase coal imports from South Africa from its last fiscal year's 260,000 tons to about 400,000 tons this year, assuming economic sanctions are lifted in the near future.

But the company, which imported a total of about 7 million tons of coal last year, empha-

sized that the plan needed further negotiation and close co-ordination with the Ministry of International Trade and Industry.

Public and government consensus on the opening of active trading with the country is indispensable when taking such a measure," a spokesman said.

The Japan Institute for Social and Economic Affairs said its exports to South Africa totalled \$1.8 billion (about \$5.2 billion) in 1988, while imports from Pretoria amounted to \$2 billion (R5.8 billion) — about one percent of Japan's foreign trade for the year.

TROPOLITAN



Political Staff  
SOUTH AFRICA'S re-  
turn to the international  
fold has moved a step  
closer with the official  
renewal of trade and eco-  
nomic links with the  
Netherlands.

A high-powered dele-  
gation of Dutch govern-  
ment officials and busi-  
nessmen is in South  
Africa this week to for-  
mally renew ties be-  
tween the two countries.

Relations between the  
two began thawing short-  
ly before the economic  
Community's decision to  
start lifting sanctions  
against South Africa.

The 25-member dele-  
gation arrived in Johan-  
nesburg on Sunday and  
will visit Cape Town and  
Durban this week to as-  
sess the economic envi-  
ronment and explore op-

portunities for co-  
operation in trade and  
development.

The delegation is  
headed by the Nether-  
lands Economic Affairs  
Ministry's Foreign Eco-  
nomic Relations Direc-  
tor-General, Mr. F. A. En-

gering.

Meanwhile, Sapa-Reu-

ter reports that Japan

# SA renews ties with Dutch

has unofficially lifted its  
call for "voluntary re-  
straint" on expanding  
trade with South Africa,  
but has cautioned com-  
panies not to go too fast.

The Ministry of Inter-  
national Trade and In-  
dustry has told trading  
companies they can ex-  
pand trade with the  
country at a maximum of

20% a year.

Meanwhile ANC  
leader Mr Popo Molefe  
yesterday told millions  
of British radio listeners  
he believed sanctions  
would still be in place a  
year from now, although  
not in their entirety.

Speaking during an  
hour-long BBC Radio 4  
phone-in programme,  
Call Nick Ross, Mr Mo-  
lefe suggested, however,  
that the ANC would soon  
publicly give its blessing  
to South Africa's return  
to international sport.

Mr Molefe, who was  
speaking from Johannes-  
burg, said that in terms  
of the UN declaration on  
apartheid, until change  
was profound and irre-  
versible, sanctions had  
to be maintained "to as-  
sist the government to  
move forward".



# Hurd's message to SA will be clear

*Sowetan 27/6/91. (280)*

**LONDON** - The dynamics of South African politics have changed quite dramatically since Britain's Foreign Secretary, Mr Douglas Hurd, first met President FW de Klerk in Cape Town 15 months ago.

Hurd (then on his way home from Namibia's independence celebrations) must be well pleased with the changes that have taken place in South Africa since then.

When he meets De Klerk in Pretoria on July 8 he may tell him so, even if in guarded Foreign Office-speak.

Hurd is answering to a new prime minister this time - Mr John Major, not Mrs Margaret Thatcher.

## Policy

Major may not be quite as over the moon about South Africa as Thatcher was, but basically the British government's policy will remain unchanged, although Hurd probably will have more scope now as Foreign Secretary.

The message De Klerk will get from Hurd's visit is that opportunity is knocking at South Africa's door.

But Hurd will also be voicing his - and the West's - anxieties that the opportunity might be missed.

## Anxieties

The most immediate of these anxieties is the violence in the country. Western governments see it as highly damaging to the negotiation process, and they are not sure whether South Africa's political leaders are getting to grips with it.

Is the Government doing enough to ensure the impartiality of the police? And is it really necessary for black leaders to arouse the passions of their followers in the way they have been doing?



**SOWETAN FOREIGN SERVICE**

Arousing passions is the business of politicians, but once a political party prepares for government, as the ANC, Inkatha and others are doing, "mobilising the masses" becomes a two-edged sword. The mass followers of today become the undisciplined mob of tomorrow.

## Conference

However, Western governments on the whole were mightily pleased by last weekend's church-sponsored conference on curbing the violence, and they will wait to see now how the conference's resolutions are implemented.

Western (and other) governments feel they have a legitimate interest in what is happening in South Africa. They are being asked to help provide the financial underpinning for post-apartheid South Africa and they want to be sure they will not be wasting their money.

On South Africa's post-apartheid success might depend the survival of much of the Southern African region.

In any case, as all South Africa's political leaders will have noticed, the principle of sovereignty - that countries should not interfere in each other's internal affairs - is wearing thinner and thinner in Africa, as increasingly tough conditions are set to secure external financial support.

Another Western anxiety is that, while promises abound of material improvements in South Africa, the actual work on the ground is not commensurate with these promises and, unless ordinary South Africans (blacks



**DOUGLAS HURD**

more than whites) feel they will benefit from the negotiation process, they will not give it their support. This means material improvements must begin immediately.

Much will depend, therefore, on what Hurd learns at his meetings with De Klerk, Nelson Mandela, Mangosuthu Buthelezi, businessmen and others. The message he takes back to Western Europe, and later to the Commonwealth Heads of Government Meeting (CHOGM) in Harare in October, will be important for South Africa's economic future.

By October, the Commonwealth could be looking at a South Africa that is very different from the one they knew at their last meeting. The negotiation process might not have started, but if other issues, like the release of

political prisoners, have been cleared up, there might be no need - for the first time in years - for the Commonwealth to rake over old quarrels about whether to lift sanctions or not.

The importance of a change in the Commonwealth's attitude to South Africa should not be underestimated. Once the barriers come down between South Africa and the rest of Africa, entirely new influences could come into play.

It is almost certain that Nigeria, under President Ibrahim Babangida, will become a more significant voice in Southern Africa, overshadowing perhaps even Zimbabwe. A powerful enemy could be transformed into a powerful friend.

## Sanctions

The international community is poised to lift sanctions - the European Community and the Bush administration in particular. Even the OAU is shifting into a more flexible position.

Everyone is recognising that the time to start rebuilding South Africa's economy is now, not after the installation of a post-apartheid government. The country cannot afford to lose the next few precious years.

Hurd's visit, therefore, is not just another diplomatic jaunt. It is a serious fact-finding, situation-reading mission that could help to pave the way for South Africa's final readmission into the international community.

If, at his meetings with political leaders, Hurd is made to listen simply to a litany of complaints about each other, he will not feel that his mission has fulfilled its promise.

It is common purpose he is looking for - some recognition that, political differences aside, South Africans have the same priority, which is to rebuild their country as quickly as possible.



# Congress to decide on sanctions, says Sisulu

TIM COHEN

THE ANC's July congress would be asked to decide on the phased lifting of sanctions, ANC internal leader Walter Sisulu said in an interview yesterday.

Sisulu also believed the organisation was making a "mistake" by not concentrating enough on negotiations. He was in favour of ending sports sanctions once unity among sports bodies had been achieved.

The 78-year-old Sisulu, widely tipped to become the ANC's next deputy president, described as "reasonable" the proposed phased lifting of sanctions, in terms of which sports and cultural boycotts, visa bans and over-flying rights would go first. *27/6/91*

But the congress would have to determine a path between the position that sanctions should be intensified, which he described as "no longer realistic" and the decisions of countries that had already decided to lift sanctions, which he said were "rushing".

The phased lifting of sanctions was rejected at the ANC's consultative conference last year.

Sisulu did not specify whether a proposal for the phased lifting of sanctions would be formally tabled.

He said the sanctions debate at the ANC's conference last year was complicated by the fact that the EC was discussing the issue at the time. But now the situation was different. "We know for instance that rugby is very important to the whites and they are in a hurry. If we can

bring about unity, why not?"

At that conference, delegates felt very emotional about violence, which was understandable, and felt negotiations was a less pressing issue, he said.

But a more analytical understanding was emerging among members. "I don't agree that negotiations dominate our thinking. We are thinking less about negotiations and that is our mistake."

□ LINDEN BIRNS reports that Inkatha president Mangosuthu Buthelezi said yesterday he would welcome ANC intelligence head Jacob Zuma's election as deputy president, but expressed reservations about Natal Midlands chairman Harry Gwala winning a senior post.

He was speaking at Jan Smuts Airport after returning from an 11-day visit to the US and UK.

Zuma has played a central role in ANC-Inkatha peace initiatives. Buthelezi said Gwala had "a record of war-talk, and has sought to resolve disputes with fighting".



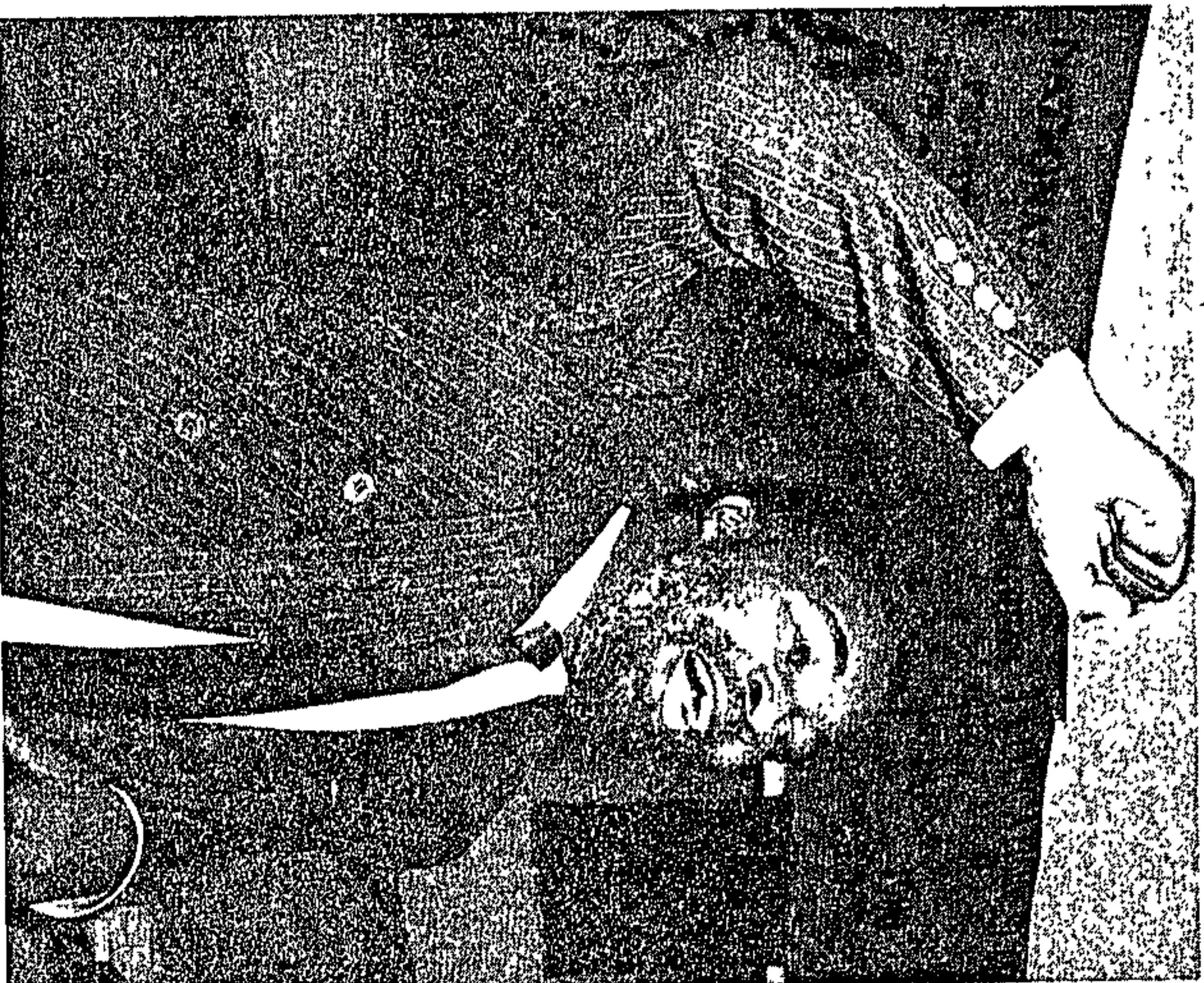
The international sanctions campaign, a cornerstone of the ANC's attempts to isolate apartheid South Africa, is one of the thorniest issues presently facing the organisation. The battle is on between grassroots militants and those who argue for pragmatism. **CHIARA CARTER** reports:

ONGOING changes in the local political scenario have led the international community to review their stand on sanctions, while at home, two of the Congress of South African Trade Unions (Cosatu) most influential affiliates, the National Union of Mineworkers and the South African Clothing and Textile Workers' Union, have called for a review of the movement's position on sanctions. However, there is a strong possibility that the ANC's national conference will fudge the issue, not least because of the strong emotive connotations of the sanctions campaign. At the organisation's consultative conference last December, rank and file militancy and disillusionment with leadership translated into a resounding "no" to moves by the chief of the ANC's Department of International Affairs, Mr Thabo Mbeki, to redraft sanctions policy on more pragmatic lines. Signs are that the July conference will be marked by similar militancy and it is unlikely that the ANC leadership will want to risk pushing views that could be interpreted as too moderate. Behind the scenes, however, the ANC leadership appears to favour a pragmatic approach which calls for a phased lifting of sanctions, linking

# Militants and pragmatists square up over sanctions

South Africa 27/10 - 27/11

280



**THABO MBEKI:** ANC's Department of International Affairs chief

concessions to real change within the country. This was apparently the import of a confidential document presented by the ANC to the summit of the Organisation for African Unity (OAU) earlier this year. The document, reportedly a revised version of Mbeki's discussion paper tabled at the December conference, argued that this was the only way the

The second phase, the lifting of economic sanctions, would be linked to the installation of an interim government.

The last curbs to go would be the embargoes on arms and oil, which the paper argues should be revoked only after the installation of a democratic government.

South African Airways (SAA) is gaining landing rights in some African countries, and the promise of a return to international sports is an immense psychological boost to many, but South Africa remains isolated to a large degree, particularly where it counts — economically.

While governments throughout the world have indicated that they want to review measures against South Africa, most are moving cautiously.

A spokesperson for the ANC's Department of International Affairs, Mr Yusuf Saljee, points out that the government's chief motivation in pushing for sanctions to be lifted is to get the economy moving.

## Strategy

Yet, since the European Community lifted the ban on foreign investment there has been no new investment in South Africa.

The ANC's phased strategy is likely to form the basis of policy for both the OAU and the Commonwealth, despite pressure from moderate member states to move more quickly to ease the pressure on Pretoria.

The first movement from the Commonwealth could come at the meeting of its Committee on SA next month in New Delhi, while the OAU has already mandated its chairperson to examine a possible review of sanctions policy.

At the conclusion of its summit earlier this year, the organisation issued its Abuja Declaration, listing

However, a breakaway group of African states, including Kenya and Madagascar, said they would move immediately to restore trade and transport ties with South Africa.

Already South Africa's backdoor trade with black Africa is worth about R10 billion a year.

The European Economic Community, which last year lifted the ban on new investment in South Africa, this year lifted its boycott on South African steel, coal and gold coins.

However, the Danish parliament has effectively vetoed this move by the EEC.

Should European countries go ahead with normalising trade, South Africa's steel and coal industries in particular stand to gain substantially. SA coal export to France, for example, could increase tenfold.

Another country which has indicated interest in South African raw materials is Japan.

## Requirements

United States policy, which has remained intact so far, could also be up for review next month.

Once the requirements of the Comprehensive Anti-Apartheid Act of 1986 are met, there is little to keep the US from lifting sanctions.

However, analysts believe that the Bush administration, which faces presidential elections in less than two years, will not be keen to upset the ANC and leave itself open to accusations of being "soft on racism".

In the face of rumblings from the congressional black caucus, the White House is likely to opt for a position that suspends or modifies some sanctions while retaining others as a means to pressurise Pretoria into accepting an interim government and constituent assembly.

Whatever the position adopted by delegates at next week's conference, it is clear that sanctions are crumbling.

However, the pace of the change could be dictated by the ANC and its allies, provided they are able to be pragmatic.



# Sanctions now 'hopelessly out of date', Hurd tells Commons

(288)  
ARG 27/6/9

The Argus Foreign Service

LONDON. — Sanctions against South Africa and those who support them are hopelessly out of date, says British Foreign Secretary Mr Douglas Hurd.

Mr Hurd was answering a question in the Commons from Labour MP and veteran anti-apartheid campaigner Mr Peter Hain, who had warned that sanctions had provided pressure for change in South Africa and that lifting them could jeopardise progress.

Mr Hain had said: "I know from personal experience that the whites only change when they have no alternative."

But Mr Hurd told him that when ANC representatives met him they asked him to make

sure that South Africa was readmitted to international cricket.

Later, answering questions on Britain's role in the search for universal suffrage in South Africa, Foreign Affairs Minister Mrs Lynda Chalker said Britain was continuing to encourage all South Africans to reach agreement on a new, non-racial and democratic constitution and would be willing to provide assistance, if asked, in reaching such an agreement.

● Sapa-Reuter reports from Brussels that the European Community will consider easing its ban on sporting contacts with South Africa as individual sports there end racial segregation.

Dutch Foreign Minister Hans van den Broek told a news con-

ference yesterday that discussions at the EC's Luxembourg summit this week "could lead to consideration of relaxation of the sports boycott where full integration has already taken place".

Mr Van den Broek, whose country takes over the EC's rotating presidency on July 1, said the Community should continue a step-by-step approach to lifting sanctions as South Africa made progress towards abolishing apartheid.

Community diplomatic sources said any EC summit declaration would probably seek to encourage South African authorities to take further steps to promote racially mixed sport by holding out the prospect of easing the boycott later.



# OAU chief upset over SA contacts

DAR ES SALAAM — The Organisation of African Unity, once seen as united against South Africa, has an unkept secret: many of its members states are doing business with the white-led nation.

Secretary-General Salim Salim was quoted yesterday as saying more than half of the OAU's 51 members nations had violated sanctions by establishing open or secret commercial ties with South Africa.

A Tanzanian newspaper said Mr Salim, a Tanzanian, expressed his disapproval at a meeting with local journalists.

"This is not good. It makes our tasks at the OAU headquarters very difficult.

"How do I explain this to the outside world?"

## Summit

Mr Salim said the OAU's members must maintain a unified stand on relations with South Africa, including when to establish ties.

"It is not good enough to agree on one position to get together, and do the exact opposite individually."

He said the OAU summit in Nigeria this month had formed

a committee to look into the issue of future relations with South Africa.

The OAU and its members have long supported a policy — if not the practice — of maintaining diplomatic, commercial and sports sanctions against Pretoria because of its apartheid policy.

## Dismantling

However, President de Klerk has been gradually dismantling apartheid.

And he has persuaded several African states to establish ties with his Government.

President de Klerk has visited half a dozen African nations since coming to power in early 1989.

He visited Kenya and Swaziland this month.

Mr Salim said that although several apartheid laws had been repealed, African nations must consider if that was enough to permit an end to South Africa's isolation.

"We must not drop our guard, because not everything has been corrected," he said.

"The Constitution that guarantees racial supremacy to the whites minority is still there."

— Sapa-AP

## EC to consider easing ban on sport contacts

Star 2/16/91  
BRUSSELS — The European Community would consider easing its ban on sporting contacts with South Africa as individual sports there ended racial segregation, Dutch Foreign Minister Hans van den Broek said yesterday.

Mr van den Broek told a news conference that discussions at the EC's Luxembourg summit this week "could lead to consideration of relaxation of the sports boycott where full integration has already taken place".

He said the Netherlands, which takes over the EC's rotating presidency on July 1, believes the Community should continue a step-by-step approach to the lifting of sanctions in general Community diplomatic

sources said any EC summit declaration would probably seek to encourage the South African authorities to take further steps to promote racially mixed sport by holding out the prospect of easing the boycott later.

The two-day Community summit ends on Saturday, coinciding with the scheduled inauguration of a united governing body for South African cricket, replacing the two race-based administrations.

The South African soccer administration has already made a similar change.

The EC governments agreed in April to lift Community import embargoes on South African iron, steel and gold coins.

— Sapa-Reuter.



# Sanctions out of date, Hurd tells Hain

280

Star  
27/6/91

Star Bureau

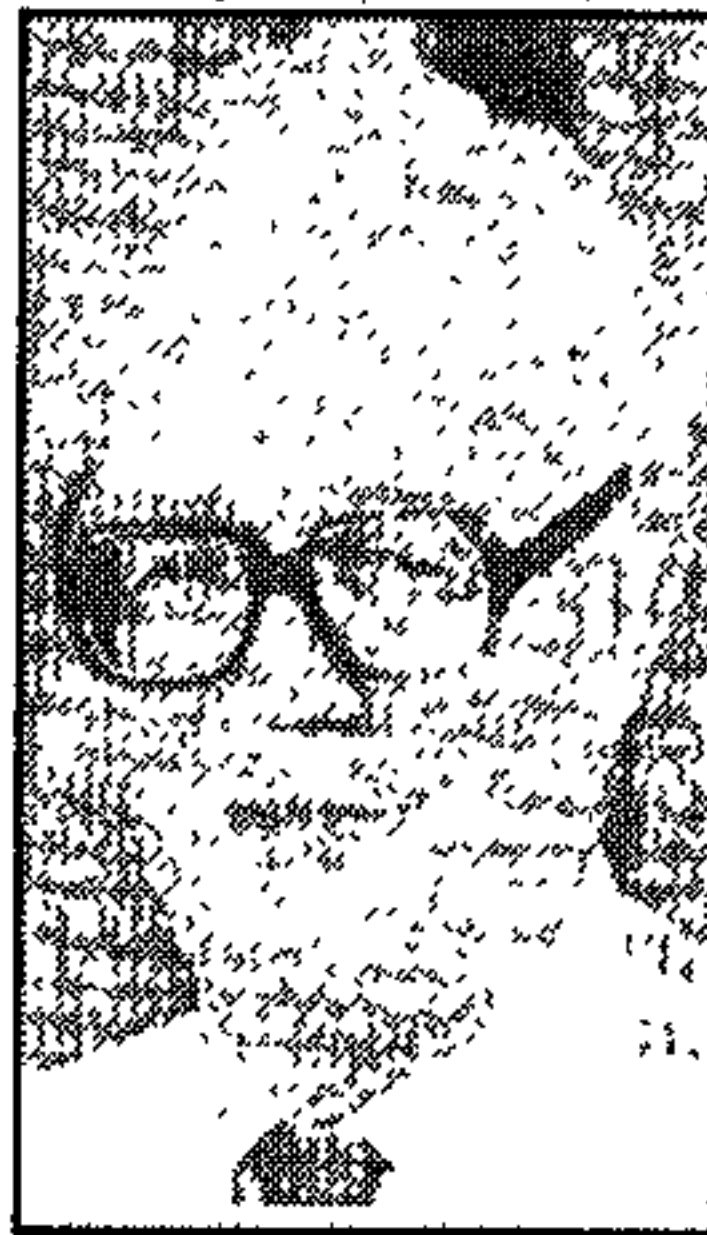
LONDON — Sanctions against South Africa, and those who supported them, were "hopelessly out of date", British Foreign Secretary Douglas Hurd said yesterday.

Mr Hurd was answering a question in the Commons from Labour MP and veteran anti-apartheid campaigner Peter Hain, who had warned that sanctions had provided pressure for change in South Africa and lifting them could jeopardise progress.

Mr Hain said: "I know from personal experience that the whites only change when they have no alternative."

But Mr Hurd told him that, when ANC representatives met him, they had asked him to make sure South Africa was re-admitted to international cricket.

Conservative MP John Carlisle urged Mr Hurd to send a message to the International Cricketing Council (ICC) saying South African cricket was now fully integrated and Test matches should be resumed as soon as possible.



Enough's enough . . . Douglas Hurd wants to end SA sanctions.

Later, answering questions on Britain's role in the search for universal suffrage in South Africa, Foreign Affairs Minister Lynda Chalker said Britain was continuing to encourage all South Africans to reach agreement on a new, non-racial and democratic constitution.

Mrs Chalker said Britain would be willing to provide assistance, if asked, in reaching such an agreement.

The British government was also working to promote the economic growth and development which must underpin the political process, she said.

# ANC to look at sanctions, says Sisulu

Own Correspondent

JOHANNESBURG. — The ANC's conference would be asked to take a decision on the phased lifting of sanctions, internal leader Mr Walter Sisulu said in an interview yesterday.

Mr Sisulu also said he believed the ANC was making a "mistake" by not concentrating enough on negotiations.

He expressed himself in favour of ending sports sanctions once sports bodies had achieved unity.

Mr Sisulu, 78, who is widely tipped to become the ANC's next deputy president, described as "reasonable" the proposed phased lifting of sanctions, in terms of which sports and cultural boycotts, visa bans and over-flying rights bans would go first.

However, the conference would have to choose a course between the position that sanctions should be intensified, which was "no longer realistic", and the stance of countries that had decided already to lift sanctions and were "rushing".

Mr Sisulu did not say whether a proposal for the phased lifting of sanctions would be tabled formally at the ANC's conference next month.

He said the ANC consultative conference's deliberations on sanctions last year had been complicated by their coinciding with the European Community's discussions on the subject, making it a "hot issue".

The situation now was different.

"We know for instance that rugby is very important to the whites and they are in a hurry. If we can bring about unity, why not?" Mr Sisulu said.

At the consultative conference, delegates had been emotional about violence and had believed this to be a more pressing question than negotiations.

Now a more analytical understanding was emerging among members.

"I don't agree that negotiations dominate our thinking. We are thinking less about negotiations — and that is our mistake."

Despite his unwillingness to stand for election, Mr Sisulu has been nominated for the post of ANC deputy president by three of the regions that have declared the results of their nomination contests.

"I had definitely made up my mind, but there have been powerful pressures . . . to which I must give consideration. I am not a free agent yet."



## SA firms can exhibit at Lusaka trade fair

By ALI MPHAKI

IN what represent a major breakthrough in regional trade, South African companies have been invited to exhibit at Zambia's Lusaka Trade Fair which takes place from August 1 to 5.

The green light for South Africa's participation was given to John Thomson of Sandton-based Exhibition Management Services, during talks in Gaborone recently with Fidelis Kapoka, general manager of the Lusaka Trade Fair, and Daniel Chigaru, manager of the Zimbabwe International Trade Fair. *Sowetan 27/6/91*

"We discussed ways of utilising the region's existing trade fairs to accelerate business contacts across the sub-continent and bring together companies who previously had been kept apart due to politics," said Thomson.

He added: "I was given the assurance that for the first time ever South African companies would be welcome at the Lusaka show and, furthermore, that the Zambian authorities would provide a pre-agreed foreign exchange allocation for each South African exhibitor."

Enthusiasts can contact Lineke van der Brughen or Diane Kydd-Coutts at (011) 783-7250/1/6.

## EC gets green light to end SA sport isolation

LONDON. — The way appears to be clear for the European Community (EC) summit in Luxembourg on Saturday to declare its support for contact with internationally recognised non-racial South African sporting bodies. (280) (S.A.S.P.)

This follows a signal from the Danish Social Democratic Party (SDP) that it will not oppose an expected EC declaration on sporting links.

However, the SDP said yesterday that the party and its coalition partners would maintain their opposition to the lifting of the EC ban on the import of SA iron, steel and Krugerrands.

A special meeting of the Danish parliamentary committee dealing with EC matters takes place in Copenhagen tomorrow.

The declaration follows moves within a number of sporting federations to readmit non-racial SA bodies.



## Hurd and Hain in war of words on sanctions <sup>280</sup>

Own Correspondent

LONDON. — Sanctions against South Africa and those who support them are "hopelessly out of date", British Foreign Secretary Mr Douglas Hurd told the House of Commons yesterday.

Mr Hurd, who will meet government and opposition leaders when he visits South Africa probably next month, was answering a question from Labour MP and anti-apartheid activist Mr Peter Hain.

Mr Hain had warned him that sanctions had provided pressure for change in South Africa and that lifting them could jeopardise progress.

Mr Hain added: "I know from personal experience that the whites only change when they have no alternative."

Mr Hurd told him that when ANC representatives, including executive committee member Mr Steve Tshwete, came to see him about cricket they had asked him to make sure that South Africa was readmitted to the international game.

# Sanctions are out of date - Douglas Hurd

*Southam*  
LONDON - Sanctions against South Africa, and those who supported them, were "hopelessly out of date", British Foreign Secretary Mr Douglas Hurd said this week.

Hurd was answering a question in the House of

*28/6/91*  
Commons from Labour MP and veteran anti-apartheid campaigner Mr Peter Hain, who had warned that sanctions had provided pressure for change in South Africa, and that lifting them could jeopardise progress.

Hain had said: "I know from personal experience that the whites only change when they have no alternative."

But Hurd told him that African National Congress representatives who had met him had asked

him to make sure that South Africa was re-admitted to international cricket.

Conservative MP Mr John Carlisle urged Hurd to send a message to the International Cricketing Council saying South African cricket was fully integrated and that test matches should be resumed as soon as possible.

## Questions

Later, answering questions on Britain's role in the search for universal suffrage in South Africa, Foreign Affairs Minister Mrs Lynda Chalker said Britain was continuing to encourage all South Africans to reach agreement on a new, non-racial and democratic constitution and would be willing to provide assistance, if asked, in reaching such an agreement.

The British government was also working to promote the economic growth and development which must underpin the political process, she said.



# Netherlands 'to sway EC on SA'

CAPE TOWN — The Netherlands will use its position as new EC leader to influence the trade policies of other EC nations towards SA now that it has officially renewed relations with the country.

This was the message of a high-powered Dutch trade mission which visited SA this week to renew relations formally and to announce a R20m investment by The Hague in black education and training.

The Netherlands would begin its term at the rotating EC presidency on July 1 and would be in a position to influence the attitude of other member nations towards SA, delegation leader and Dutch foreign economic relations director-general F A Engering told journalists at a media briefing yesterday.

However, Engering warned that while the Dutch private sector — one of the world's biggest sources of foreign investment — was keen to invest in SA, it would not do so until there was certainty that the country's future economy would be based on free market principles.

"The R20m investment is the start of a new policy aimed at developmental projects.

"It is small by comparison with the trade and investment opportunities which will open up as a result of the renewal of special political, cultural and economic relations between SA and the Netherlands," Engering said.

"The Dutch private sector is one of the biggest international investors.

LESLEY LAMBERT

"Last year it invested the equivalent of R35bn in other countries.

"If just 1% of this could flow into SA, it could have a major impact," he said.

"While trade opportunities look promising in the short term, because they involve shorter contracts, large-scale investment by the private sector is subject to tough conditions which may only materialise in a couple of years.

"No businessman in the world will invest in a country which is in the process of negotiating new constitutional and economic settlements," Engering said.

## Exhibition

"If the economic policies which emerge from negotiations are inward-looking and interventionist, as they have been in the past, then SA will not qualify for Dutch investment, particularly not when there are 160 other countries to choose from. But if the economy is market-related and deregulated, and if factors such as the high rate of inflation are adequately addressed, I am confident that investment will flow into the country."

Engering said the trade mission, which was organised by the Netherlands Centre for Trade Promotion, would be followed up in January with an exhibition featuring the Netherlands' 10 major economic sectors.

# Hurd's wife intervenes in Equity ban

By Mike Siluma

LONDON — The debate among British actors over whether to lift the ban on their work being shown on South African television heated up this week with the intervention of Judy Hurd, wife of British Foreign Minister Douglas Hurd.

Members of the actors' union, Equity, are at present being balloted on the issue, with the results set to become known early next month.

According to the Daily Telegraph, Mrs Hurd has written to Equity, asking it to drop the 15-year-old ban.

The paper said Mrs Hurd's interest in the matter followed a discussion she had with Marike de Klerk when the De Klerks visited Britain in April.

Equity secretary Peter Plouviez said: "Many people have written to me on this matter trying to influence our members, but I refuse to say if Mrs Hurd is among them.

"I cannot allow people to use our union to put across their own arguments."

He explained that even if members voted in favour of lifting the ban, it would be some time before South African living-rooms were flooded with British television material.

First, new agreements between the British television industry and the actors would have to be drawn up, dealing with, for instance, how the actors would be paid.

In addition, many of the television shows also feature British musicians, whose union still maintains a ban against South Africa.

"But if our members want a change of policy it will be in our interest to effect the changes quickly," Mr Plouviez said.



# Kaunda seen as backing sanctions lift

Star Africa Service

LUSAKA — Speculation that President Kaunda will support at least a phased lifting of sanctions on South Africa has been sparked by his statement that he will make a policy statement about sanctions tomorrow.

Observers consider it unlikely he would have mentioned the matter if he intended to maintain support for sanctions.

Pointing out that the pillars of apartheid had been removed from the statute books, President Kaunda said, "I think we should be recognising what is taking place in South Africa."

At the recent Organisation of African Unity conference in Abuja, Nigeria, he is believed to have tried to get support for a phased lifting of sanctions.

The proposal, which was supported by key members of the ANC, was defeated by active lobbying by the Pan Africanist Congress, supported by President Mugabe of Zimbabwe and other sanctions "hawks".

## Endorsed

Political observers speculated that the ANC leadership had hoped to get the proposal endorsed by the OAU so as to undercut opposition to it at the ANC conference in Durban next week.

This purpose would at least be partly served if President Kaunda came out against sanctions in his speech at Zambia's international trade fair in Ndola tomorrow.

Speculation that he might do so has been supported by the presence of 11 South African companies that are exhibiting at the fair and by the presence of a delegation of black South African businessmen from the National African Federated Chamber of Commerce and Industry.

Support by Zambia for the lifting of sanctions would have more political, rather than economic, significance because Zambia has been trading openly with South Africa.

It would strengthen the hand of the anti-sanctions element in the group authorised at Abuja to decide on behalf of the OAU whether sanctions should be abandoned.

# Finland lifts trade ban

ARGUS 29/6/91  
Weekend Argus  
Correspondent

PRETORIA. — Finland has announced its ban on imports from and exports to South Africa will be lifted from Monday.

In a statement released here, the Finnish embassy said the Finnish Council of State had also decided to remove the restrictions on payment, credit and financial guarantee arrangements related to international trade with South Africa.

"As from July 1, trade with South Africa will be conducted in a normal way, following the same procedure as with other countries," the embassy said.

"Some important sanctions imposed by Finland, such as the ban on investment, will nevertheless remain in force as do the proscriptions on the granting of patents and manufacturing licences, monetary loans, credit and financial guarantees and the arms embargo."

Finnish President Mr Mauno Koivisto has signed a decree lifting the ban.



# Finland to do business with SA

PRETORIA. — Finland yesterday announced that as from Monday it will lift its ban on imports from and exports to South Africa. *CT 29/6/91* (230)

In a statement, the Finnish embassy said the Finnish Council of State had also decided to remove "as of the same date" the restrictions on payment, credit and financial guarantee arrangements related to international trade with South Africa.

"Thus, as from July 1, trade with South Africa will be conducted in a normal way, following the same procedure as with other countries," the embassy said.

"Some important sanctions imposed by

Finland, such as the ban on investment, will nevertheless remain in force.

"Monetary loans, credit and financial guarantees to the Republic of South Africa are still forbidden for all purposes other than that of international trade.

"The Finnish government has closely observed internal developments in South Africa, particularly since 1990, at which time the South African government set itself the goal of dismantling the country's system of racial segregation."

It said progress had been made and South Africa had repealed all four of the main apartheid laws that had formed the

principle basis of Finland's voluntary imposition of a total embargo on the country.

Before this new measure, Finland had already mitigated its policy on the granting of visas to South African citizens and will raise its diplomatic representation to ambassadorial status as from October 1.

"The reform process within South Africa is not complete. The Finnish government will not, therefore, repeal all sanctions against South Africa at once, but is advancing gradually to encourage continuation of reforms," the embassy said. — Sapa

# Business hoping for a signal

C/P res 30/6/91

LOCAL and foreign businessmen are taking a keen interest in this week's ANC congress.

The key question is whether the new leadership of South Africa's biggest political party will give a clear indication of future economic policy.

Statements made during the past few months have created the impression among local and foreign businessmen that the ANC is softening its stance on nationalisation and redistribution.

In business circles the ANC's policies on centralised control of business and sanctions are viewed with deep concern and suspicion. Business confi-

## MONEY TALK

dence is at a low ebb and very little investment in new undertakings (which means more jobs) is taking place.

Although rather simplistic, the approach seems to be: why take the risk of building up or expanding a business if you will end up losing everything.

It is an open secret that many businessmen today are more interested in getting money out of the country than investing in their companies.

Foreign businessmen

are visiting South Africa in record numbers, but one gains the impression they are more interested in selling to us than in investing substantial amounts of money.

The international economy has cooled off and everybody is looking for new business.

Whether we are going to enjoy strong economic growth after our long recession will mainly depend on a recovery of business confidence in the near future.

A contribution in this direction was made last week by Walter Sisulu, who said, according to reports, that to call for the intensification of sanc-

tions is no longer realistic. He pointed out that certain countries have already decided to lift sanctions and said a proposal for the phased lifting of sanctions was "reasonable".

The proposal will, according to the reports, be discussed at the ANC congress.

The actual lifting of sanctions will make very little difference to our economic situation in the short term. But at least the pressure on our embattled business community will be reduced if the congress accepts Sisulu's thinking.



# European leaders keen on ending SA sports' isolation

EUROPEAN Community leaders said in a draft communique yesterday they favoured renewing sporting contacts with South Africa because of "important progress" made in abolishing apartheid.

The leaders said they supported the "principle of renewing sporting contacts at the international level on a case-by-case basis, where unified and non-racial sporting bodies have been set up".

The draft on South Africa was due to be approved by the 12 leaders later yesterday.

Boycotts imposed in the 1970s by European and other nations have barred South African athletes from competing internationally, including the Olympic Games. Many foreign athletes competing in South Africa were suspended by their national federations.

The International Olympic Committee (IOC) is on course to reinstate South Africa as early as next month, which would mark a major breakthrough.

The world track and field body, the International Amateur Athletics Federation (IAAF), has also cleared the way for reinstating South Africa.

# SANCTIONS

# GOING, GOING

**TRADE**

TRADE sanctions come in all shapes and sizes. The most common ones have been bans on imports of Krugerrands, coal, iron, steel and agricultural products. Added to this are prohibitions on exports of computer goods and nuclear technology. In some cases these bans have been voluntary, in others compulsory.

The toughest trade sanctions are enforced by the US, largely because of a very powerful anti-apartheid lobby in American domestic politics. The compulsory bans include all of the above and a ban on importing goods manufactured by parastatals.

All these measures, however, are likely to be scrapped within weeks when President Bush announces the repeal of the Comprehensive Anti-Apartheid Act, the sanctions charter adopted by Congress in 1986.

International Trade and Industry. Recently, Japan announced it would lift those informal restrictions but retain its existing sanctions until the ANC had certified all political prisoners had been released.

In Africa, as well, there is a wind of change. The 51-member Organisation of African Unity has always maintained that it has cut trade links with South Africa.

In fact, the OAU's Secretary-General, Salim A Salim, meekly admitted this week that at least half of those countries trade secretly with South Africa.

At the Abuja, Nigeria, meeting of the OAU in May the organisation opted not to lift trade sanctions at this point — but with the urging of Nigeria and Kenya, has accepted the principle of a phased lifting of sanctions dependent on the progress of political reform within South Africa.

If South Africa and the ANC can reach agreement on the release of political

81 Times

30/6/91.

(280)

# ALMOST GONE

MASHUDU RAMANO is a young black South African entrepreneur. He is packing his bags for a different sort of safari into Africa — post-sanctions trade opportunities.

Johannesburg-based Ramano, who has a consultancy and investment business, is only one of a number of South African businessmen, tourists, sportsmen and

artists preparing to take the gap offered by collapsing sanctions.

But he, like many others, still has to pick his way through what is a maze of laws, conventions, tradition and confusions.

BRIAN POTTINGER gives you a layman's field guide to the state of sanctions ...

South Africa, extending private loans or offering government loans. These measures, too, are up for review and on the same conditions as the trade sanctions.

The European Community also imposed investment bans in 1986 — but they were voluntary. In December last year they lifted the bans.

The Commonwealth investment bans are still in place and include, rather like the Rangel Amendment, termination of double-taxation agreements with South Africa. These measures, too, will be up for review at the Harare meeting.

**SPORT**

THE most comprehensive ban on sporting ties has been the Commonwealth Gleneagles Agreement of 1977. Other countries have imposed voluntary bans on sporting ties with South Africa.

Considerable movement, however, has been made on the sporting front.

The International Olympic Committee has offered to accept South Africa back if it meets five conditions: the abolition of apartheid, the creation of a national body, unity in sport, the creation of a national Olympic structure and acceptance by Africa — ie Anoca, the African Olympic Movement. The terms have been accepted by the ANC.

Much progress has been made in all the demands and now South African participation at the Barcelona Olympic Games in 1992 — the first time in 32 years — is within grasp. The Commonwealth Games, also, might be open to South Africa for the first time in 33 years — the host country, Canada, has already given an indication of its willingness to have South Africa back. And President F.W. de Klerk's recent trips into Africa now raises the possibility of South African

participation in the Africa Games and this week the European Community hinted that it would re-establish sporting ties with South Africa.

**CULTURAL**

THE cultural boycott spread a wide but often anomalous net. It included blacklisting of entertainers coming to South Africa, harassment of visiting academics, union prohibitions on the distribution of their works in South Africa and many other forms.

These are also crumbling — hastened by the return of many South African exiled artists. Although confusion still reigns in the ANC about the status of the cultural boycott, there have been no recent attempts to prevent academic visits.

Equity, the British actors' trade union,

meanwhile goes to the polls over the next month to decide whether to lift its ban on members' works in South Africa.

**TOURISM**

VISA requirements for South African tourists are also falling rapidly. Zambia, Kenya and Egypt have ditched their requirements and others are to follow. Japan announced last week that it will end its prohibition of the promotion of South Africa as a tourist destination.

Ironically, it is in central and Eastern Europe, once forbidden territory to South Africans, that the most rapid collapse of travel barriers has occurred.

At the same time, South African Airways has negotiated new overfly rights in Africa and inaugurated new African destinations. Air links, many the result of sanctions moves in the 1980s, are now about to be re-established.



280 J/TIMES  
30/6/91

last condition set out by the CAAA is met — the release of all political prisoners. But this does not mean the end of legislative sanctions in the US. Over 2,000 local authorities have their own sanctions laws and getting those off the law books is going to take a long time.

Almost as severe as the US sanctions, at least on paper, were the measures adopted by the Commonwealth in August 1986. They also included bans on air links, on the import of agricultural products, uranium, coal, iron and steel.

Here, too, there is movement. Australia and Canada have joined Britain, the strongest opponent of sanctions from the beginning, to urge a rethink on the embargoes.

The European Community also imposed trade sanctions in 1986 but they tended to be haphazardly applied.

In February, again in recognition of reforms in South Africa, the EC's 12 foreign ministers agreed to lift their trade sanctions.

Britain, meanwhile, has gone even further. In May a British policy paper designated South Africa a "target market" for British exports.

Japanese trade sanctions are also on the way out. Japan has formal sanctions against South Africa but has traditionally relied more on "informal" trade restrictions effected through the Ministry of In-

prisoners and the crop of 1980s sanctions are lifted there will only be two serious trade embargoes left, a voluntary ban on the sale of oil to South Africa and the mandatory United Nations arms embargo of 1977. The former is increasingly honoured in the breach, the latter is of little import given the strength of the South African arms industry.

## INVESTMENT

LIKE trade bans, investment sanctions have come in varying forms and with differing severity. Overall, they have had a far more serious impact than trade sanctions.

The US, not surprisingly, tops the scale with mandatory prohibitions against new investments in South Africa, new loans and US government loans.

The Rangel Amendment, which effectively imposes double taxation on US firms doing business in South Africa, will also expire soon afterwards. That would leave the Gramm Amendment which requires the US to block any attempt by South Africa to get access to International Monetary Fund cash. But even here it is likely that this measure would be rescinded if significant political progress was made in South Africa.

Japanese businesses are also prohibited from making new investments in

SANCTIONS — 1991

JULY. — AUGUST



## Brutus backs boycott as a lever for change

JOHANNESBURG. — Professor Dennis Brutus, founder chairman of the SA Non-Racial Olympic Committee (Sanroc), returned to South Africa at the weekend after a break of 25 years.

Prof Brutus, a former Robben Island inmate who now represents the SA Council on Sport (Sacos) in America, is still vehemently in favour of the sports boycott against South Africa.

"The sports boycott has, without doubt, been the most successful means of putting pressure on the government to abolish apartheid," he said at Jan Smuts Airport.

"South Africans have learnt to live with most other forms of boycott. But, the fact that they can't watch South Africans play cricket at Lord's in London or watch their sportsmen or women compete in the Olympic Games has been extremely frustrating." — Sapa

PROFESSOR Dennis Brutus, founder and chairman of the South Africa Non-Racial Olympic Committee, returned to South Africa on Saturday after 25 years.

Brutus, who now represents the South Africa Council on Sport in the United States, is still vehemently in favour of the sports boycott against South Africa.

"The sports boycott has, without doubt, been the most successful means of putting pressure on the Government to abolish apartheid," said Brutus at Jan Smuts Airport.

## Retain sports boycott - Brutus

11/7/91  
South Africans have learnt to live with most other forms of boycott. But the fact that they can't watch South Africans play cricket at Lords in London or watch their sportsmen or women compete in the Olympic Games has been extremely frustrating.

280  
"Take away these sanctions," says Brutus, "and the pressure to effect real change will be eased significantly."

Brutus called for the maintaining of all forms of sanctions.

"It is easy to say we must abolish apartheid but, in my opinion, we've got to eradicate apartheid - the fundamental aspects of the system - and not merely make superficial changes."

One of the main aims of Brutus's visit will be to consolidate his position as a South African citizen. - Sapa.







# Keep curbs alive - Mandela

Political Staff

3/7/91

DURBAN — Nelson Mandela yesterday dashed speculation that the ANC's national conference would consider a softening of the organisation's stance on sanctions.

He said the emphasis should be on "arresting the process of erosion of sanctions" and warned against losing "this weapon which we will need until a democratic constitution has been adopted".

But in their opening addresses to more than 2 000 delegates, ANC president Oliver Tambo and Mr Mandela firmly committed the organisation to negotiations

and expressed the desire to reach a speedy settlement.

The ANC should calculate on an all-party congress taking place "sooner rather than later and therefore approach all preparations for our own participation with some urgency", Mr Mandela said.

Mr Mandela admitted the ANC had achieved a "relatively low level of success" in attracting white, coloured and Indian members.

"We should not be afraid to confront the real issue that these national minorities might have fears about the future, fears we should address," he said.

While stressing the need

for conventional methods of mobilising support, Mr Mandela defended mass action and rejected the Government's claim that it was an obstacle to negotiations.

However, he cautioned that people should join campaigns voluntarily and not because of intimidation.

On the role of the ANC's military wing, Umkhonto we Sizwe (MK), Mr Mandela said it had a responsibility to keep itself in a state of readiness "in case the forces of counter-revolution once more block the path to a peaceful transition to a democratic society".

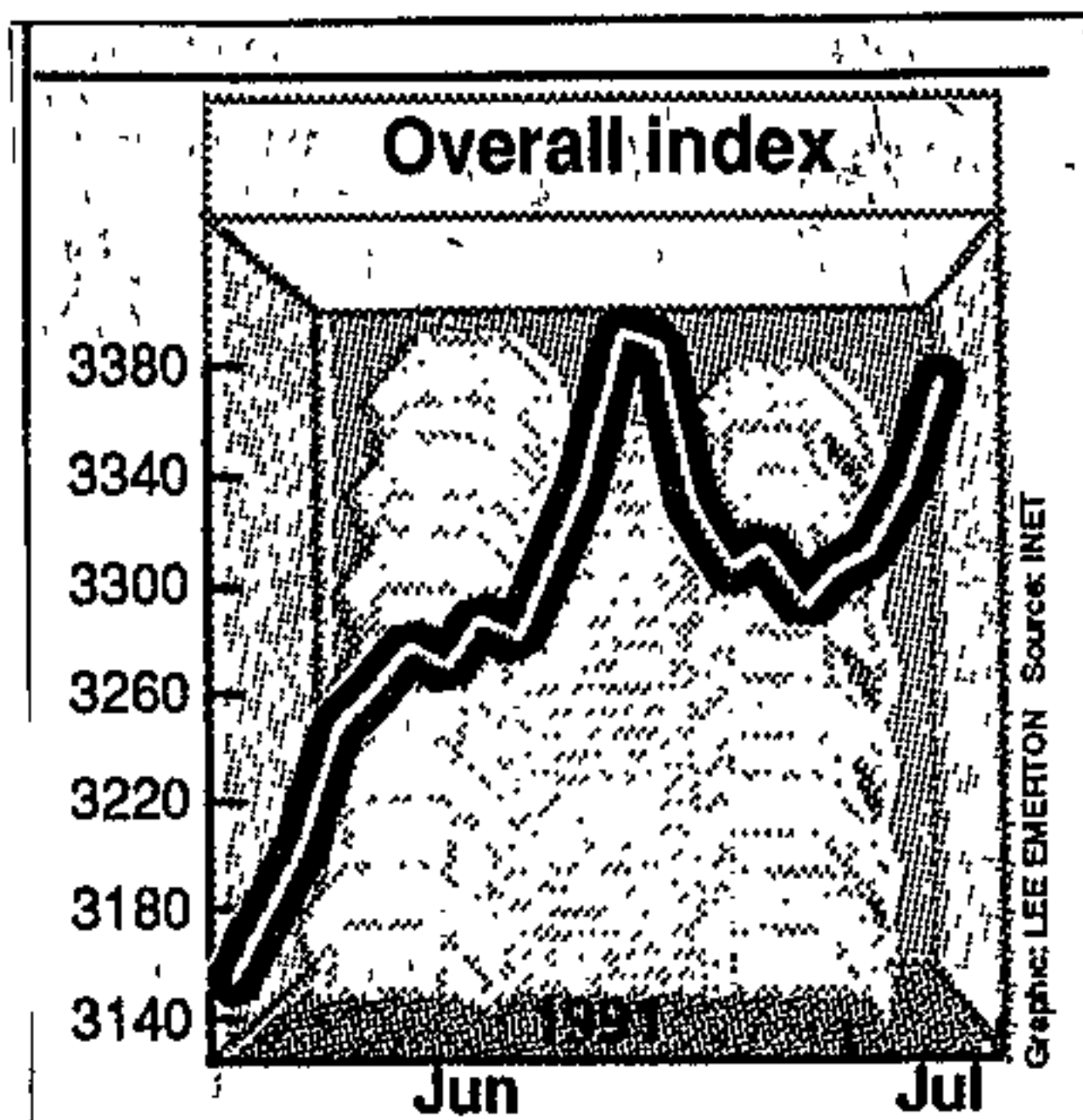
● Negotiations, but struggle goes on — Page 5

— The Independent News Service.

● Army defiant — Page 4

Agonising moment . . . a Yugoslav soldier carefully d





## JSE boosted by sanctions report

MERVYN HARRIS

A REPORT that Japan had decided to lift sanctions on SA gave an added twist to the upward spiral of share prices on Diagonal Street yesterday.

The report also caused a sharp about-turn in the capital market, causing the bears to lose the upper hand. Long-term rates plunged about eight points on the news to reverse the increases seen after poor inflation and money supply data.

Reuter quoted Japan's top-selling newspaper, Yomiuri Shimbun, as saying Japan would also set up full diplomatic relations with SA after the Group of Seven London summit later this month.

But a Tokyo foreign ministry official said no decision had been made and the government was watching developments.

The paper quoted several government sources as saying the government had made the decision because of the release of political prisoners and approaching negotiations between Pretoria and the ANC.

On Tuesday another newspaper, the Tokyo Shimbun, said Japan would end sanctions in late July, and would co-ordinate its policy on SA with the US and Europe.

Last month the Japanese cabinet announced an end to curbs on tourism but said economic sanctions would be retained until SA had dismantled apartheid.

The news report helped fuel bullish sentiment on the market, spurring strong overseas demand for SA shares and sending prices of quality shares surging across nearly all sectors.

Dealers said trading turned hectic in the afternoon after a firm opening on the back of overnight demand for SA shares in New

□ To Page 2

## JSE

York. The activity came after only a brief pause for breath amid suggestions that the market needed a healthy correction in the wake of last month's sharp gains, particularly among industrials.

But investors thrust caution aside to lift the JSE overall index 39 points to 3 377, the all gold index 34 to 1 445, the industrial index 32 to 3 860 and there were also strong gains by other mining-related and financial shares.

280

□ From Page 1

Sentiment was boosted by a higher gold price which firmed from a London morning fixing of \$367,75 to again test the \$370 level despite a strong dollar. It closed in London at \$369,25.

Some analysts said the strong share buying pressure on the JSE could have been on hopes of positive news coming from the ANC conference in Durban and the possible lifting of US sanctions by the end of the month.

## Sanctions must stay <sup>(289)</sup> Nelson

DURBAN. — The deputy president of the ANC, Mr Nelson Mandela, last night repeated his appeal to the international community not to drop sanctions.

At a special "thank you" briefing to foreign diplomats, Mr Mandela said the five points in the "ultimatum" to the government had not been satisfactorily addressed. — Sapa



Star 6/7/91 280

## SA poised to tap European

## capital markets

### STAR BUREAU

LONDON — South Africa is set to break out of its financial isolation within months with its first public government bond issue in six years, The European newspaper reported yesterday.

According to the paper, South Africa's return to the international capital markets, in September or October, is timed to coincide with the lifting of international sanctions.

It quoted a German banking source as saying: "When all the barriers fall, (South Africa) would like to go ahead with a public issue".

The American Comprehensive Anti-Apartheid Act, a cornerstone of the international sanctions regime, said the newspaper, was set to be repealed this month.

The European said although details of the issue are being kept secret, it is expected to be lead-managed by Deutschbank.

Because of its small size — Dm300 million — and the lack of liquidity, the issue would most probably be sold to individual German and Swiss investors.

# Bush set to scrap sanctions — despite US opposition

SANCTIONS against South Africa will probably be scrapped on Friday, sources in Washington predicted this week.

But, they warned, the matter was far from finalised. "Anything can still happen to derail it. Pretoria can still foul things up," said one source.

Despite a growing excitement and certainty among Africa watchers here that President George

Sunday Times 7/7/91  
By PATRICIA CHENEY  
Washington

Bush was about to reward the South African government for the steps it has taken, none would stick his neck out and say the Comprehensive Anti-Apartheid Act of 1986 would definitely be scrapped this coming week.

But the consensus was that there was little the

pro-sanctions lobby could do to stop the president from carrying out his promise to lift sanctions once he deemed all five conditions had been met.

Agreement has been reached within the administration that all prisoners of conscience, under the American definition, have been released.

Despite threats of a lawsuit by Senator Edward Kennedy, backers of sanc-

tions appear to have been thrown into disarray by the imminent death of the CAAA.

Its cancellation would enable SAA to resume flying to the US, but a Federal Aviation Administration official cautioned: "Re-establishing landing rights is not just a case of clearing the runway."

It could take years after sanctions are scrapped before a new landing rights treaty is negotiated.

## Protesters

The most likely scenario is for the US Department of Transportation to issue an interim order allowing flights to take place until a formal treaty has been finalised.

But before the order takes effect, Washington will have to publish its intentions to allow protesters to lodge their disapproval.

If there is a strong protest, one source told the Sunday Times, it was possible the department would not allow SAA to land until the new treaty was in place.



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# Change outlook on sanctions'

CT 8/7/91

From BARRY STREEK

DURBAN. — The ANC would be left holding a worthless shell unless it changed its policy on sanctions, the ANC president, Mr Nelson Mandela, said early yesterday morning.

The ANC conference had been asked for phased perspectives on sanctions.

"We have not been disappointed by the delegates," he said in his closing speech.

"I don't want my remarks misunderstood.

"We are asking for flexibility and imagination.

"But our appeal is that sanctions must be adhered to and applied.

"The flexibility we have applied will enable that weapon to be kept in our hands," Mr Mandela said.

He did not elaborate on the ANC's new approach on sanctions, but he publicly praised the ANC's foreign spokesman, Mr Thabo Mbeki, whose call for a more pragmatic approach to sanctions was rejected at the organisation's consultative conference in December.

## Flexible

Mr Mandela said Mr Mbeki had handled the issue very well and he endorsed without reservation the little he had heard of Mr Mbeki's speech to the conference because it was an attempt to get delegates not to rely on mere rhetoric but address the position as it was changing.

"Unless we are flexible and imaginative we will be left hold a shell and nothing else.

"We continue to call on the international community to support the ANC and continue using a phased perspective on sanctions.

He noted that sanctions had been a potent weapon and the ANC should be allowed to use them for maximum benefit.

A number of spokesmen said during press briefings at the congress that international pressure was one of the factors facilitating change in South Africa and called for it to be maintained.

However, Mr Mandela said the ANC had to recognise the economic problems facing many African countries and the suffering that had been caused by the support given to the liberation of South Africa.

The new softened approach on sanctions is clearly an attempt to retain some influence and initiative on the whole sanctions issue.

# 'Short, sharp battle' likely on sanctions

The Argus Foreign Service

WASHINGTON. — President Bush is expected to lift sanctions against South Africa "in the next week or so" and senior congressmen expect his decision to be upheld by both houses of Congress after a short, sharp battle.

The congressmen, who have been in close touch with the White House on the issue, say the State Department has been charged with conducting a case-by-case assessment of each prisoner over whose political status there is still doubt.

This assessment is now nearing completion and is the only thing holding up a message to Congress from President Bush giving the required 30 days' warning that he intends ending the five-year ban on trade and investment.

While supporters of sanctions acknowledge that they do not have the votes in Congress to override a presidential decision, they warned that they would take the issue to the country and, possibly, to the courts.

Last week Senator Edward Kennedy, who is a leader of the pro-sanctions group in Congress, had a meeting with se-

AG 8/17/91  
nior administration officials to express his grave misgivings about reports that President Bush was about to lift sanctions.

He and other senators have also warned Mr Bush that because any presidential decision on the Comprehensive Anti-apartheid Act would involve interpreting the law, supporters of continued sanctions might ask a court to review the White House interpretation.

In terms of the CAAA, the president is empowered to lift sanctions if he is satisfied that at least four of the five stipulated conditions for doing so have been met. One of these conditions must be the release of all "political prisoners."

The ANC and other groups have argued that not all prisoners who fall under the definition of "political prisoner" have been released, but the State Department's assessment is being made in terms of the definition of "political prisoner" recognised in US law, and not the uncertain definition used in the Pretoria Minute.

In US law a prisoner is "political" if he is being held primarily because of his political views and activities.



## Actors' union to vote on SA ban

By Ian Hobbs

280

LONDON — British acting union Equity's 30 000 members will vote today on whether to maintain a ban on the sale of British television material to SA.

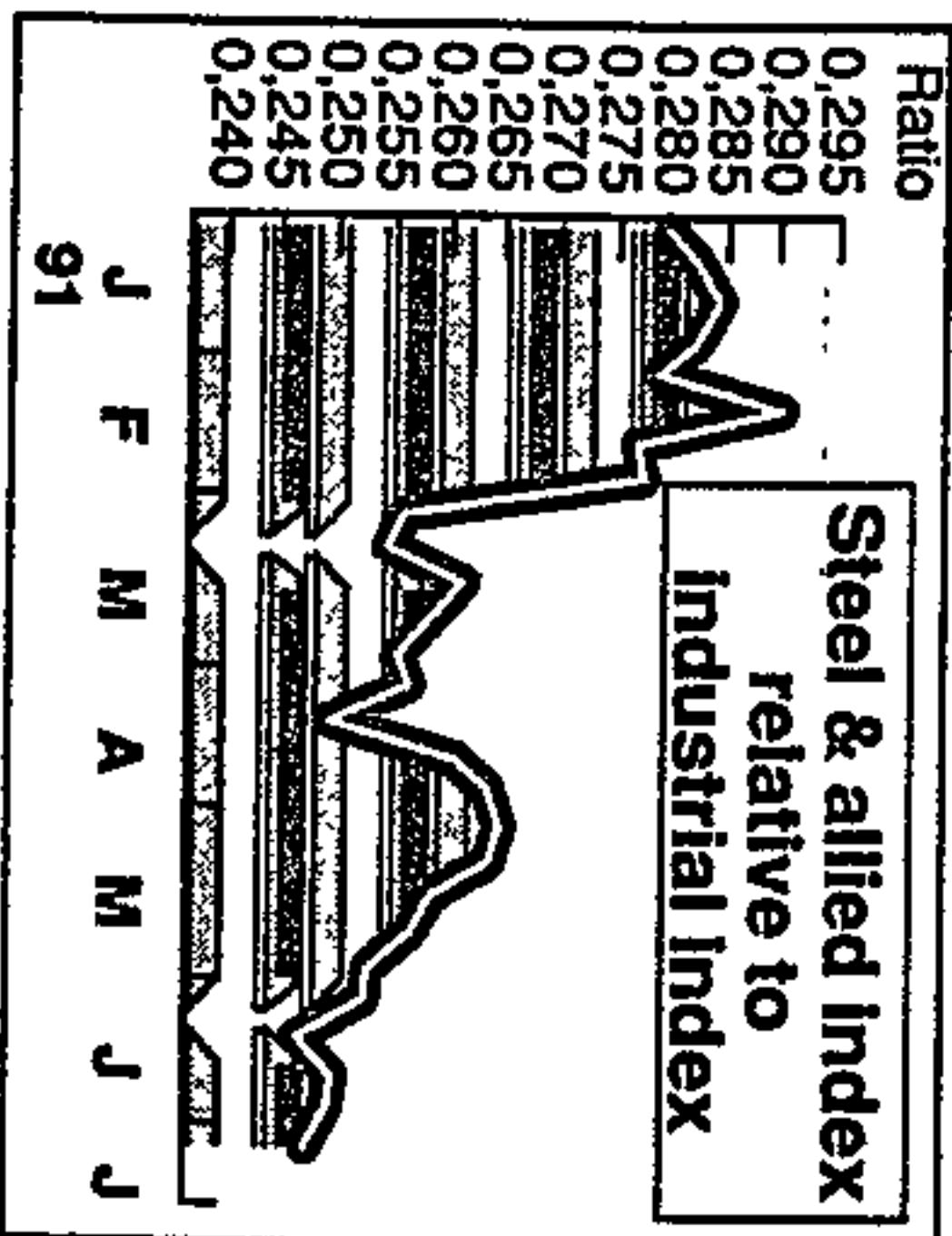
Fred Keeling, a spokesman for members seeking to lift the ban, said feelings in the union against the SABC were so strong that the meeting would probably only lift the boycott on sales to M-Net and Bop TV. The vote to lift the total ban looked "extremely shaky" because of sensitivity about the SABC as an "unaccountable organisation".

# Local stocks spark foreign interest COMP

AS SANCTIONS teeter, the dollar strengthens against the rand and the US economy begins to right itself, overseas investors are again beginning to take a strong interest in certain JSE stocks.

A major beneficiary in recent weeks has been steel-producer Iscor, which has seen its share price jump more than 10%. Europeans are believed to have picked up over 10-million shares last week alone.

This high-volume daily trade left Iscor's share price at 221c by week-end, a price which market observers believe is an important sup-



Graphic: LEE EMERTON Source: JNET

port level. It puts Iscor on a price-to-earnings ratio of 5 times and a dividend yield of 7.7%, compared with the sector ratings of 10.1 and 6.4% respectively.

Investment analyst David Russell of stock-brokers Irish & Menell Rosenberg believes the rise could indicate that the market is already discounting short-term poor results from companies in the steel and manganese sectors.

The market also feels that prospects for the steel and ferro-alloy producers have been boosted somewhat by the strengthening of the US dollar relative to the rand.

In early January the rand was at 2.55 to the dollar, compared to 2.90 at present — a fall of 12.1% in six months. Market observers say this is likely to give margins a little more flexibility as production costs are rationalised.

But in the shorter term Iscor is expected to report sharply lower earnings for the year to June. A lower offtake from the more profitable local market has forced it to resort to increasing lower-priced exports in order to maintain production efficiencies. Exports have jumped from about 32% last year to 45% of total sales this year, and are expected to go higher by year-end.

This has had a significant impact on profits.

Highveld Steel & Vanadium is also suffering from similar problems on the steel side with consumers building up inventory ahead of last January's 14.5% price hike.

Despite the short-term bleakness, Russell says the lifting of sanctions by the US could see a resurgence of investor interest in both steel and ferro-alloy shares which historically have attracted American investors.

He said that when sanctions were imposed certain stocks listed after that time were prohibited to American investors — Iscor falls into this category and could be an attractive "new" share for them.

Another stock which could attract American buying is Consolidated Metallurgical Industries (CMI), which in the past three months has moved up 43% from a low of 610c. Its current price of 875c puts it on a historical p/e of 5 times and a dividend yield of 13.1%.

While CMI has returned to profitability, its results for the year to June are expected to be put under pressure by the R181m acquisition of Purity Ferrochrome. However, that debt burden will be alleviated by the issue of 30-million preference shares to raise about R100m.



Flexibility the key — Mandela

# ANC outlines phased lifting of sanctions

DURBAN — The ANC has decided on a three-phase plan for the lifting of sanctions

Announcing the decision to loud applause on the last day of the organisation's 48th national conference yesterday, president Nelson Mandela said: "We wanted to continue to hold the line on the question of sanctions (but) unless there is a great deal of flexibility and imagination, we will be left holding a shell and nothing else."

The draft resolution to the conference said because of the erosion of sanctions, it was essential to accept a phased lifting of sanctions, linked to objectives critical to transformation.

The three stages signalling the lifting of particular sanctions are:

- The removal of obstacles to negotiations as stipulated by the OAU and UN declarations, as well as government taking effective measures to end the violence;
- The installation of an interim government according to agreed arrangements for the transition to a democratic order (UN declaration); and
- The adoption of a democratic constitution, and the holding of elections for a non-racial parliament.

The national executive committee was mandated to determine the precise formulation of the process, in broad consultation internally and in co-ordination with anti-apartheid forces worldwide.

It is understood that sanctions likely to be lifted at the first stage would include those relating to sport, travel and culture. The second stage would probably affect trade, foreign investment and international finance. The oil and arms embargo would be lifted only at the third stage, once

BILLY PADDOCK

the new constitution was in place.

Mandela had charged the conference at its opening on Tuesday with finding effective ways of stopping the erosion of sanctions, and yesterday he praised international affairs director Thabo Mbeki for handling the matter so well.

"What I heard I endorse without reservation because it is an attempt to get the delegates and the organisation not to rely on mere rhetoric but to look at the problem as it is developing."

He said the ANC had asked countries to adopt a policy in support of the phasing out of sanctions. He said he had not been disappointed in the reception it had received.

"I do not want my remarks to be misunderstood. We want flexibility and imagination for an approach which is realistic. The flexibility which we want to exercise is intended to ensure that this weapon is kept in our hands," he said.

He said many of the ANC's friends had been pressed into lifting sanctions but they would not do so without consulting the ANC. A case in point was the position taken by the Danish parliament that the EC maintain sanctions until all the conditions in the Harare declaration were met. US President George Bush's administration had also stuck to the position of consulting the ANC before making any decision.

Mandela said the ANC had problems with some of the African countries but it had to be understood that their economies had come under strain as a result of their support for the ANC's cause.

With regard to negotiations, Mandela said government had to realise the ANC

□ To Page 2

## Sanctions

was an equal partner and would not be dictated to about becoming a political party or about its relationship with the SACP and Cosatu.

He accepted the criticism that the ANC leadership had not consulted its grassroots membership sufficiently and had kept it in the dark about negotiations. This would be rectified.

He said it was proper that he be brutal in taking the ANC to task for its lack of communication with minority groups. The mere declaration of its policies would not see people running to join the organisation and what was called for was proper door-to-door campaigning.

Too many of the organisation's structures were set up in such a way that whites, coloureds and Indians were excluded. This had to be changed.

He welcomed President F W de Klerk's condemnation last week of the attack and killing of an ANC delegate's family. "When he (De Klerk) does something right, it is right that we should acknowledge it. If he had done this at the beginning of the violence, it would not have escalated to the extent that it has," Mandela said.

● See Pages 3 and 8  
● Comment: Page 8

# Big business seeks to court <sup>(280)</sup> Australians

By Michael Chester

New initiatives to thaw out the prolonged freeze in trade relations between South Africa and Australia have been launched by the SA Chamber of Business.

Insiders forecast that Australia will soon consider joining a growing list of overseas countries easing back on sanctions rules intended to force apartheid to an end.

Sacob director-general Raymond Parsons made the first overtures about a new trade pact at a meeting with the Western Australian Chamber of Commerce and Industry in Perth today when he started two weeks of talks with political and business leaders about the chances of resuming normal trade relations in a post-apartheid era.

Mr Parsons started his tour by outlining how sanctions and disinvestment measures against South Africa were falling around the world now that po-

litical reforms were under way.

"Hardly a week now passes without an announcement about economic measures against South Africa either being lifted or modified. It seems likely that the lifting of United States sanctions is imminent — just as soon as all the conditions in US legislation have been complied with by South Africa," he said.

"It will also not be long before South Africa is able to gain access to the facilities of the International Monetary Fund and the World Bank.

## Expand

"Though the pace at which sanctions are being removed is uneven, the fact remains that SA's external economic relations are being rapidly normalised. South Africa is now being besieged with visiting business missions from all parts of the world seeking to re-evaluate the South African situation."

"As the new South Africa unfolds, there will be considerable potential to expand foreign

trade dimensions," he said.

In the process, South Africa was in the middle of a major reassessment of its overseas trade strategies.

Fresh attention was being given to such issues as the potential role of Australian industrial expertise — in fields as diverse as power generation and engineering — in the economic development of southern Africa as a whole.

"Through economic co-operation between Africa's four super economic powers — Nigeria, Egypt, Kenya and South Africa — increased trade and infrastructural linkages could be created," Mr Parsons said.

"These four countries could act as the locomotives for regional economic development in Africa.

"Australia," he added, "has to rediscover South Africa and southern Africa. It also means that Australian businessmen must look to their interests in a changing South African economic and political environment — and identify the business opportunities that may be to our mutual benefit."



# Finrand gains on sanctions stance

280 CT 9/7/91

Own Correspondent

JOHANNESBURG. — The ANC's three-phase proposal for the lifting of sanctions boosted the finrand and reduced the commercial rand discount to an all-time low yesterday.

Dealers said there had been strong demand for SA gilts from continental Europe throughout the day. This had not been met by supply because of the lack of creation of SA stocks on the stock exchange, they said.

The investment currency closed five cents higher yesterday at R3,26 from Friday's close of R3,31. The commercial rand discount narrowed to 11,27% from 12,38% on Friday.

The finrand's advance caused late selling of gold shares on the JSE and a 17 rise in the all gold index mid afternoon turned into a three point loss at the end of trade with the index closing at 1466.

Some traders expected the fin-

## Rand close

JOHANNESBURG. — The rand regained some more ground against the dollar yesterday as the US unit held at easier levels in Europe in thin trading.

The local currency ended the day at R2,8915/30 to the dollar versus Friday's close of R2,8995/9010.

USA: 2,8915/30	Switz: 0,5400/10
UK: 4,7080/40	France: 2,1235/50
Germany: 0,6260/70	Japan: 47,94/98
Netherlands: 0,7050/55	— Reuter

rand to ease today in response to what could have been a "knee-jerk reaction" but they said there was room for the finrand to strengthen further.

On the capital market rates softened yesterday in response to foreign interest. Eskom E168 stock closed at 16,115% from Friday's 16,15% and the government stock, RSA 150, closed at 16,43% from Friday's 16,465%.

Interest in SA government stock has been growing steadily

over the last few weeks, with buying interest stemming mainly from Germany and Switzerland, said Simpson and McKianalyst Marilyn Visser.

"Demand during the day was not out of the ordinary but this could be due to delays between settlement dates", she said.

The settlement dates in the capital and financial markets do not coincide and buyers may be processing financial transactions first before gilt transactions, she said. This could result in a rush of gilt transactions in the next few days.

"Sentiment is better flowing the end of the ANC conference because people are satisfied with the outcome", Visser added. This could lead to better demand for SA government stock because the gilt yields have become more attractive.

The commercial rand strengthened against the dollar yesterday, closing at R2,8923 from Friday's R2,9003 close.

## 'Much common ground but differences on sanctions' (28)

The Argus Correspondent 9/7/91

JOHANNESBURG. — A lot of common ground was found between ANC president Mr Nelson Mandela and visiting British Foreign Secretary Mr Douglas Hurd, although differences on sanctions remained, both men said.

Speaking to reporters after their meeting at the ANC's head office in Johannesburg yesterday, Mr Hurd said he and Mr Mandela had a "good, long exchange," had covered "most of the salient points" and agreed that dialogue should continue.

Mr Hurd said although there was a difference of analysis on sanctions, it was agreed that integrated sport be encouraged to return to the international sporting community.

Mr Mandela said obstacles to the removal of sanctions were still in force. There were still political pris-

oners, political trials were continuing and political violence still continued.

The ANC, Mr Mandela explained, was flexible on the question of sanctions.

Regarding his difference with Mr Hurd on sanctions, Mr Mandela said they were discussing the problem and hoped to reach agreement in due course.

"We are friends," Mr Mandela added.

Mr Hurd told both President De Klerk and Mr Mandela that Britain had earmarked R4 million to support the return of exiles to South Africa.

Half the money was for projects to support the reception and resettlement of the returning exiles. The other half was earmarked as a contribution to the United Nations High Commissioner for Refugees' costs in bringing the exiles home.



## Commonwealth group meets FW

9/7/91 GERALD REILLY

PRETORIA — SA's return to the fold of Commonwealth nations was imminent, leader of the visiting Commonwealth Parliamentary Association delegation Clive Griffiths said last night.

Griffiths, association executive chairman and Western Australian Legislative Council president, is heading a mission of seven Commonwealth parliamentarians.

"We are here to establish links with the SA government prior to SA resuming its place in the Commonwealth at the earliest possible opportunity," he said.

He said President F W de Klerk had told the mission at a meeting yesterday that SA had long ago reached the point of no return on the road to a one-man one-vote parliamentary democracy.

"The discussions were extremely constructive. We were deeply impressed with President de Klerk's obvious sincerity and determination in this aim."

On Commonwealth sanctions Griffiths said the association could only advise and provide the background against which Commonwealth heads of state would decide on the issue.

Association secretary-general David Tonkin said he would be reporting on the visit to the Commonwealth heads of government in Harare in October.

He said the association — with its diversity of 50 member nations, 120 parliaments and 10 000 MPs — had a wealth of experience and expertise in democracy.

Tonkin said De Klerk had undertaken to send a copy of the draft constitution to the association for comment.

## ANC plan on sanctions opposed

# Hurd calls for massive new investment

Blog 9/9/91

BRITISH Foreign Secretary Douglas Hurd said in Johannesburg yesterday that there was an "incredibly important need" for "huge" foreign investment in a new SA.

Hurd, who arrived yesterday for a three-day visit to the country, said he did not agree with the ANC's newly announced plan for a phased lifting of sanctions.

After meeting ANC president Nelson Mandela, Hurd told newsmen he had disagreed with Mandela on the timing of ending sanctions and the pace at which foreign investment should flow into the country, but said the two had found "much common ground".

The ANC's national conference this week adopted a three-phase plan for lifting sanctions linked to the removal of obstacles to negotiations, the installation of an interim government and the adoption of a democratic constitution.

Sapa reports Hurd said Mandela had agreed that fully integrated sport should be admitted to international competition.

Mandela said after the meeting he was confident an amicable agreement on sanctions could be reached "in due course".

He said the ANC was not inflexible on sanctions, which had been implemented for a specific objective which had not yet been attained.

Hurd told Mandela and President F W de Klerk, whom he met earlier yesterday, that the British government had earmarked R4,6m to aid the return of exiles.

JONATHON REES

Some R2,3m would be given to the UN High Commissioner for Refugees once it asked governments for contributions to the cost of repatriation, with the rest going to projects to support the reception and resettlement of returning exiles.

After meeting De Klerk in Pretoria, Hurd said the reform process in SA was of great interest to the UK because SA was equipping itself for a new role in the international community and in Africa.

He said although there was a strong historic bond between SA and Britain, South Africans must find the solutions to their own problems.

Hurd said there was no alternative to negotiations, adding that he hoped the push towards successful negotiations could be resumed following the ANC's conference.

De Klerk welcomed the British government's "encouraging attitude" and its "constructive role" in the process of change.

He said he was confident negotiations could proceed "sooner rather than later" since ANC leaders had been given a mandate to negotiate by their national conference.

Government was "in a hurry" to get a multiparty conference off the ground.

However, Mandela said it was not possible for the ANC to negotiate before obstacles to talks were lifted, including the re-

□ To Page 2

## Hurd

Blog 9/9/91

turn of exiles, the release of political prisoners and an end to violence in SA.

Asked about government's view on the number of SACP members elected to the ANC executive at the weekend, De Klerk said he was "not worried" about it, in the sense that it might pose a specific threat.

"What worries me, is the fact that it gives rise to uncertainty as to who stands exactly where," De Klerk said.

Hurd also met PAC president Clarence Makwetu and top PAC officials in Pretoria yesterday morning.

PAC deputy president Dikgang Mosenke said the sanctions issue was not raised.

Both sides put forward their views on a

□ From Page 1  
multiparty conference, formation of a patriotic front and violence and discussed PAC preconditions to negotiations.

Hurd will hold a series of meetings in Durban today, including one with Inkatha president Mangosuthu Buthelezi.

□ Sapa reports that Britain's new Ambassador to SA Antony Reeve presented his credentials to De Klerk at the Presidency in Pretoria yesterday.

Reeve greeted De Klerk in Afrikaans, saying it was a "great honour, privilege and pleasure" for him to represent his Queen and government in SA.

● Picture: Page 3



# Finrand boosted by new optimism

8/22 9/17/91

SHARON WOOD

THE ANC's three-phase proposal for lifting sanctions boosted the finrand yesterday, reducing the commercial rand discount to a new low.

Dealers said there had been strong demand for SA gilts from Europe throughout the day. Demand had outstripped supply.

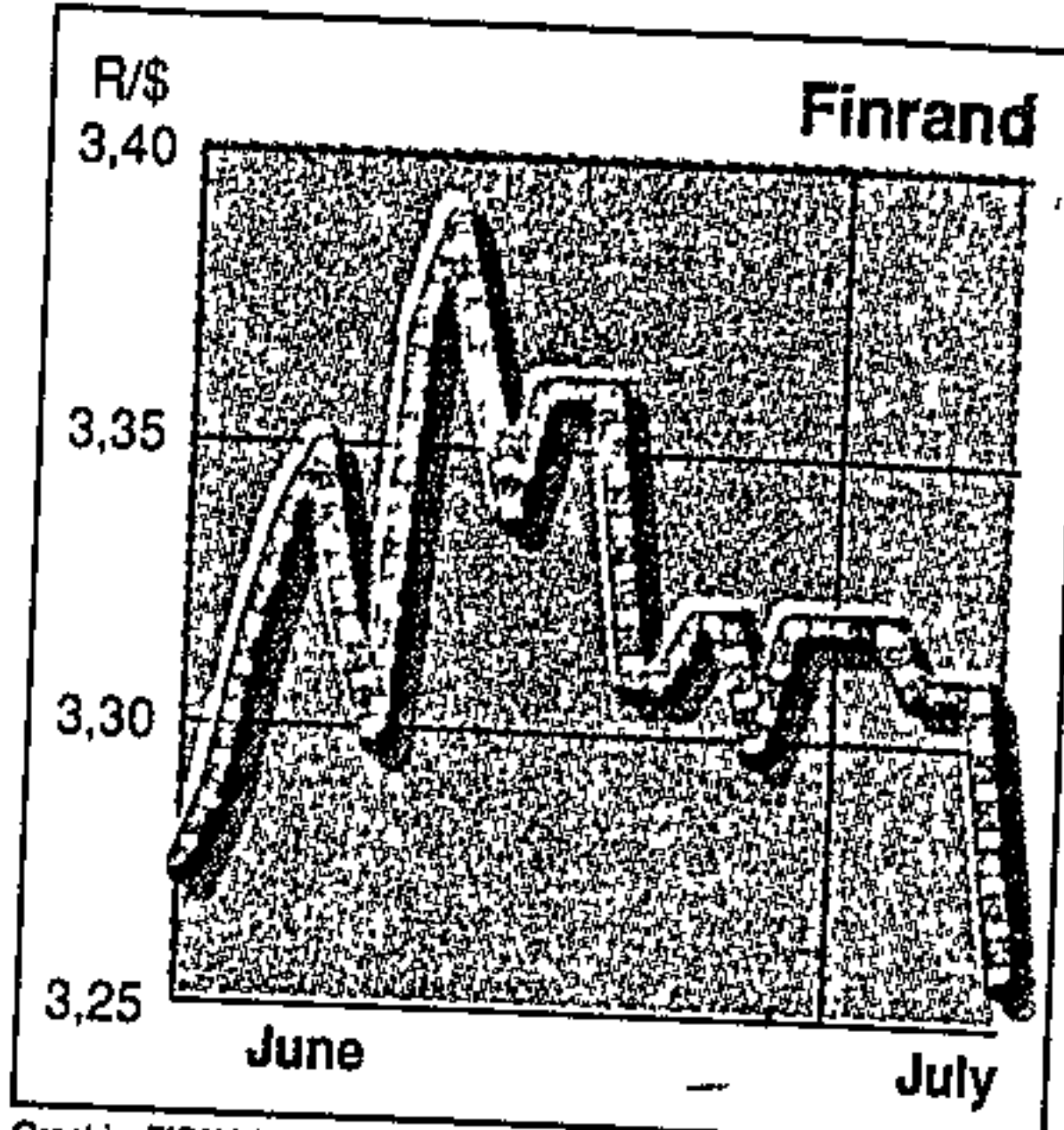
The finrand closed 5c higher yesterday at R3,26 from Friday's close of R3,31. The commercial rand discount narrowed to 11,27% from 12,38% on Friday.

The finrand's advance caused late selling of gold shares on the JSE and a 17-point rise in the all gold index at mid-afternoon turned into a three point loss at the end of trade with the index closing at 1 466.

Some traders expected the finrand to ease today in response to what could have been a "knee-jerk reaction", although others said there was room for the finrand to strengthen further.

On the capital market rates softened in response to foreign interest. The Eskom E168 closed at 16,105% from Friday's 16,15%, while government's RSA 150 stock closed at 16,43% from Friday's 16,47%.

Simpson, McKie analyst Marilyn Visser



said interest in government stock had been growing steadily over the last few weeks, with buying interest mainly from Germany and Switzerland.

"Demand during the day was not out of the ordinary but this could be due to delays between settlement dates," she said.

The settlement dates in the capital and

□ To Page 2

## Finrand

financial rand markets did not coincide and buyers might be processing finrand transactions first before gilt transactions, she said. This could result in a rush of gilt transactions in the next few days.

"Sentiment is better following the end of the ANC conference because people are satisfied with the outcome," Visser said this could lead to better demand for government stock because the gilt yields had

become more attractive.

The commercial rand strengthened against the dollar yesterday, closing at R2,8923 from Friday's R2,9003 close.

The rand benefited from dollar profit-taking and the lack of further US economic data which had recently stimulated dollar buying interest.

□ The JSE overall index closed 19 points higher at a new record of 3 439.

□ From Page 1

# Bush likely to lift curbs within weeks

By Hugh Robertson  
Star Bureau

9/1/91

WASHINGTON — President Bush is expected to lift sanctions against South Africa "in the next week or so" and senior congressmen expect his decision to be upheld by both Houses of Congress after a short battle.

The congressmen say the US State Department has been charged with conducting a case-by-case assessment of each prisoner over whose political status there is still doubt.

This assessment is nearing

completion and is the only thing holding up a message to Congress from President Bush giving the required 30 days' warning that he intends ending the ban on trade and investment.

While supporters of sanctions acknowledge they do not have the votes in Congress to override a presidential decision, they warned that they would take the issue to the courts, and, very possibly, to the courts.

Last week Edward Kennedy met senior administration officials to express his misgivings about reports that Mr Bush was about to lift sanctions.

He and other senators have warned Mr Bush that because any presidential decision on the

Comprehensive Anti-Apartheid Act would involve interpreting the law, supporters of sanctions might ask a court to review the White House interpretation.

In terms of the CAAA, the president is empowered to lift sanctions if he is satisfied that at least four of the five stipulated conditions for doing so have been met. One of these conditions must be the release of all "political prisoners".

The ANC and other groups say not all prisoners who fall under the definition of "political prisoner" have been freed, but the State Department's assessment is being made in terms of the definition of "political prisoner" recognised in US law, and

not the uncertain definition used in the Pretoria Minute.

Opponents of sanctions in Congress say they — and probably the White House — would welcome a clash over those "political prisoners" whom the ANC insists are still being held.

"I doubt whether we would get much of a fight," a leading congressional adviser said yesterday. "Everyone in Congress is very well informed about prevailing US sentiments on crimes of violence and the law.

"There is a groundswell of revulsion at the crime wave sweeping this country, and the ordinary American is tired of hearing excuses and explanations about motives and mitigating

factors for crimes like murder, arson, robbery and terrorism."

But supporters of sanctions warn that they may not single out the "political prisoner" issue in taking the matter to the country or the courts.

"There are other conditions which patently have not been met," a senior congressional aide said. "Chief among these is the requirement that the South African Government enter into negotiations in good faith. This we do not believe they have done, or are willing to do."

Observers warn that a heightened campaign against banks, companies, stores and local authorities that do business with SA may be in the offing.

280



# Lift Equity ban, urge expatriates

By Garner Thomson  
Star Bureau

LONDON — South African playwright Ronald Harwood and actress Janet Suzman are in the vanguard of expatriate artists who strongly support renewed cultural links with South Africa.

Both are committed opponents of apartheid and have supported the boycott to date.

They made their new positions clear on the eve of the Equity vote on the sale of recorded material to South Africa. The British actors' union poll closed on Friday and a result is expected today or tomorrow.

If the present situation is reversed, a free flow of televised comedy and drama would soon be available here.

Suzman said yesterday: "I believe the boycott should end. The time has come for ideas to be exchanged in the cultural world."

"Things are progressing so fast on one level in South Africa, and, while nitty-gritty issues still have to be addressed, the pillars of apartheid are down. The arts world needs to offer an input."

Explaining her change of view, she added: "One's attitude responds to history, and history is being made before our very eyes. The situation now isn't what it was a year or two years ago."

Harwood, who has refused to allow his plays to be performed in South Africa, was even more emphatic.

"I am deeply in favour of renewing ties with South Africa. Does that surprise you? I really think that what is happening in South Africa is amazing," he said.

Actresses Moira Lister and Barbara Kinghorn



Actress Janet Suzman

also believe the boycott should end. Lister, who has backed British actor Marius Goring in his bid to force Equity to abandon its stance on South Africa, said: "I feel it should be taken off immediately. I am very in favour of stopping the embargo. I don't think it serves any purpose."

Kinghorn added: "They are pirating so much material in South Africa anyway, it hardly seems practical. Since the boycott makes no difference, they might as well lift it."

Doreen Mantle, who has not visited South Africa recently, admits to having had problems making up her mind.

"My feelings go to and fro," she said. "I respect the wishes of the people in South Africa who want to maintain the boycott but, equally, I have met people who want it to be lifted."

Leslie Udwin, who was not in Britain for the vote, said she doubted whether Equity's resolution had any force. "At the same time, I have just been back to Johannesburg after 12 years and have seen no changes whatsoever."

"So on balance, if I were asked to do a play for South Africa I would probably say 'no' unless it contributed to the changing of people's attitudes."

# Japanese businessmen step up scouting trips

By Edward Neilan  
Star Foreign Service

TOKYO — Japanese companies are scouting new investment opportunities in South Africa as Japan prepares to lift its economic sanctions on the country.

The latest moves include a fact-finding visit to South Africa last week by a group of 40 top executives of major Japanese companies and financial institutions.

The mission was the second of its kind in four months. The powerful Federation of Economic Organisations (Keidanren) sent a

Star 9/11/91

mission to the Republic in April. Japan has lifted restrictions on travel and cultural exchanges with South Africa in response to the recent abolition of laws that formed the legal foundation of the country's apartheid system.

Political and economic sanctions on South Africa are still in place, but the Japanese government has expressed its willingness to lift the remaining sanctions if Pretoria releases political prisoners later this month.

Some business leaders have cautioned, however, that political instability in South Africa will delay Japanese investment. "I don't expect a rush by Jap-

anese companies into South Africa right after the sanctions are lifted," said Mr Kazuo Nakazawa, managing director of Keidanren. "The country's political situation is still unstable."

But many trading houses at the vanguard of Japan's trade and investment in foreign countries are already doing feasibility studies in South Africa. And the Keidanren mission in April helped set a positive tone in Japan.

Keidanren issued a report on the mission's findings that South Africa had a stable supply of rare metals such as manganese, an efficient transportation network

and reasonable electric utility rates.

"Japan's relationship with South Africa is extremely important," the report concluded.

Mr Jerry Matsila, chief representative in Tokyo for the ANC, said "Japan should prepare to lift its sanctions, but should not actually do so yet."

Japanese supporters of the ANC said they hoped Japanese firms would invest in South Africa in ways that benefited black people. They suggested, for instance, that Japanese companies gave priority to blacks when hiring employees. Japan was severely criticised

at the United Nations for being South Africa's largest trading partner in 1987 while other nations were implementing stiff sanctions against the country. As a result, the Japanese government urged companies to reduce their trade with South Africa.

Japan's imports from South Africa dropped from \$2.26 billion (about R6.6 billion) in 1987 to \$1.84 billion (R5.37 billion) in 1990.

Japan mainly imports platinum, manganese, chrome and other materials from South Africa and exports cars and electrical appliances.



# US plans to lift sanctions

280  
CT 10/7/91

WASHINGTON. — The United States is planning to announce the lifting of some economic sanctions against South Africa today, authoritative sources said yesterday.

The sources said President George Bush would announce that sanctions contained in the 1986 Comprehensive Anti-Apartheid Act were terminated because South Africa had met the five requirements laid out in the legislation.

But some sanctions contained in separate legislation would remain in place. These include an arms embargo, a ban on nuclear trade with South Africa, a prohibition on Export-Import Bank loans and guarantees and a ban on International Monetary Fund (IMF) loans, the sources said.

Meanwhile, the SA ambassador to Washington, Mr Harry Schwarz, said yesterday that the US economic sanctions had played only a marginal role in dismantling South Africa's apartheid system.

Reports that the US was about to lift sanctions fuelled bullish sentiment in the financial rand and gilts markets yesterday.

Dealers said the mood was fast approaching euphoria as expectations heightened that Americans were poised to enter SA markets. Strong demand for financial rands pushed the discount between the investment unit and the commercial rand to another record low of 9,7%. This compares with an average of 24,3% during 1990 and a peak of 52,9% in 1986.

The finrand strengthened to a close of R3,18 yesterday from Monday's R3,26 to bring its gains since the beginning of the month to about 4%. It was last at these levels about four months ago.

On the JSE, industrial share prices continued to surge yesterday, rising a further 42 points to reach a new all-time high of 3 949.

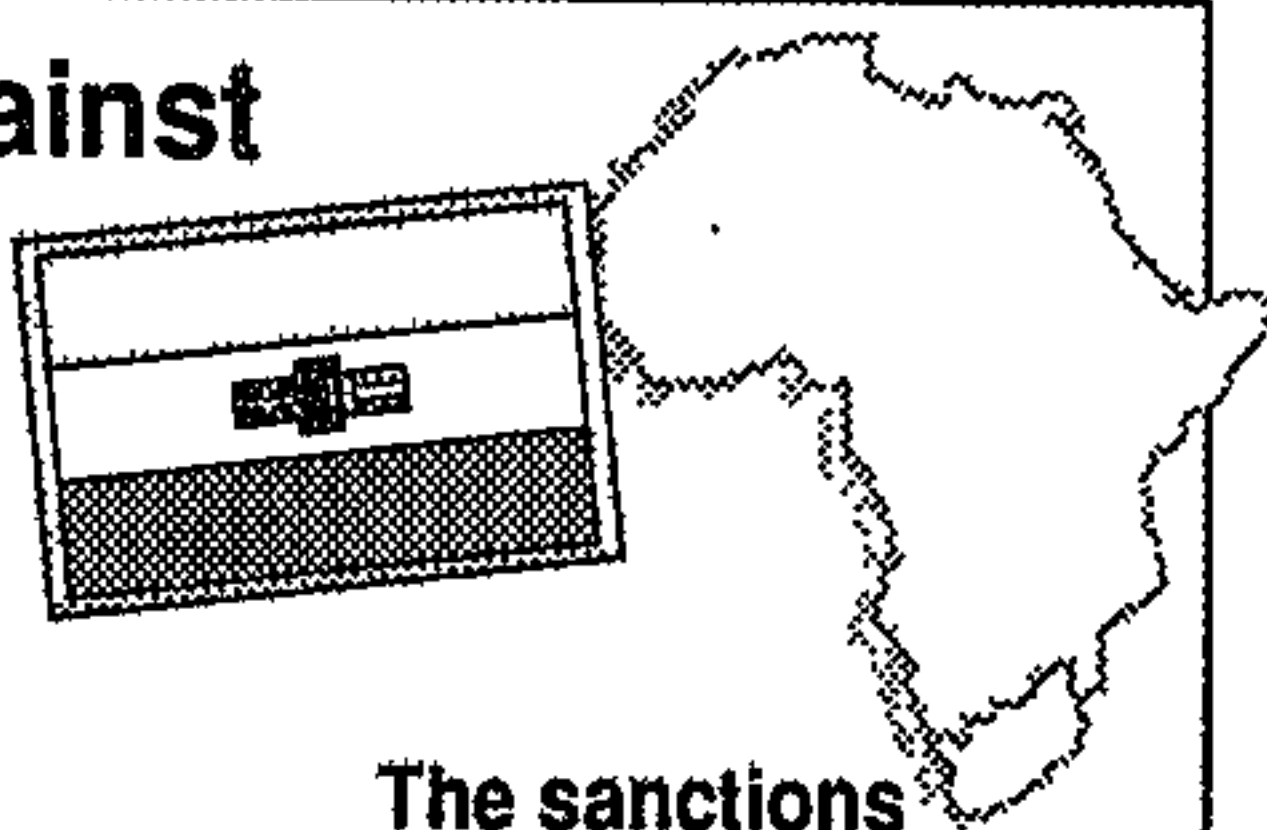
● Industrials surge to new heights — Page 12

# Sanctions may prove tough nut to crack

280  
MEX 10/7/91

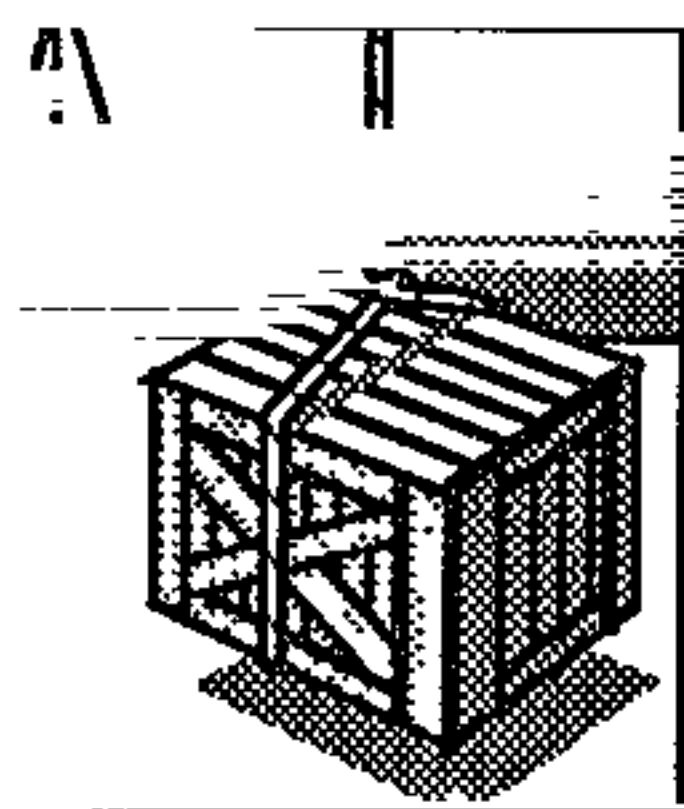
## U.S. Sanctions Against South Africa

President Bush is expected to lift U.S. economic sanctions against South Africa this week.



### THE SANCTIONS

#### Trade



#### Imports

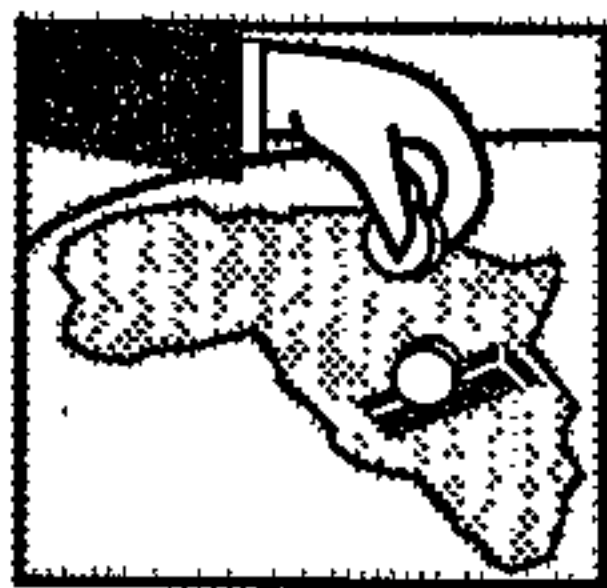
South African goods that cannot be imported into the U.S. include: coal, uranium, iron, steel, weapons, textiles and agricultural products.

#### The sanctions law requires:

- Freeing of political prisoners  
*The South African government says that all political prisoners have been freed. But the African National Congress says about 900 remain jailed.*

*These four steps were accomplished earlier:*

- Repeal of the segregationist Population Registration Act and the Group Areas Act
- Repeal of the state of emergency and release of prisoners held under it
- Legalization of democratic political parties with free participation in them by all South Africans
- Agreement by the government to enter talks with black leaders



#### Exports

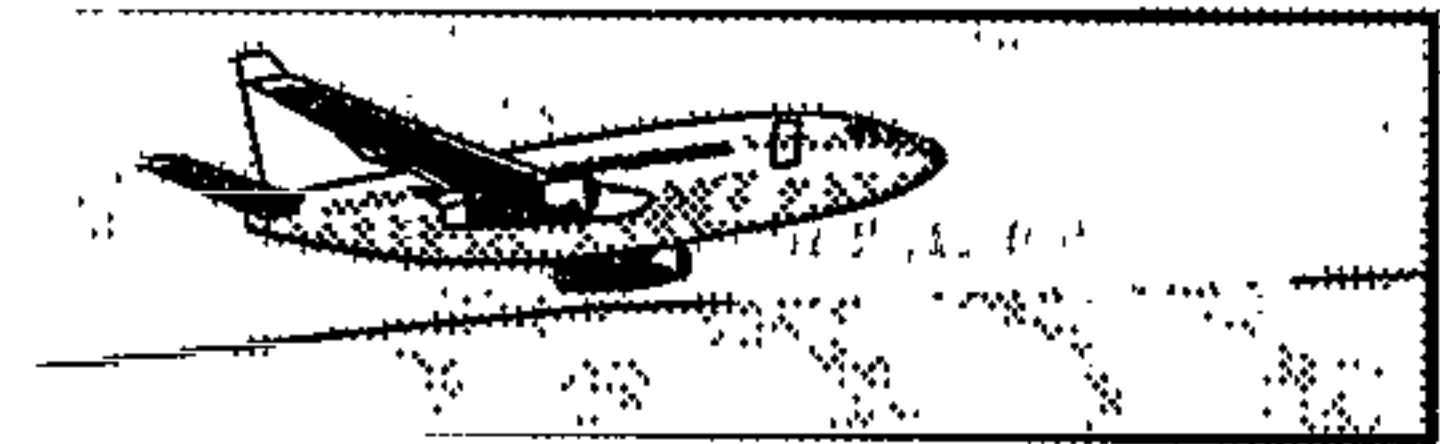
U.S. companies are prohibited from exporting weapons, agricultural products, and computers for use by "apartheid enforcing" government agencies.

#### Investments

U.S. companies are prohibited from investing in or lending to companies owned or controlled by the government.

#### Travel

Air transportation to and from South Africa is prohibited.



HUGH ROBERTON  
The Argus Foreign Service

WASHINGTON. — Rejoicing over President Bush's expected decision to lift sanctions will be tempered by a new report showing that an epidemic of sanctions has swept through local and state authorities in the United States.

And more than a year after its independence even Namibia is battling to get sanctions lifted that were imposed when South Africa ran that country.

The Investor Responsibility Research Centre in Washington said that 28 states, among them six of the largest in terms of population, have laws or policies restricting business or investment ties with South Africa.

In 88 cities, including the eight largest cities in the US, similar restrictions and sanctions are in force, and 24 counties now enforce sanctions.

Although there are some notable exceptions, most city, state and county authorities take their cue from the ANC.

This may change once President Bush ends the ban on investment and trade.

Crucial to this effort will be today's formal accession by South Africa to the Nuclear Non-proliferation Treaty, for it is no coincidence that some of the toughest pro-sanctions states and cities are also those with the most conspicuous lobbies against nuclear weapons.

The signing of the treaty to-

day by the South African ambassador, Mr Harry Schwarz, could tip the balance in favour of lifting sanctions in cities like New York, Los Angeles, Chicago, Philadelphia (scene of the Three Mile Island nuclear power station accident) and San Diego.

Another important factor is likely to be the announcement today by former President Jimmy Carter — perhaps the most vociferous critic of apartheid to have presided in the White House — showing support for President Bush.

Many South Africans may see Mr Carter as a "has-been" but he commands enormous respect in liberal quarters in America and his views on sanctions have been sought by many state and city legislatures.

A measure of the challenge facing South Africa is Namibia's unhappy experience.

In March, 1990 — the month of independence — 52 state and city authorities had sanctions against Namibia.

Today, in spite of a "vigorous" campaign, only 23 have lifted sanctions.

According to the Investor Responsibility Research Centre, in 1985, 40 US companies withdrew from South Africa.

The following year 53 withdrew and in 1987, 56 cut their ties. But in 1990 the rate dropped to only 10. This year one US company withdrew.

There are 573 foreign companies with direct investment or permanent staff here



The Argus Foreign Service

**HOORAY, hooray, hooray!**

It's three cheers today for South Africa's readmittance to the Olympics, an almost certain return to world cricket and the imminent prospect of President Bush lifting United States sanctions.

After 30 years in the wilderness it's possibly next stop Barcelona for South African sportsmen and women.

The official invitation to compete in Spain next year will be sent on July 25, International Olympic Committee president Juan Antonio Samaranch confirmed at the IOC's Lausanne headquarters last night after the historic decision to readmit South Africa to the Olympic family after 21 years.

In Lausanne, the Press conference at which the announcement was made ended joyously with former sporting adversaries delightedly backslapping and hugging.

The conditionally recognised Interim National Olympic Committee of South Africa (Inocsa) was with immediate effect acknowledged as Nocsa by Mr Samaranch, following recommendations from IOC vice-president Judge Keba Mbaye, who heads the Apartheid and Olympism Commission.

### 'A great day'

"This is a great day," Mr Samaranch said.

Nocsa chairman Mr Sam Ramsamy said he was delighted but warned that South African participation in Barcelona had yet to be decided.

"That depends on the political leaders (back home) and we must ask sports fans to still be patient. There is much work still to be done."

The last-minute show of disunity due to the withdrawal of the South African Council of Sport (Sacos) from the Inocsa delegation to Switzerland was dismissed by Judge Mbaye.

He said that the withdrawal of Sacos, seen by some as confirmation of continuing disunity, was not a major concern of the IOC.

As the sports world hailed the IOC decision, India was preparing to open a new innings and a new era for South African cricket.

In London, Dr Ali Bacher, managing director of the United Cricket Board, said India had agreed to propose the motion at today's International Cricket Council meeting, with the Australian Cricket Board seconding the proposal.

### Pakistan

Dr Bacher said the West Indies was likely to abstain from the first ballot, but Pakistan, whose support had been in doubt, would probably vote with the other full members.

A unanimous decision is not essential and England, Australia, New Zealand, India, Sri Lanka and Pakistan are expected to vote in favour.

An announcement is expected this afternoon.

There was also good news on the golf front. PGA Tour Director Mauritz Leen hopes to announce the scrapping of the golf moratorium on Sunday evening.

● Meanwhile, The Argus Foreign Service reports from Washington that frantic last-minute efforts were being made to persuade President Bush not to lift sanctions.

Lawyers for Human Rights today sent a faxed letter from Johannesburg to the White House appealing to Mr Bush to recognise as political prisoners a large number of people now being held in Bophuthatswana on convictions of treason.

But despondent supporters of sanctions conceded that they had probably lost the battle. Even senior aides to Senator Edward Kennedy admitted: "We just don't have the votes in the Senate or the House of Representatives to block the president. And we no longer believe that there is much mileage in trying to challenge him in court."

Mr Bush is expected to telephone President De Klerk, Mr Nelson Mandela and Chief Mangosuthu Buthelezi to inform them of his decision, and senior White House sources expect a formal announcement sometime today or tomorrow.

● Memories of Rome — page 13.

● SA back in the Games

● Cricket poised for world return

● Bush set to lift sanctions

# Three Cheers!

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11 JUL 1991

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280

(280) Aug 10/7/91

# Sanctions hopes boost share prices

By TOM HOOD, Business Editor

EUPHORIA over the expected lifting of American and British economic sanctions boosted share prices on the Johannesburg Stock Exchange today.

Gainers included steel giant Iscor, which could benefit from exports. It was the most heavily traded share on the JSE yesterday, 1.7 million shares worth R3.9 million changing hands.

The industrial share index jumped to a record 3,949 yesterday — adding R5 billion to the market value of industrial shares.

Brighter perceptions of South African political development and a less militant attitude by the ANC were key factors in lifting the financial rand — South Africa's investment currency — to 32.15 US cents from 31.44 cents yesterday, according to stockbrokers.

This brought the discount between the financial and the commercial rand to a record low of 6.9 percent today and strengthened speculation that the Reserve Bank would abolish the financial rand and create a single currency.

The discount to the commercial rand was 12 percent at the end of last week.

● See page 10.





● BUSH

# Bush to scrap sanctions within day or two (280) US official

*Simon Barber*  
6/10/91 10/17/91

WASHINGTON — US President George Bush would issue an executive order terminating the Comprehensive Anti-Apartheid Act's sanctions "within the next day or two", White House spokesman Martin Fitzwater said yesterday.

Bush's decision will be based on a finding by the State Department that Pretoria has finally satisfied the law's five conditions by releasing all remaining prisoners the US defines as political.

The department's review, conducted by the US embassy and a State Department lawyer, John Byerly, found that government had released "approximately 1 050 prisoners" since early last year, spokes-

man Margaret Tutwiler said.

These included "a substantial number who are convicted under due process for crimes of violence against persons or property, a category not covered by the standard definition (of political prisoner)."

"We have a different definition... from the ANC", Tutwiler noted.

US Secretary of State James Baker informed business leaders last week that the decision would be announced between July 10 and 14, according to a minute obtained by Business Day.

He said the Rangel Amendment, which

obliges US companies to pay taxes on their SA profits both in the US and in SA, would be lifted simultaneously.

However, the Gramm Amendment, restricting SA's access to IMF balance-of-payments support, and the Evans Amendment, which bars SA from Export Import Bank trade assistance, would remain in force, Baker said.

The business delegation, headed by Kellogg CEO William LaMothe, asked the administration to take steps to pre-empt state and local laws that penalise companies with dealings in SA.

The group argued that Bush should include in his executive order terminating

sanctions a statement asserting that it was "in the national interest to have uninterrupted commerce with SA".

According to the meeting summary, Baker "noted" the request but gave no indication whether it would be granted.

Sources familiar with the proceedings said Baker suggested the administration was uneasy about tackling the state and local issue at present, and urged the businessmen to take the legal initiative for themselves.

Administration officials said government legal experts were researching the

☐ To Page 2

## Sanctions (280)

question, and that there was now far greater interest in pursuing it than under the previous Reagan administration.

The sanctions to be lifted include a ban on new investment, restrictions on computer sales and embargoes on iron, steel, uranium, coal, textiles, agricultural goods and the products of parastatal companies.

Air links will also be restored, but this will require further discussions since the CAAA terminated the air services treaty.

The administration is quietly urging SAA to make no precipitate announcement of plans to restart US flights, although officials are confident that service can be restored "very soon".

A tax treaty rescinded by the Act will also have to be renegotiated, as will the US import quota for SA sugar.

☐ From Page 1

Sapa-AP reports from Washington that SA ambassador Harry Schwarz said yesterday US sanctions played only a marginal role in dismantling apartheid.

He said he believed eliminating the sanctions would have a limited short-term impact on the SA economy.

Schwarz said government welcomed the removal of sanctions but pointed out there were still some legislative impediments to a full restoration of normal ties.

AP-DJ reports from Quebec that Canadian Prime Minister Brian Mulroney said Canada would not follow the US's expected lifting of sanctions. "We will only lift them once all of the conditions that we and our colleagues set out are met."

# Low Equity poll votes to maintain SA ban

LONDON — British actors' union Equity yesterday voted against lifting its ban on the sale to SA of television and radio material involving its members

Veteran actor Marius Goring, who forced the referendum to be held, said he would pursue the matter through the courts and hoped to get the ban declared unconstitutional within three months

In a low poll, 6 675 (14,5%) of the total of 46 000 Equity members voted on lifting the ban, which was imposed following a similar referendum in 1976.

Of the 6 650 valid papers in the postal

ballot, 3 763 (56,6%) voted against ending the ban, while 2 887 (43,3%) were in favour.

A second question — whether Equity should discontinue its policy of excluding SA from a list of countries where theatre actors may tour with the backing of the union — was defeated by a similar margin.

Goring, 79, said he had already instructed lawyers to resume a case against Equity which was adjourned earlier this year in order that the issue might be settled at less cost through the referendum.

Some Equity council members have already successfully brought one action against Equity.

In 1986 the High Court declared that Equity's policy of instructing members not to work in SA was sectarian and unconstitutional.

Goring's application on the policies in yesterday's referendum is based on a claim that they are unconstitutional for the same reason — namely that they are sectarian, which is forbidden in the Equity constitution

□ To Page 2

## Equity

Goring said estimates indicated the ban on sales to SA was costing British actors income of around R35m a year

Yesterday's result was a triumph for the radical Afro-Asian Group in Equity, which argued that employment prospects of black members would be damaged by lifting the ban. It said producers would not cast them in shows likely to be sold to SA.

Last night another Equity member, Fred Keeling, said he would head a campaign for another referendum, this time

calling for a partial lifting of the ban on sales.

Keeling said he believed the "no" vote was more a vote against the SABC than against SA, and members would favour the sale of programmes to M-Net and Bop TV

He added that a more aggressive effort to counter misinformation spread by some Equity members during the referendum might have led to a vote in favour of programme sales.

□ From Page 1



# Equity stands firm against lifting ban

By Garner Thomson  
Star Bureau

280  
ster 10/7/97

LONDON — Members of the British actors' union, Equity, have voted firmly against lifting the ban on sales of television and other recorded material to South Africa.

The results, made known yesterday, could now mean the union's council may find itself embroiled in legal action brought by anti-boycotters trying to force a lifting of the ban.

The secret poll was an attempt by the council to avoid another High Court battle of the kind which forced them to retract their outright ban on Equity members performing in South Africa.

Strong arguments had been mounted that developments in South Africa meant the time had come to lift the cultural

boycott and enter into a free exchange of ideas.

But the results (42,7 percent in favour of lifting the ban, 57,3 percent against) show that Equity members, or, at least, the 5 000-odd who voted, are still not convinced that change is far-reaching and irreversible.

It also means that South African television viewers will be deprived, possibly for several more years, of British TV comedy and drama material — except in the form of pirated videos.

Equity general-secretary Peter Plouviez said yesterday: "Once again the members have made clear their views on these matters through a secret postal ballot, and after receiving the arguments for and against each of the questions."

The ban on the sale of recorded material to South Africa was last endorsed in 1986. And two years before, Equity members voted to support the adoption of

a policy of advising members not to accept work in South Africa.

Mr Plouviez acknowledged that the results of the latest referendum could mean a legal battle for Equity and added. "The council, as it is obliged under the rules of association, will stand by the policies decided by the membership and will defend any legal action seeking to reverse these policies."

In early comment yesterday, the Pan Africanist Congress welcomed Equity's decision to retain the ban on TV and other recorded materials to SA, saying the decision was "in line with the liberation movements' declared policies".

PAC publicity secretary Barney Desai said South Africa's international isolation had to be maintained and Equity's decision was therefore welcome.

At the time of going to press, neither the ANC nor Azapo could be reached for comment.

# Lifting bans will boost unity — Hurd

ET 11/7/91

(280)

JOHANNESBURG. — British Foreign Secretary Mr Douglas Hurd yesterday expressed the hope that the move to lift sanctions against South Africa would encourage the government and the ANC to work out their differences.

Mr Hurd was addressing a press conference at Jan Smuts airport following a three-day visit

to the country. Now, not later, is the time to start encouraging investment for South Africa's future, he said.

"South Africa cannot afford to wait for a political settlement before addressing the legacy of apartheid."

If President George Bush would lift some sanctions as promised, he would warmly welcome the

move, the British Foreign Secretary said.

He also welcomed the decision by the International Olympic Committee and the International Cricket Conference to re-admit South Africa to the world sporting scene.

He said British Prime Minister Mr John Major would be keen to visit the country. — Sapa



● SAA READY FOR NEW  
YORK ROUTE — Page 3  
● INDICES SOAR AS MONEY  
POURS IN — Page 9

Assistant Secretary of State for Africa Mr Herman Cohen said Mr Mandela had replied that "he understood the president was acting in accordance with the law and had no flexibility but that he would have preferred this be done at a later date".

In a blunt rejoinder to congressional critics of his move, including House Speaker Mr Tom Foley, who yesterday argued that the conditions of the Comprehensive Anti-Apartheid Act had not been met, Mr Bush said "One, we complied with what you wrote in the law, and two, it's the right thing to do."

The act set five conditions, the last of which was satisfied when the State Department notified Mr Bush on Monday that all remaining prisoners of conscience who had not been convicted of violent crimes had been freed.

Congress can only reimpose the act's sanctions by passing an entirely new law.

Secretary of State Mr James Baker has sent a letter to Treasury Secretary Mr Nicholas Brady that will trigger repeal of the Rangel double-taxation amendment.

Mr Cohen said "some US companies" had indicated they intended to return to South Africa but others would hold back to watch developments and also because of state and local sanctions laws.

He predicted that the most immediate economic impact of Mr Bush's decision would probably be an increase in South African exports to the US.

He revealed that the department of justice was looking at ways to force local authorities to abandon "their own foreign policies", and did not rule out legal action.

He estimated that over the past 10 years sanctions had caused South Africa's economic growth to be 25% less than it might otherwise have been.

To page 3

From page 1

## Sanctions

President De Klerk applauded the decision. "The removal of these sanctions will contribute to the revival of our economy to the benefit of all South Africa — especially those disadvantaged South Africans who have borne the brunt of sanctions, including many of the unemployed," he said.

ANC secretary-general Mr Cyril Ramaphosa said the measure was premature on two issues: Violence, which had resulted in many deaths and continued unabated, and the many political prisoners who remain in jail.

Reserve Bank governor Dr Chris Stals said the move would not have an immediate effect on monetary policy. It would not result in large sums of money being poured into South Africa because loans from the International Monetary Fund and certain investments and trade that were covered by other legislation were still banned.

Dr Stals said the lifting of sanctions would play an important psychological role because the capital outflow of the past seven years would decrease and access to international loans would be easier.

Foreign Minister Mr Pik Botha said he hoped the "momentous" decision by Mr Bush would lead to an end to sanctions worldwide.

The American Chamber of Commerce in South Africa welcomed the move. Executive director Mr Wayne Mitchell said it would "have a positive effect on business confidence and the medium to long-term financial investment from the United States will go a long way towards the development of all South African society coupled with an upswing in the economy".

But he also said prospective US investors in South Africa would always be looking over their shoulder at their local governments, if they wanted to maintain ties with them.

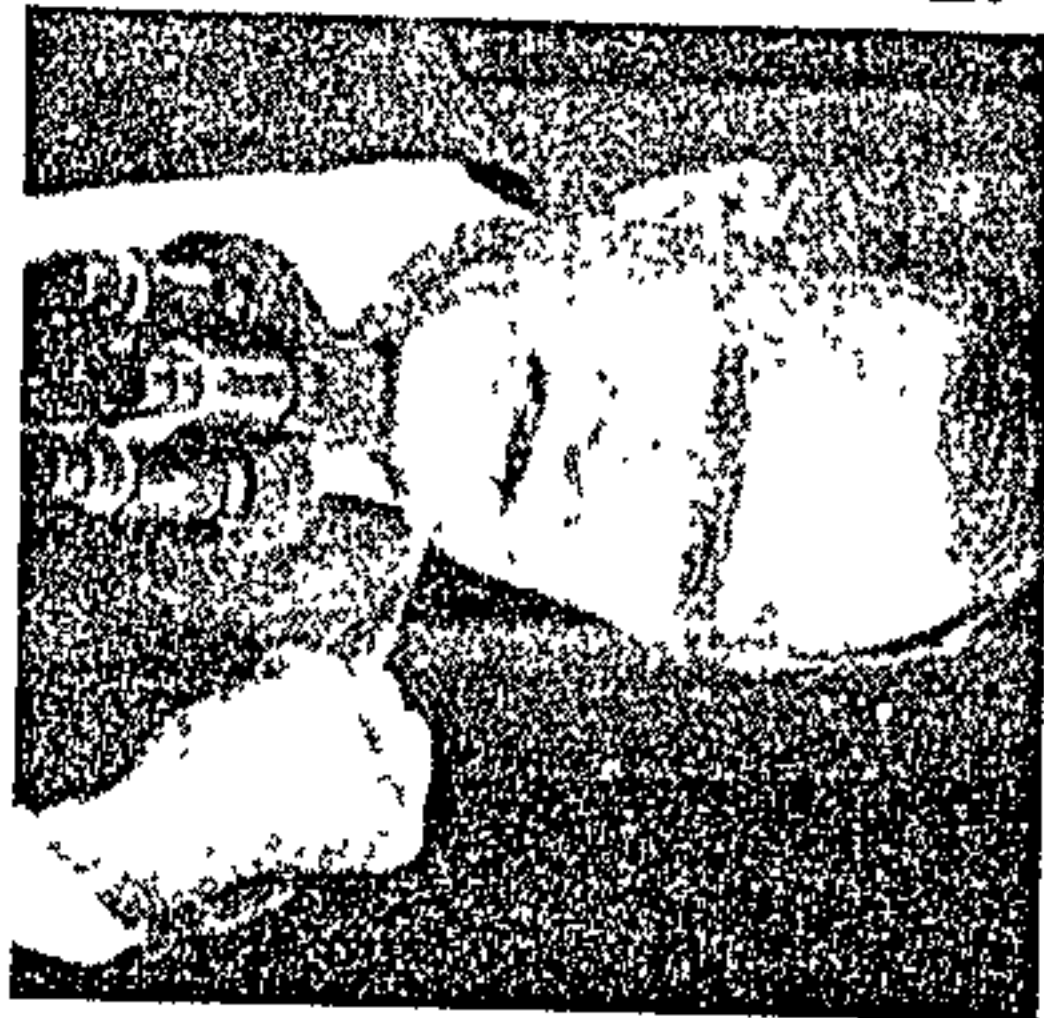
The Democratic Party expressed delight at President Bush's decision.

"They (sanctions) have gone because the Nats have indeed come a long way towards liberal democracy, and we are happy that President De Klerk should receive credit for this," said DP leader Dr Zach de Beer.

In Johannesburg, the Chamber of Mines said the announcement offered hope that a period of urgently-needed economic reconstruction in South Africa could now begin.

But, the chamber's president, Mr T I "Naas" Steenkamp, also said: "South Africa's problems (with the US) have not ended with the repeal of the Comprehensive Anti-Apartheid Act."

Mr Tom Langley, of the Conservative Party, said in Pretoria that he was happy that South Africa could participate once more in international trade. However, the CP believed the conditions under which sanctions were lifted represented a "flagrant" interference in South Africa's internal affairs.



WASHINGTON. — President George Bush formally lifted most United States sanctions against South Africa yesterday and vowed to double economic help to the country.

ANC, PAC and the Organisation of African Unity, among others, welcomed the move. Even before Mr Bush's announcement the Johannesburg Stock Exchange soared to record levels in anticipation of the move.

The industrial shares index briefly touched an incredible 4 052 points before closing at 4 036.

The mood on the market was euphoric, with local and overseas investors pouring money into industrial shares.

Making the announcement, Mr Bush said he believed South Africa's "profound transformation" had resulted far less from sanctions than from the emergence of "a forward-looking man of (President F W) de Klerk's stature".

He vowed to double US economic assistance to South Africa from its current \$40 million (about R120m) a year level and to urge industrial nations to step up their own efforts at the forthcoming Group of Seven summit in London "to help blacks partici-

# SAFEGUARDING JSE soars to record high

CT 11/7/91



By MICHAEL CHRISTIE

Director of the Washington office of the South Africa Foundation

# Sanctions: It may be years before the US releases its hold on South Africa

(280) CT 11/7/91

THE Comprehensive Anti-Apartheid Act (CAAA), governing Federal sanctions against South Africa, and the Rangel Amendment which denies US taxpayers credits for taxes paid to the South African government, will soon be terminated.

South Africa's access to IMF facilities will have to wait until the president has persuaded Congress, later this year, to replenish the US contribution to that institution. The president, understandably, does not wish to muddy that particular discussion with the South African issue. The sanctions enacted by 85 cities and 26 states will, of course, remain operative.

How long these sanctions will remain is a matter for conjecture. If the example of sanctions against Namibia is anything to go by then they are likely to be around for some time yet.

It is a melancholy fact that, nearly 18 months after its independence, more than 30 cities and states still retain sanctions against Namibia. What this says about the concern for the Namibian people by those who enacted these sanctions in the first place need not be spelled out here. What is clear is that the fathomless parochialism and indifference of many of the local activist groups constitutes a major barrier to the renewal of normal business activity between the United States and South Africa.

Only a clear call by the ANC to lift sanctions would be likely to have a significant effect and even then it is not certain that this would penetrate the fog in all instances.

In terms of practical effect these remaining sanctions are more damaging to the South African



DE KLERK: Policies will encourage economic growth in SA.

can economy than those that will have been lifted.

Nevertheless, inasmuch as the imposition of the CAAA was a symbolic rejection by the United States of the policies being pursued by the South African government, its termination will be equally symbolic of the approval by Washington of the general thrust of the policies being pursued by Mr De Klerk, and a signal that Washington wishes to encourage economic growth in South Africa as an essential component of a successful transition to democracy in South Africa.

## Encouraging

It will also be a signal that the United States supports recent European moves to lift sanctions and an encouraging indication to the South African business community of South Africa's re-acceptance into the world economy.

This might be the most important consequence because the most damaging sanction on the South African economy was levelled by South African businessmen themselves, unwittingly, yet in accordance with the way free enterprise works and should work.

vestment fell sharply during the 1980s.

This raises the question of what the prospects are for renewed foreign investment in South Africa. If foreign investment means the sort of long-term capital investment that South Africa needs, then the answer is, not much at all — at least not from the United States.

Many US corporations have begun to indicate their interest in pursuing business opportunities in South Africa, notwithstanding the state and city sanctions referred to earlier. But this is likely to be initially aimed at trade and at establishing a foothold in the growing South African consumer market as well as gaining an entrypoint to wider markets elsewhere in Africa.

## Open system

Some recent reports in the South African Press seem to be somewhat over-optimistic regarding the likelihood of South Africa attracting substantial private capital investment from the United States, particularly while violence persists and the political future remains uncertain.

Control over Washington's relations with South Africa after sanctions will shift from Congress and the limits imposed by specific pieces of legislation to the administration and its foreign policy professionals — where it belongs.

This should have the effect of giving whatever policy emerges a more flexible but more considered basis. But the political system in the United States is an open one and policy towards South Africa will continue to be directly affected by the broad realities of American political life.

A recent widely discussed book suggests that one of these realities is that both conservative and liberal politicians have failed to address the values and concerns of the majority of Americans. The thesis runs that voters are offered one or other positions to choose from — a false choice of one extreme or the other on each issue,

neither of which reflects their views or concerns.

They are therefore turning away from politics, which leaves the field open to activists and special interest groups, thereby reinforcing the problem. The mass of the people represent a more balanced, centrist position on most issues.

## Proxy resolutions

If the South African issue is taken as an example, then this proposition certainly holds true. There has always been a tendency among people in this country to place greater emphasis on defining and proclaiming where they stand on the South African issue rather than supporting practical means of addressing South Africa's problems.

Ideological camps have certainly formed around the South African issue and this has tended to encourage inflexible attitudes among hard-core adherents on both sides. This is no less the case now than before.

This should not be exaggerated but it is instructive to note that South Africa was again this year the subject of more proxy resolutions than any other issue at the annual round of shareholders' meetings of US corporations. Whereas these resolutions may have been of a more routine nature than before they were nevertheless aimed at maintaining pressure on US corporations to sever their business connections with South Africa.

Several cities and states have actually tightened their sanctions during the course of the past year. It cannot be that the sponsors of these actions are unaware of the fundamental changes that have been taking place. On the contrary, it seems that the more the parties in South Africa move towards compromise, the more the dedicated activists here perceive a threat to the positions they have invested in so heavily over the years.

□ This is an edited version of an article due to appear in the South Africa Foundation's monthly newsletter.



# A World

Bush lifts sanctions, SA back in top cricket

11/17/91  
Dunham

280

# new world

## Welcome back Sam



**LONDON - President George Bush lifted American economic sanctions against South Africa last night - hours after the country was re-admitted to world cricket.**

With the country welcomed back to the Olympic community on Tuesday, this has been one of the most dramatic weeks for South Africa since President FW de Klerk started his process of reform.

While the American weapons boycott of South Africa remains in force, Bush announced that the 1986 package of economic sanctions was going to end because South Africa had met the requirements in terms of political reform.

Bush said he had telephoned ANC leader Mr Nelson Mandela yesterday to tell him that lifting sanctions was "the right thing to do".

Earlier Bush told a news conference in Toronto, Canada, where he was on an official visit: "I've never been enthusiastic about sanctions in the first place. I think that De Klerk has done things that none of us would have dreamed possible in effecting and moving towards change and freedom."

### Complaints

In the teeth of complaints from countries such as Zimbabwe, Nigeria, Australia and the Democratic Party in America which is currently in op-

● To Page 2

South Africa had been isolated from Test cricket since 1970 because of apartheid. Cowdrey said: "We have given them (the United Cricket Board) our good wishes because South Africa has satisfied all the things we have hoped for and asked for over many years and much more than that." "clearance" is obtained from back home, the UCBSA would be delighted to receive and accept an invitation to next year's World Cup in Australia, UCBSA president Mr Geoff Dakin said in London. Staff Reporter and Sapa- Reuter.

● See pages 4 and 7

South Africa's return to the international arena was announced by Mr Colin Cowdrey, chairman of the International Cricket Council (ICC), the game's world ruling authority. South Africa had been isolated from Test cricket since 1970 because of apartheid. Cowdrey said: "We have given them (the United Cricket Board) our good wishes because South Africa has satisfied all the things we have hoped for and asked for over many years and much more than that." "clearance" is obtained from back home, the UCBSA would be delighted to receive and accept an invitation to next year's World Cup in Australia, UCBSA president Mr Geoff Dakin said in London. Staff Reporter and Sapa- Reuter.

From Page 1

SA is back 11/17/91

280



# Damaging US sanctions still in place

280  
August 11/7/91

**HUGH ROBERTON**  
**The Argus Foreign Service**

WASHINGTON. — Several major sanctions against South Africa will remain in place in spite of President George Bush's announcement that he would lift those sanctions provided for in the Comprehensive Anti-Apartheid Act.

Most of them were imposed during the long years of confrontation between the United States and successive hardline governments in South Africa and there is no immediate prospect of them being lifted.

By far the most damaging is the Gramm amendment to the Bretton Woods Agreements Act. This prohibits US support for any International Monetary Fund loans to South Africa unless such loans meet clearly defined criteria and are of benefit to a majority of South Africans.

While there has been speculation that the Bush Administration might soon conclude that South Africa has met the requirements set forth in the Gramm amendment, officials today cautioned against "over-optimistic speculation".

Another damaging sanction that will stay in place will be a ban on US Import-Export Bank loans and credit guarantees, except for activities that support black-owned businesses in South Africa.

Most of the other sanctions reflect past US disapproval of the role of the military and the police in South Africa, and while officials acknowledge that there has been a change for the better in the control and leadership of

the security forces, it is likely to be some time before these sanctions are reviewed. They include:

- A ban on all exports to the South African military and police.

- Adherence to the United Nations embargo on the export of arms and arms material and the prohibition on co-operation with the South African government in the manufacture and development of nuclear weapons.

- A voluntary ban on the import of military equipment from South Africa.

- A ban on all intelligence co-operation with South Africa.

The sanctions which were swept away by yesterday's executive order issued by President Bush include:

- The ban on the import to the US of Krugerrands, other gold coins, iron and steel, sugar, other agricultural products and the products of State-owned corporations.

- The ban on loans to the South African government and on the operation by the South African government of bank accounts in the US.

- The ban on the import to the US of uranium ore, uranium oxide, coal and textiles, and the ban on the nuclear trade.

- The ban on new investment in South Africa, the ban on US assistance for investment in or subsidy for trade with South Africa and the ban on US procurement from State-owned corporations in South Africa.

- The ban on SAA flights to and from the US and the ban on the promotion of US tourism in South Africa.

- The ban on the export of crude oil and refined petroleum products to South Africa.



# American investors will tiptoe back to SA

280  
12/11/91  
ARG 11/7/91

## Japan to copy Washington

TOKYO. — Japan will follow the United States and lift its remaining economic sanctions against South Africa by the end of the month, reports said.

The sanctions, including a ban on imports of South African iron and steel and on exports of computers to South African agencies that practise apartheid, will be lifted by the end of this month, reported the Nihon Keizai Shimbun, Japan's leading newspaper.

Last month Japan lifted restrictions on tourism and educational and cultural exchanges between the two countries, but said it would hold off on lifting other sanctions to see what action the United States took. — Sapa-AP.

## Shares rocket by R780 million

**TOM HOOD**  
Business Editor

NEARLY R780 million was added to the value of shares as foreign investors piled into the Johannesburg Stock Exchange in yesterday's mini-boom.

More than R166 billion of shares changed hands, R15 billion more than on Tuesday, ahead of the lifting of American trade sanctions by President George Bush.

Investors have now become R95 billion richer this year as a result of share values surging by 37 percent.

A firm of London brokers reported a buying order for South African industrial shares of about R25 million from German and British funds.

**RAMSAY MILNE and HUGH ROBERTON**  
The Argus Foreign Service

NEW YORK. — President Bush may have re-opened the door for investment in South Africa, but few firms appear ready to rush through it.

"Tip-toeing back to South Africa may be the best way to describe how American firms will react," said an official.

However, companies as diverse as General Motors and ITT Corporation's Sheraton unit and the construction giant Fluor Corp say they are likely to consider new investments now that sanctions have been removed.

Another major US company, Digital Equipment Corporation, recently sent a team of senior managers to South Africa for the first time since 1972 to explore investment opportunities.

Their visit followed a similar trip by Mr J F O'Reilly, chairman of H J Heinz and Co, earlier this year to meet President De Klerk and Mr Nelson Mandela to discuss investment possibilities.

## Politically risky

"The removal of sanctions will certainly put South Africa back on our radar screen," a Heinz official told the Wall Street Journal yesterday.

Other companies, like Mobil, IBM, Ford and Xerox, said Mr Bush's decision would not alter their investment policies, because investment in South Africa could be too expensive and politically risky.

Even those companies prepared to face continuing attacks from the US anti-apartheid lobby fear they may have lost the competitive edge in South Africa to those who did not leave.

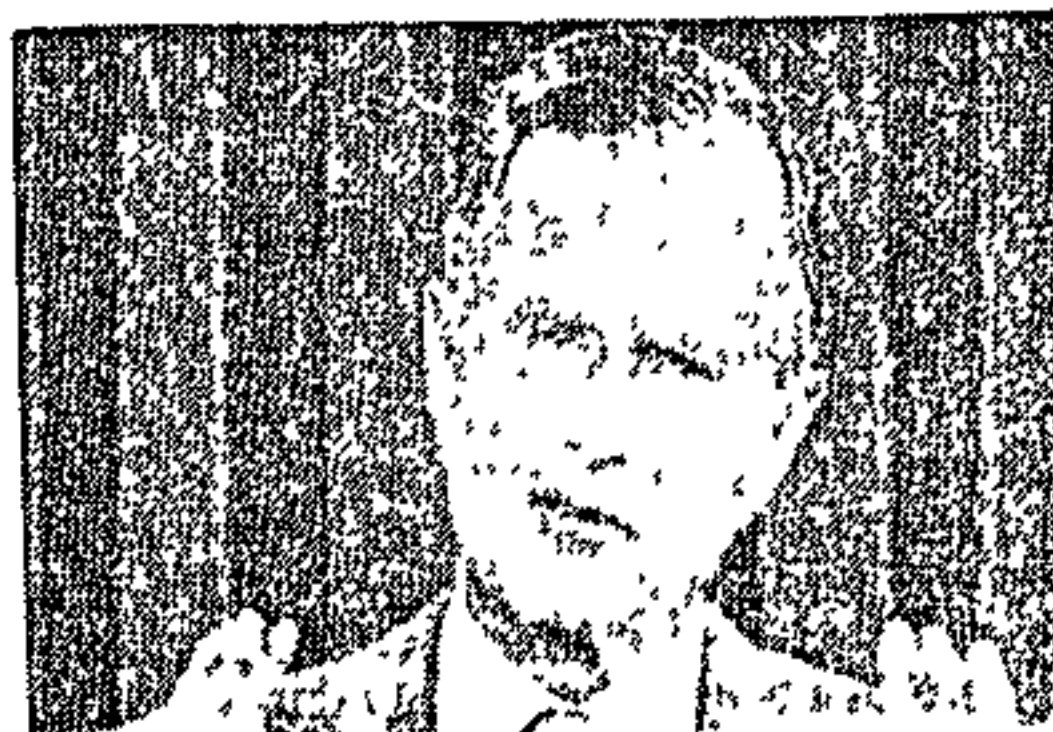
Mobil, one such example, said its return to South Africa would be so "astronomically expensive" that it would be unable to buy back at a reasonable price the operations it sold to General Mining in 1989.

The same is not true for Fluor, a Californian engineering and construction company, which left itself a repurchasing option when it sold its South African operation to an independent trust in 1986.

"The lifting of sanctions is one step toward making a repurchase possible," said a spokeswoman.

But, she added, the company would most likely wait for a calmer social and political order to emerge in South Africa.

It is a view many companies may share.



President Bush announces the lifting of sanctions against South Africa.

## Five killed in unrest

### "Triple triumph"

Yesterday belonged to South Africa in the American capital as President Bush lifted sanctions, ambassador Harry Schwarz formally delivered the country's instrument of accession to the Nuclear Non-proliferation Treaty, and the news of South Africa's readmission to the Olympic movement resounded through the city.

Newspapers and television networks gave splash coverage to the "triple triumph" for President De Klerk and his government and throughout the day South Africa was the hot topic of discussion from Capitol Hill to the State Department.

Regular television programmes were interrupted at noon for live transmission of President Bush's Press conference on sanctions.

At his White House Press conference, Mr Bush said "This is a moment in history that many believed would never be attained."

"Progress has been slow and often painful, but progress has definitely been made and we have seen a profound transformation in the situation in South Africa."

The president of the National Association for the Advancement of Coloured People, Mr Benjamin Hooks, accused Mr Bush of being "criminally irresponsible". The organisation, the largest and oldest of US black civil rights movements, passed a resolution condemning the sanctions decision.

Chairman of the prestigious International Freedom Foundation, Mr Duncan Sellers, applauded Mr Bush's decision, saying it "not only recognises that South Africa has met all the conditions laid out in US legislation, but also acknowledges that South Africa has entered the post-apartheid era."

# FW hails scrapping of Act, ANC condemns it

## Political Staff

PRESIDENT De Klerk has welcomed the lifting of the Comprehensive Anti-Apartheid Act (CAAA).

He said the move was a further step towards normalising relations between South Africa and the United States.

"The removal of these sanctions will contribute to the revival of our economy to the benefit of all South Africans, especially those disadvantaged South Africans who have borne the brunt of sanctions, including many of the unemployed," Mr De Klerk said in a statement read by Foreign Minister Pik Botha yesterday.

Pointing out that certain restrictive trade and investment measures at federal, state, county and city level remained, Mr De Klerk said he hoped the momentum created by the termination of the Act would lead to the removal of the remaining measures.

Mr Botha described the lifting of the Act as "a very, very great day" and of "great importance".

The ANC condemned the scrapping of the Act as a premature move, yet hailed the significant contribution the US legislation had made to achieve certain objectives.

Those were the lifting of the state of emergency, the unbanning of all

political organisations, the repeal of apartheid laws, the release of all political prisoners and a start to genuine negotiations between the government and "the true representatives of the people" of South Africa.

British Foreign Minister Douglas Hurd said it was time to set aside the "worn-out" arguments about sanctions to address the legacy of apartheid.

Speaking yesterday at Jan Smuts Airport after a three-day visit, Mr Hurd said the effects of apartheid had to be addressed by a shift in priorities in government spending as well as by foreign investment.

"It is no longer necessary to condemn blacks to greater poverty in the cause of ending apartheid. Now, not later, is the time to start encouraging investment for South Africa's future," he said.

He welcomed the US government decision to lift the CAAA and said it was exactly the kind of encouragement South African leaders needed.

● Two of the Sharpville Six prisoners, Oupa Diniso, 35, and Joshua Khumalo, 31, were freed on parole yesterday in accordance with Mr De Klerk's amnesty after serving two years and seven months of their respective 25 and 18 years' sentences.



# Demise of sanctions to have little effect

THE lifting of US sanctions would have a minimal effect on dealings with the US in the short term, analysts said yesterday.

Sanctions imposed by lower levels of government in the US were a long way from being repealed and were likely to inhibit American investment in SA.

Twenty-six states, 78 cities and 20 counties have imposed their own sanctions on companies dealing with SA and, according to Nedbank economist Edward Osborn, they are more likely than the federal administration to consult with the ANC on dropping sanctions.

Among the states imposing sanctions is California, which has the world's seventh largest economy.

American Chamber of Commerce executive director Wayne Mitchell said prospective US investors in SA would always be looking over their shoulder at their local governments if they wanted to maintain ties with them.

Osborn said that if SA exporters managed to penetrate the US market on a significant scale there was every possibility that restraint of trade orders would be slapped on their goods.

Any export drive into the US, particularly in the depressed iron and steel markets, could therefore be capped.

Textile exports to the US worth R100m were recorded before sanctions were imposed and this was one sector which was likely to feel the effects of restraint orders if significant inroads were made.

Fruit and shellfish were important sectors and could be the ones that benefited most from lifting sanctions, Osborn said.

ANDREW GILL

However, fruit exports would have difficulty in competing with the Californian market, which had shown tremendous growth.

Shellfish could make a significant re-entry but the SA industry had its own problems with a drastically reduced catch.

Sugar exports, which had a 40 000-ton quota until it was given to the Philippines, would have to wait for the US to grant another quota.

Uranium exports would depend on global markets, which were extremely depressed at the moment.

Coal was unlikely to make any inroads into the "overwhelmingly self-sufficient" US market.

Local producers might, however, get the occasional opportunity to take up short-falls and "dump" coal in the US.

Imports which suffered most from sanctions were supplies to parastatals, military equipment and computer hardware.

Military imports were likely to show little change.

Most important was computer hardware, much of which was now obtained from US franchises in third countries.

In order to circumvent sanctions, many of these franchise-holders signed five-year contracts with the SA computer industry.

Contracts with franchises were now expiring and there was a strong possibility that the franchise-holders would not renew them for fear of angering US state and city legislatures and jeopardising their parent companies' dealings with them.

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## Concern over 'imbalances'

THEO RAWANA

A SENIOR adviser to the Bush administration who is visiting SA yesterday expressed concern that lifting sanctions would perpetuate historical imbalances in SA.

Senior adviser on small business trade policy and promotion Thomas S Watson said there was concern in the US about the effects of lifting sanctions now.

Watson is in SA as part of a world tour promoting employment and business opportunities for middle market companies.

"One of the elements of our federal sanctions law was the encouragement of black economic empowerment in SA. That has been virtually ignored by business and by the Press," Watson said in an interview.

"We are concerned that any resumption of commerce (should) be restructured so that black economic empowerment be encouraged and that co-operation between white and non-white business in SA be a major component of commerce between the two nations."

4  
BUSINESS DAY, Thursday, July 11 1991

# Iscor set for orderly entry into US

6/Day 11/7/91  
BRENT VON MELVILLE

ISCOR is well positioned to take immediate advantage of the re-opening of the US steel market, it believes.

Iscor spokesman Piet du Plessis confirmed yesterday that Iscor's marketing network in the US was extremely well established and that despite lack of sales through sanctions over the past several years, those contacts had been maintained.

He said that the US Voluntary Restraint Agreements allowed Iscor to export 263 000 tons of steel in 1986 to the US. Actual tonnages that year reached 243 590 tons, compared with 230 345 tons in 1985 and 242 276 tons in 1984.

Iscor's sales to North America fell to practically nothing in the interim

period. Du Plessis was reticent about what levels sales could reach with sanctions lifted.

There is a worldwide glut of steel and prices are accordingly very weak.

He said that Iscor's re-entry into the American market would be orderly and well-planned.

"Our primary focus nevertheless remains local industry and when the ex-

pected upturn comes, our emphasis will remain on supplying local demand," Du Plessis said.

"Despite this, exports will continue to help spread our fixed costs over an optimal level of production, thus keeping prices as low as possible for both local and overseas markets.

"The lifting of US sanctions will also benefit customers such as steel fabri-

cators who will now be able to export more of their value-added products at margins," he said.

The steel producer's share hit its highest level well over a year yesterday following a week of strong gains ahead of yesterday's announcement that the US had scrapped sanctions.

It jumped 16c yesterday to 251c.

Market analysts said Iscor was attracting strong European interest as a prelude to strong buying from American investors.

PRESENTING THE LATEST STREAMLINED  
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'Big boost to confidence'

6/Day 11/7/91  
BRENT VON MELVILLE

THE lifting of US sanctions was a catalyst towards building confidence among the business community in SA and the restabilising of international commercial relationships, SA Sugar Association (SASA) chairman Glyn Taylor said yesterday. Since the loss of the US quota in 1986 the industry had actively pursued other international markets.

"Nevertheless, the US market has always been attractive to the industry for traditional and commercial reasons, and we would be keen to re-establish our presence in this market."

The 1986 US quota for 40 000 tons would be worth \$10,1m at today's spot sugar price of \$253,50 a ton.



# Immediate help needed Hurd

BRITISH Foreign Secretary Douglas Hurd yesterday pronounced apartheid dead and called for immediate and massive new investment in SA. *May 11/7/91*

"It is time to put aside the worn out arguments about sanctions," Hurd told a Press conference at Jan Smuts airport at the end of his visit. "It is no longer necessary to condemn blacks to greater poverty in the cause of ending apartheid."

He said now was the time to start encouraging investment for SA's future, adding that SA could not afford to wait for a political settlement before addressing the legacy of apartheid.

He "warmly welcomed" President George Bush's decision to lift sanctions, saying the next step would be to remove restrictions on SA access to IMF funds.

It was important to create confidence so investment actually came to SA, he said.

He hoped lifting economic and sports restrictions would encourage the ANC and government to move towards negotiations to which there was no alternative.

SA must now proceed with nation building through investment to address the "fearful legacy of apartheid", although vio-

JONATHAN REES

lence stood in the way of progress.

Police could not be everywhere at all times, but government had a heavy responsibility to ensure the SAP acted impartially and effectively, he said.

Hurd said Prime Minister John Major was "very keen" to come to SA and was "extremely supportive of the reform process", but no date had been set for his visit.

Hurd said he did not see a role for international mediators to solve SA's problems because there was constructive dialogue underway between political leaders.

Britain's bilateral aid programme had contributed R45m to SA — the world's largest aid programme for SA, he said.

Following a request from government and in consultation with the ANC, Britain would help pay for hundreds of orphans to return to SA from Tanzania as part of its R4.6m contribution to the return of exiles.

Hurd visited Alexandra yesterday where he announced an additional R470 000 grant to the health centre.

See Back Page

ANC condemns move as 'premature'

# Bush scraps US sanctions



● BUSH

WASHINGTON — The majority of US sanctions against SA formally ended yesterday with a stroke of President George Bush's pen.

Announcing his decision afterwards, Bush said he believed that SA's "profound transformation" had resulted far less from sanctions than from the emergence of "a forward looking man of (President F W) de Klerk's stature".

He vowed to double US economic assistance to SA from the current \$40m a year level and to urge industrial nations to step up their own efforts at the forthcoming Group of Seven (G-7) summit in London "to help black participate fully in the revitalisation of the economy".

He also laid the groundwork for possible legal action to roll back state and local sanctions laws, saying he hoped that "state and local governments will take note of our action".

Major US corporations, including Fluor Corp and Kellogg, had been lobbying for Bush to raise the issue when he made his announcement on scrapping the Comprehensive Anti-Apartheid Act (CAAA).

He said he had had what he described as a "fairly long talk" with ANC president Nelson Mandela, telling him he was bound by law to end the sanctions and stressing that the US wanted to see a "stable and dynamic economy" in SA.

SIMON BARBER

He plans to call De Klerk today.

In Johannesburg, the ANC said Bush's move was "premature", but would not undermine the organisation's relations with the US.

De Klerk said Bush had shown himself to be a man of his word and commended him for resisting pressure "to shift the goal posts".

Reports on Page 4:

- Analysts sound a note of caution
- Iscor ready to re-open US market
- SAA set to resume flights to New York

He said removal of CAAA sanctions would help in reviving the economy and benefit all South Africans, "especially those disadvantaged South Africans who have borne the brunt of sanctions, including many of the unemployed".

Bush, in a blunt rejoinder to congressional critics of his move, said: "One, we complied with what you wrote in the law, and two, it's the right thing to do."

The CAAA set five conditions, the last of which was satisfied when the State Department notified Bush on Monday that all remaining prisoners of conscience who had not been convicted of violent crimes had been freed.

Congress can reimpose the Act's sanctions only by passing an entirely new law.

The sanctions lifted with immediate effect include embargoes on new US investment and SA iron, steel, uranium, textiles, agricultural goods and the products of parastatal organisations.

At the same time, secretary of state James Baker has sent a letter to treasury secretary Nicholas Brady that will trigger repeal of the Rangel double-taxation amendment.

The restoration of SA-US air links will take a little longer because the relevant treaty was revoked by the CAAA. Interim arrangements are expected to be made in short order, however.

Restrictions on commercial nuclear trade will also be eased because of SA's accession to the nuclear non-proliferation treaty. Ambassador Harry Schwarz yesterday presented the formal "instruments of accession" in a ceremony at the State Department yesterday.

The main sanctions the US still retains are the arms embargo, restrictions on SA drawings from the IMF and a prohibition on export-import bank finance for exports to non-black-owned business in SA.

ANC secretary-general Cyril Ramaphosa told a media conference in Johannesburg that Mandela had told Bush the

□ To Page 2

## Bush

action was premature, reports JONATHAN REES.

Violence meant there was no climate for free political activity and large numbers of political prisoners remained in jail — two key conditions of the CAAA.

ANC international affairs head Thabo Mbeki said Bush had "moved the goalposts" by categorising political prisoners in homelands, particularly Bophuthatswan separately from those in SA prisons.

Ramaphosa said the ANC was pleased the Gramm Amendment — which restricts SA access to IMF and World Bank loans — would remain intact, adding that the ANC would continue to work in the international

community for the amendment to remain in place.

GERALD REILLY reports a clearly delighted Foreign Minister Pik Botha told a media conference at the Union Buildings last night: "Internationally, we have done it. This wonderful moment must now be used by SA to pressure its leaders to stop delaying tactics".

SA leaders must now come together to remove suspicion and distrust and get down to the inevitable structuring of a new constitution.

The PAC, Cosatu and the SA Council of Churches (SACC) all described the announcement as premature.

□ From Page 1



# Business takes subdued view

15/1/91  
COMMERCE and industry reacted soberly to the lifting of the Comprehensive Anti-Apartheid Act (CAAA) yesterday, saying US state and local sanctions and unfavourable market conditions would remain major stumbling blocks in any drive to recapture US markets.

Since the Act was imposed in 1986, SA exports to the US have plunged by about \$745m (R2,1bn at the current exchange rate) to \$1,3bn. Regaining this market is expected to take years.

Any major investment drive by the US is also expected to be slow in materialising because of the remaining local sanctions and uncertainty about SA's political and economic future.

The repeal, however, could give a significant boost to business confidence and was seen as an important step in the readmission of SA into the global business arena.

"Hopefully this will lead to the early

11/1/91  
ANDREW GILL  
and BRENT VON MELVILLE

lifting of the Gramm and Evans amendments which restrict balance of payments support by the IMF and funding by the Export Import bank respectively," the SA Chamber of Business (Sacob) said yesterday.

280  
However Sacob senior economist Ben van Rensburg said while the lifting of sanctions had probably reduced the traditional lags between world economic activity increases, and improved export performances, it was unlikely the SA economy would benefit from rising foreign earnings before February or March next year.

Nedbank economist Edward Osborn said the secondary effects of the repeal could possibly be more important with many countries following the US lead in dropping sanctions. Japan has indicated it would drop sanctions once the US had done so.

□ To Page 2

## Subdued

11/1/91  
With open trading now possible there would be a disintegration of the discounts on SA goods and an evaporation of boycotts, he said, hopefully giving SA's fruit, horticultural and wine industries a boost.

SA Foreign Trade Organisation (Safto) GM Ann More said the lifting of the CAAA indicated a further normalisation of international trade with SA and would have positive spinoffs particularly for exports of SA food products, clothing and textiles.

She cautioned however that there were still many state and municipal restrictions governing business with SA and those would take considerable time to dissolve.

American Chamber of Commerce executive director Wayne Mitchell welcomed the lifting and said it was sure to

240  
have a positive effect on business confidence and the medium- to long-term financial investment from the US would go a long way towards the development of SA, coupled with an upswing in the economy.

Interest by US investors was expected to include the mining and tourism industries and high priority areas such as food, clothing, basic consumer goods, small appliances and housing.

He said nearly half the US firms with no direct investment in SA had retained licensing, distribution, franchise or buy-back agreements which would facilitate their return to SA. These companies included Coke, Pepsi, General Motors (now Delta), Xerox and Bausch & Lomb.

□ From Page 1

# Scrapped, by George

There was great jubilation at the South African Chamber of Business yesterday when the news broke that President George Bush was ready to scrap American sanctions against South Africa. But there are still many hurdles to be cleared. MICHAEL CHESTER reports.

**HATS WERE** thrown in the air and champagne corks popped at the South African Chamber of Business (Sacob) yesterday when news came that President George Bush was poised to bring an end to US sanctions against South Africa.

He promised the removal of one of the main cornerstones of the international sanctions blockade — the Comprehensive Anti-Apartheid Act.

"We have seen a lot of chisels at work chipping away at sanctions in recent months," said Sacob deputy director-general Ron Haywood. "But this will be like the first big swing of a sledgehammer."

"It is almost bound to be seen as a green light that gives the go-ahead to everyone else around the world to allow South Africa to break out of isolation."

The American Chamber of Commerce in Johannesburg (Amcham) agreed.

"It will provide a tremendous boost to business confidence," said executive director Wayne Mitchell. "The psychological impact will be enormous."

First off the mark, he forecast, would be expansion in two-way trade. It had managed to increase even during the peak of the sanctions campaign. South African exports to the

US, dipping and weaving through gaps in the package of sanctions, still moved forward from around R4 billion to R4.5 billion a year between 1987 and 1988.

US exports to South Africa rose from R3.6 billion to R4.8 billion.

"As the brakes come off, the two-way traffic should do much better," said Mr Mitchell. "But it may take time."

When the euphoria settled down, both Sacob and Amcham turned to face the fact that while the White House looked set to wipe out obstacles, there were hurdles galore still to be cleared.

Mr Mitchell underlined that no fewer than 26 states and 76 major cities across the US still had their own sets of sanctions rules that needed to be removed before they pressed ahead with any new contact with South Africa.

Even if they decided to follow the White House lead, the sluggishness of bureaucratic machinery could mean it would

take at least 18 months or more to alter legislation.

(No fewer than 14 US states have still not had time to change laws that apply sanctions on Namibia.)

An illustration of the clout of local legislation was seen in the way New York had the power to maintain a ban on landing rights for SAA until the city council decides otherwise. Until

then, there will be no air links unless SAA strikes a deal with an airport elsewhere.

on South Africa's access to vital new loans from the International Monetary Fund and the World Bank, and access to the US Import-Export Bank, which Mr Mitchell said still blocked

## Banned: Krugerrands, metals, textiles, food

The Comprehensive Anti-Apartheid Act, introduced by the US Congress in 1986, banned all new United States investments in South Africa and all loans and credit to the SA Government and State corporations.

It also banned imports of uranium, coal, textiles, iron, steel, arms, ammunition, military vehicles, agricultural products and food from South Africa.

Sugar import quotas were transferred from South Africa to the Philippines.

There was a blanket ban on imports of Krugerrand gold coins and the importation of any products from South African State-owned companies, even if they tried to escape the sanctions net and were routed via third countries.

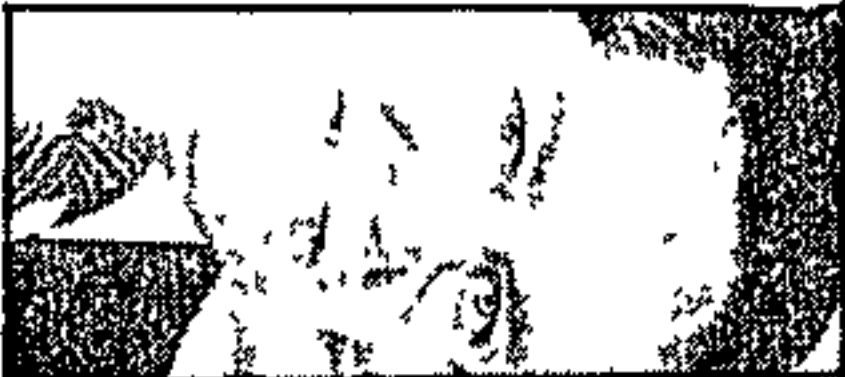
In turn, United States companies were banned from sending in crude oil, petroleum products or munitions, or material or technical data used in connection with any nuclear power plants.

Prohibitions were also

clamped on US exports of computers, computer software, computer services to the South African military, police "and other agencies involved in the administering of the apartheid system."

The Act ended air links between the US and SA and banned landing rights to all SA aircraft.

Corporations violating the rules were threatened with fines as high as \$1 million (R2.8 million). □



R Haywood



W Mitchell

cash flows needed for business and socio-economic investment.

Moreover, the 106 US companies that had stayed in operation in South Africa through all the anti-apartheid turmoil — waving farewell to no fewer than 214 companies that pulled out under political pressure — at the moment still faced special tax problems.

Yet to be clarified was the future of what Washington calls the Rangel's Amendment, which forces them to pay double taxation as a penalty.

Mr Mitchell predicted that many potential US investors would keep their cards close to their chests until they saw the shape of the promised new South Africa.

"The crisis and violence in the black townships is suggesting to the potential foreign investor that the end of apartheid is not synonymous with an end to instability," he said.

"Especially in the wake of the recent ANC congress, they are unlikely to make any major decisions until they have a better picture of the sort of new political and economic policies that emerge."

"Few of them will be anxious to make a move until they are assured of Government guarantees about the protection of their investments."

"Lots of states and cities may reserve judgment about their individual sanctions until they hear from Nelson Mandela and the ANC," said Mr Mitchell.

"Potential investors need to know the medium and longer-term economic plans of the major political actors."

Despite disinvestment moves in the anti-apartheid campaign US companies that stayed behind still hold investments equal to about R5.6 billion.

Mr Haywood believes that that could provide the base for the first wave of new US investments in expansion programmes.

"Positive reaction to any announcements by President George Bush will be vital."

"The US may consider its two-way trade with South Africa as only a small fraction of its overall world trade. But it is highly significant in South African terms. Even initial moves to remove sanctions will have an important impact." □



# SA borrowers come in from the cold

LONDON — South African borrowers have been making a steady but low-key return to the international bond markets.

So far, activity has been restricted to the private bond markets of Germany and Switzerland.

However, the country's gradual rehabilitation with international investors should soften the austerity enforced on its economy by more than five years in the financial wilderness.

Few details are made public by either the borrowers or the banks concerned, although such private placements have never been formally banned under sanctions.

Fragmentary evidence suggests that the level of borrowing by South African companies and government bodies has been increasing since 1988 and has accelerated sharply this year.

Many bond issues made in the early 1980s are being successfully refinanced.

## Redemption

In the first half of this year, South African borrowers had 10 international bond issues falling due for redemption, totalling \$600 million equivalent, according to figures compiled by the Centre for the Study of the South African Economy and International Finance at the London School of Economics.

The centre estimates that about half of this amount has been refinanced.

A breakthrough came in May, when Eskom, the state electricity utility, placed a \$50 million bond issue with a group of in-

After years of financial isolation South Africa returns to the international bond markets

ternational investors.

The proceeds of the issue were not used to refinance a maturing debt. It marked the first time that "new money" had been raised by a South African borrower since existing loans were locked in under the debt standstill of 1985.

## Swiss banks

"South African is undergoing a gradual rehabilitation which began in late 1988, but it is still a long way from the levels of borrowing which characterised the early 1970s and the early 1980s," says Jonathan Leape, director of the centre.

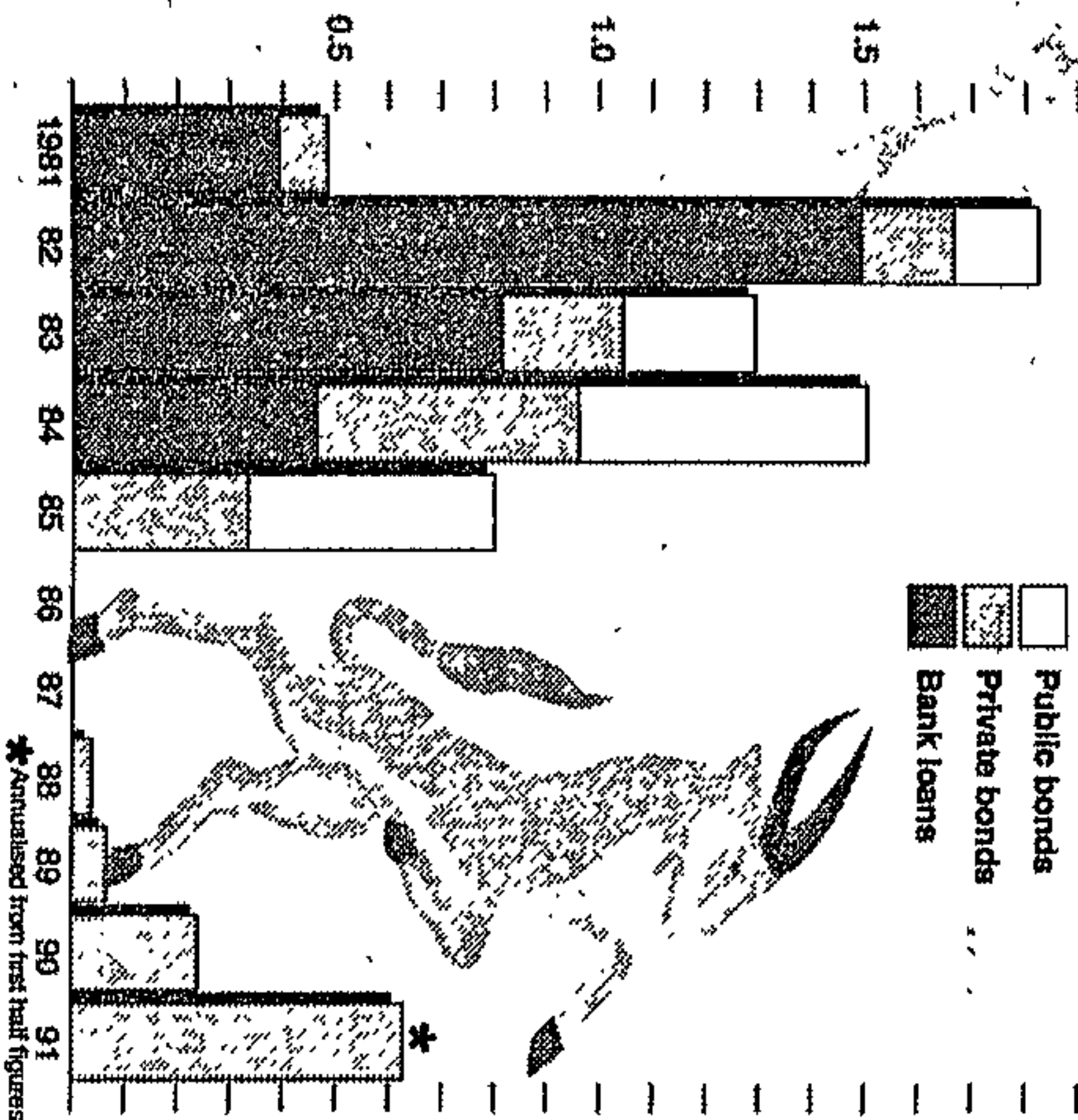
In addition to privately-placed bond issues, there is also evidence of small-scale bilateral lending by Swiss banks in the late 1980s.

Swiss central bank data suggests lending in the region of \$50 million in this period. However, there is no way of knowing which banks lent to which South African borrowers.

There have also been a small number of trade-linked financings. The largest identifiable such operation this year was a \$60-million loan from the Export-Import Bank of Taiwan to the South African Industrial Development Corporation.

The facility was signed by the Taiwanese foreign minister during a visit to South Africa in January. But, though export credit cover is available from several countries, the lead does

South Africa's borrowings on international capital market



not appear to have been followed by other governments.

Commercial banks are unlikely to resume lending until existing loans are freed and provisioning requirements are eased. For example, Bank of England guidelines suggest that UK banks make provisions of about 20 percent against loans to South Africa.

Hence, the international bond market offers South African borrowers the best chance of raising long-term international finance. The appetite of continental European retail investors, who were big buyers of

South African paper in the 1970s and early 1980s is reviving.

In April Credit Suisse added a selection of rand-denominated South African government bonds to its "buy list".

According to South African stockbrokers, the level of buying of government bonds by overseas investors is closely linked to political stability. This is backed up by the data collected by the Centre for the Study of the South African Economy.

"The experiences of 1976 and 1985 suggest that a sharp escalation of township violence or

disintegration of political negotiations between the government and opposition would swiftly cut off the supply of international loans," says Mr Leape.

Deepening economic or political gloom could quickly derail the process of rehabilitation in the international debt markets. As yet, the South African economy shows no sign of recovering from a recession which has lasted for more than two years.

"Available statistics are, as yet, not indicating any turnaround in the near future," says the South African Reserve Bank in its latest quarterly bulletin.

However, access to international finance could be an important pre-condition of economic recovery. The moratorium on new international bank credits which came into effect in 1985 forced the Government to run a current account surplus, pushing the economy into recession.

New inflows of foreign capital would allow the government to run a current account deficit, stimulating economic growth.

Foreign borrowings still do not come cheap. Eskom's Dm120 million (\$65.5 million) four-year private placement completed in March pays an interest rate of 10.75 percent. By comparison, around the same time Mexico was borrowing in D-marks over five years at an interest rate of 10.5 percent.

But pricing is getting progressively easier, according to Mick Davis, finance director at Eskom. The company's \$50 million placement of bonds in May was offered a yield of 2.4 per-

centage points more than US Treasury securities.

This was a 0.4 percentage point improvement over the interest rate paid by the South African Government on a three-year bond issue the previous month.

Other borrowers include Transnet, the railways group, which placed Dm50 million of four-year bonds in June, and the Department of Post and Telecommunications, which arranged a four-year Dm150 million private placement in May.

BHF Bank, which lead-managed both deals, was reluctant to give details. However, an official commented that most of the bonds in the second deal were placed with retail investors looking for high-yielding assets, rather than big investment institutions.

Mr Davis confirms that the Eskom bonds had been placed with individual investors.

The lack of institutional participation limits the amount of fresh money which can be raised. If South African borrowers are to make bigger, public bond issues, then pension funds and insurance companies will have to participate.

In turn, it is unlikely that institutional participation will increase until international sanctions are lifted.

"Our being able to launch a public issue depends on the way investors perceive the risk of South African borrowers, the external view of the sanctions question and the direction of bond prices at any given moment," says Mr Davis.

— Financial Times.



# Full return to world financial markets could be years away

156 150 (280) 150  
Star 11/7/91

South African business got a much-needed confidence boost with the lifting of some United States sanctions, but a full return to world financial and export markets could be years away, analysts said yesterday.

Political turmoil, lack of clarity on post-apartheid economic policy, and remaining sanctions by many US local authorities, were tough barriers to investment, they said.

"The boost to confidence is terribly important but there will be little immediate effect on trade flows," said Jim Buys, chief economist of Anglo American, the country's largest company.

"There's not going to be a rush of guys banging on the door with their cheque books," added analyst Tony Twine of economic consultants Econometrix.

Wayne Mitchell, chairman of the American Chamber of Commerce, said: "It's an important short-term psychological boost and quite a bit of money might now come into the stock market, but the cure is not going to happen overnight."

Economists said President George Bush's decision to lift the 1986 Comprehensive Anti-Apartheid Act opened the door to a big-

ger prize — renewal of access to International Monetary Fund (IMF) finance — but a vast network of sanctions applied by US cities and states would remain in force.

"When the CAAA goes the battle only begins... the whole question of city and local sanctions will remain to intimidate corporations," Mr Mitchell said.

## IMF loans

Access to the IMF is in effect blocked by the 1983 Gramm Amendment, which requires Washington's IMF representative to block loans because of apartheid.

Mr Mitchell said the future of the Gramm Amendment would not come up for discussion in the US Congress until next year.

While South Africa is unlikely to require IMF loans because it has no balance of payments problem, renewed access would unlock the commercial bank finance its stagnant economy needs.

The economy recorded real growth of only about one percent annually in the 1980s and shrank again in 1990.

The government says unemployment, currently around 50

percent among the black majority, could make South Africa ungovernable by the mid-1990s unless international banks resume lending, and economic growth returns.

International banks cut off new credit to the country amid economic upheaval and a black uprising in 1985.

Mr Mitchell said 197 US companies had pulled out of South Africa since 1983, including majors like General Motors, Proctor and Gamble and publishers McGraw Hill. Only 36 US firms still operate in the republic.

Azar Jammie of Econometrix said it was unlikely that any US firms would rush to build factories in South Africa until the political situation clarified.

But he added: "Given a peaceful future, the sky is the limit for American businessmen."

Mr Mitchell commented, however, that South Africa had never accounted for more than one percent of total US foreign investment and he said there would be hot competition from Japanese, Germans, Italians and even Eastern Europeans for the best South African investment opportunities.

— Sapa-Reuter.



# SA warned: don't expect too much, too soon

By Hugh Robertson  
Star Bureau

WASHINGTON — A number of major sanctions on South Africa will remain in place in spite of President Bush's announcement yesterday that he would lift those sanctions provided for in the Comprehensive Anti-Apartheid Act.

Most of them were imposed during the years of confrontation between the United States and successive governments in South Africa, and there is no immediate prospect of them being lifted.

The most damaging is the Gramm amendment to the Bretton Woods Agreements Act, which prohibits US support for any International Monetary Fund loans to South Africa, unless such loans meet clearly defined criteria and are of benefit to a majority of South Africans.

While there has been speculation that the Bush administration might soon conclude that South Africa has met the requirements set forth in the Gramm amendment, officials today cautioned against "over-optimistic speculation".

Another ban that will stay is that on US Import-Export Bank loans and credit guarantees, except for activities that support black-owned businesses in South Africa.

Most of the other sanctions reflect past US disapproval of the role of the military and the police in South Africa, and while officials acknowledge that there has been a change for the better in the control of the security forces, it is likely to be some time before these sanctions are reviewed. They include:

- A ban on exports to the South African military and police.
- Adherence to the United Nations embargo on the export of arms and arms material and the prohibition on co-operation with the South African Government in the manufacture of nuclear weapons.

● To Page 2

## SA is warned against 'over-optimism'

US assistance for investment in or subsidy for trade with South Africa.

- The ban on SAA flights to and from the US.
- The ban on the export of crude oil and refined petroleum products to South Africa.
- The ban on "co-operation" with the South African armed forces, where such "co-operation" does not fall foul of those sanctions still in force.

the products of State-owned corporations.

- The ban on loans to the South African Government, and on the operation by the South African Government of bank accounts in the US.
- The ban on the import to the US of uranium ore, uranium oxide, coal and textiles, and the ban on nuclear trade.
- The ban on new investment in South Africa and the ban on

● A voluntary ban on the import of military equipment from South Africa.

● A ban on all intelligence co-operation with South Africa.

The sanctions that ended yesterday include:

- The ban on the import to the US of Krugerrands, other gold coins, iron and steel, sugar, and other agricultural products, and

# Growth dependent on IMF decision

By Sven Lünsche

The failure of the US to lift financial as well as trade sanctions could well put a lid on South Africa's next economic growth phase.

Economists noted yesterday that while US President George Bush had scrapped the Comprehensive Anti-Apartheid Act, both the Gramm Amendment, which forces the US to veto IMF balance of payment support to SA, and the Evans Amendment, which restricts SA from US bank's trade financing, would stay in place for some time.

"As the economy is moving out of recession, access to foreign funding could make the difference between an annual growth rate of 1,5 percent over the next two to three years and growth of three percent," SA Chamber of Business (Sacob) economist Dr Ben van Rensburg said yesterday.

By restoring normal relations with SA the IMF would send an important signal to foreign commercial and merchant banks that new loans and other financing facilities for SA companies were in order.

Until then overseas banks were likely to limit their dealings to the provision of trade credit financing.

Dr van Rensburg said at the presentation of Sacob's Business Confidence Index (BCI) that the economic recovery could be expected by the beginning of 1992.

However, unless foreign exchange reserves were strong enough or SA has access to overseas financing facilities, the Reserve Bank would be forced to put a lid on economic growth, he said.

"Removing those financial sanctions could take quite a number of years," Dr van Rensburg said.

However, there is no doubt the signal sent by President Bush will make it easier to reschedule debt repayments to SA's foreign creditors.

JCI economist Dr Ronnie Bethlehem said financial sanctions had cost SA about R30 billion over the past seven years because the Reserve Bank had to keep a lid on the balance of payments to meet debt payments and prevent a massive capital flight.

Dr van Rensburg said that even without access to overseas funding, economic conditions were likely to favour good growth from 1992 onwards.

His positive outlook was based on a number of factors:

- Prospects of stronger growth among SA's major trading partners towards the end of the year could result in an export-led recovery.

- A strong trade balance, which had boosted SA's gold and foreign exchange reserves by around fifty percent over the past year and would allow more scope for imports to rise relative to exports than had been the case previously.

- The recent lifting of trade sanctions had increased access to new markets and improved opportunities for new business ventures.

- The recent firmer rand gold price had reduced the pressure on many gold mines and the prospect of further mine closures.

- An expected sharp increase in capital and intermediate good acquisitions after the introduction of VAT in October.

Dr van Rensburg stressed, however, that business confidence at present was still uncertain — the BCI in June remained unchanged at 88,6 — "providing renewed evidence of depressed conditions that currently exist."

"It now appears that business is treading water, waiting for the next cyclical upswing to begin."

"In the meantime domestic political events and developments in major world economies will be of major importance to

Star 11/7/91

280



# Differences must be solved, pleads Hurd

Star 11/7/91  
Sapa and Staff Reporter

British Foreign Secretary Douglas Hurd yesterday expressed the hope that the current move to lift sanctions against South Africa would encourage the Government and the ANC to work out their differences.

He was addressing a press conference at Jan Smuts Airport after a three-day visit to the country.

Now, not later, was the time to start encouraging investment for South Africa's future, he said.

"South Africa cannot afford to wait for a political settlement before addressing the legacy of apartheid."

He also welcomed the decision by the International Olympic Committee and the International Cricket Conference to readmit South Africa.

Mr Hurd and his entourage included new British ambassa-

dor Anthony Reeves.

They visited projects partly sponsored by Britain.

Britain is providing a further £100 000 (about R460 000) towards the costs of the Alexandra Health Centre.

The grant was announced by Mr Hurd, during a visit to the health centre on the Johannesburg border.

Admiring the talent of young cricketers being trained under the Alexandra Township Cricket (ACO) development programme, Mr Hurd said he hoped some would soon represent South Africa at international level.

"We are helping to train the opposition, but it's for a good cause," he told reporters when presenting the second half of a R125 000 consignment of cricket equipment.

A spokesman for the United Cricket Board, which runs the programme, Chris Day, told reporters R1 billion was needed to redress the backlog in cricket facilities in townships country-wide.

280  
Travelling through streets stinking of sewage and strewn with rubbish, the delegation made a final stop at a creche bordering shacks on the outskirts of Alexandra.

After an inspection, Mr Hurd was told by ACO's Mr Mayekiso that next time he should not only visit British projects in the township but speak to residents and inspect the migrant labour hostels — scene of violence this year.

Mr Hurd said British Premier John Major would be keen to visit the country, but it was a matter of timing and would have to be worked out in conjunction with South African authorities.

Mr Hurd said the first chapter towards a post-apartheid South Africa, the abolition of the legal structure of apartheid, was virtually complete.

● At the Alexandra Health Centre, Mr Hurd was confronted by banner-waving members of the Alexandra Land and Property Organisation.

# Lifting of sanctions 'premature'

Political Staff

Star  
11/7/91

The South African Council of Churches (SACC) has joined the list of extra-parliamentary organisations which have condemned President Bush's lifting of sanctions.

SACC general secretary Rev Frank Chikane said yesterday the struggle for freedom of the oppressed was not yet over and Mr Bush's "premature lifting of sanctions" would remove one of the major incentives for Pretoria to change.

Mr Chikane said the majority of South Africans felt sanctions should not be scrapped until all South Africans could participate to the maximum in negotiations for a new constitution, and in formulating laws to replace apartheid legislation.

ANC secretary-general Cyril Ramaphosa yesterday told a press conference in Johannesburg the lifting of sanctions was premature for two reasons: violence which had resulted in the loss of many lives had not abated and many political prisoners remained in jail.

PAC secretary-general Benny Alexander said the African majority remained voteless, and the purpose of sanctions had not been served.

Azapo publicity secretary Strini Moodley said sanctions were not responsible for South Africa's economic problems, and that lifting these punitive measures would not ease the plight of blacks. He warned American companies which "fall in line with sanctions-busting" to expect to be "subjected to the wrath of the black working class".





# FW phones <sup>250</sup> Bush to say thank you

APG 12/7/91

PRETORIA. — President De Klerk has telephoned President George Bush to thank him for repealing sanctions, saying the move would encourage progress towards peace in South Africa.

Officials said President De Klerk told President Bush his decision to repeal the Comprehensive Anti-Apartheid Act would benefit all.

President Bush congratulated President De Klerk for his "courage and determination" in moving away from apartheid and towards democracy.

Referring to controversy about whether South Africa had freed all political prisoners, President De Klerk said the fate of about 160 people held in Bophuthatswana would be addressed.

The officials said President De Klerk told President Bush that African National Congress president Mr Nelson Mandela and Bophuthatswana President Lucas Mangope had asked the government to set up a meeting.

The CAAA legislation required South Africa to meet five conditions, including the release of political prisoners, before restrictions on trade and investment could be lifted.

The Human Rights Commission said about 850 ANC mem-

bers were in prison.

Meanwhile, Professor Sam-  
pie Terreblache, of the School  
of Economics at Stellenbosch  
University, says that if Mr De  
Klerk wants the lifting of inter-  
national sanctions to be condu-  
cive to desperately needed eco-  
nomic growth, he should  
provide huge poverty relief to  
the country's 15 million under-  
privileged blacks.

Writing in The Guardian, he  
said South Africa's return to  
the Olympics and the ICC, as  
well as the lifting of some eco-  
nomic sanctions by the Ameri-  
can government, was an indi-  
cation that the international  
community appreciated Mr De  
Klerk's reforms.

"Now he would be well-ad-  
vised to turn his attention to-  
wards internal matters. He  
should take effective steps to  
end the interminable violence,  
and he should clear up the still  
unresolved questions concern-  
ing the security establish-  
ment."

Turning to the economic im-  
plications of the moves by the  
US government, he said: "If he  
wants the ending of interna-  
tional isolation to be conducive  
to economic growth, he should  
complement the lifting of sanc-  
tions with a comprehensive  
programme of social improve-  
ment and poverty relief" —  
Sapa-Reuter and The Argus  
Foreign Service.



IT WAS a week of good news, beginning with favourable assessments of the ANC conference, South Africa's return to Olympic sport and world cricket and the lifting of US congressional sanctions following in quick succession.

All of these things are of psychological importance, exciting the Johannesburg Stock Exchange, paving the way for South African re-entry into the world community and enhancing the atmosphere for negotiation.

President F W de Klerk made all this possible by scrapping the apartheid laws during the Parliamentary session which has just ended. Yet it might just as well be recognised that he would never have done so if it had not been for sanctions.

Of course sanctions have worked — sanctions, that is, broadly defined as the whole complex of economic and diplomatic pressures brought to bear by the world community in revulsion at the policies of the Nationalists since 1948.

For all the moral indignation, however, the most telling action ultimately was not political at all. It was the drying up of investment capital which finally convinced Mr De Klerk and his colleagues that the game was up. The refusal of the international banking fraternity to roll over South African loans after July-August 1985 was the critical step, taken on hard-headed grounds of prudent investment practice.

### Continuing violence

It was a collapse of confidence which triggered this action. The investment community took fright at the spectacle of a society which needed to whip its youth into line with sjamboks at regular intervals — and to mow down citizens by the score with automatic weapons — to maintain a semblance of law and order. Such a society, the bankers concluded, made no sense at all as a field for investment.

This perception remains. Following the US announcement this week, the influential Financial Times of London was still concluding that in present circumstances only a fool would invest in South Africa.

There are at least two principal reasons why this is so. First there is the continuing violence. Who wants

# It's good news and bad news as sanctions go

ET 12/7/91 (280)



Political Survey  
BY GERALD SHAW

to invest in a country where the random killing by masked gunmen of half-a-dozen customers in a bar is so commonplace an event as to warrant only passing attention on TV and in the newspapers? What has happened to law and order in a country where events like this go unexplained and unpunished, time after time?

The international investment community does not care two hoots who is to blame. Whoever is responsible, a collapse of law and order ensures that investment funds will not be forthcoming. And without massive investment in employment-creating enterprise, economic stagnation and social upheaval are real prospects.

A second important factor is the international community's startled realisation that the Communist Party is taken seriously in South Africa and is even thought by some to exert a major influence on the policies of the ANC.

South Africa's obsession with the communist menace does not help matters. Elsewhere, communism is universally discounted as a failed ideology and economic system which has become irrelevant in the affairs of men.

Whatever the SACP's potential for mayhem, which is probably exaggerated, negative perceptions at home and abroad of the SACP's role are an

important factor in gloomy assessments of this country's chances.

A respected and authoritative analyst, Dr Alex Boraine, whose Institute for a Democratic Alternative has done so much to advance a negotiated peace, believes the entanglement with the SACP is a real problem for the ANC in achieving its goals.

As Dr Boraine says, voters have a right to know who they are voting for and this will not be possible if the close SACP-ANC alliance continues to blur their images into one. It is in the interests of the ANC to have a very clear distinction between them, he says, and he is obviously right.

If there is a negotiated solution in sight, as we may hope, the ANC will be the major force in the next South African government. For a start, this will need to be a government of national unity, which assumes a steady growth in mutual confidence between the ANC and the other major grouping, the National Party, which will also need to be strongly represented in the Cabinet.

Such trust does not yet exist, because the ANC suspects the NP government of stirring up or at least condoning much of the violence and because the NP government, for its part, suspects the ANC's link with the SACP and its potential for revolutionary machination.

These are not insurmountable obstacles but they are formidable enough, in all conscience. And they will have to be overcome if there is to be a political settlement, a return of investment confidence and peace and prosperity for South Africans.

The thing to do is to begin the all-party party conference right away and to keep talking steadily until the job is done.

CT 12/7/91 780

# Denmark 'to block' lifting of sanctions

LONDON. — While Denmark announced that it would continue to block the lifting of European Community sanctions, President Kenneth Kaunda of Zambia conceded that "the trend (of lifting sanctions) is catching up quite fast".

And in South Africa itself the presiding bishop of the Methodist Church, Dr Stanley Mogoba, welcomed the lifting of sanctions.

A day after President George Bush's historic announcement, there was wide-ranging reaction, both in favour and against.

Switzerland announced that it would follow Mr Bush's lead and Israel and Japan are expected to do the same.

But Commonwealth countries, especially Australia, New Zealand and Canada, said they would stick to sanctions for the meantime.

In Copenhagen Mrs Helle Degm, MP, foreign affairs spokesman for the Social Democrats, said yesterday that the question of the 164 political prisoners in Bophuthatswana was one issue which would have to be agreed on.

Dr Kaunda said yesterday that he would call a meeting of a special committee of the Organisation of African Unity as quickly as possible to discuss developments over sanctions.

In Addis Ababa the secretary-general of the OAU, Mr Salim Ahmed Salim, denounced the US decision.

— Own Correspondent, Sapa-Reuter



**Business Editor**

NEWS that Switzerland had abolished its limit on the export of capital to SA was welcomed by Ron Haywood, deputy director of the SA Chamber of Business (Sacob) yesterday. He said it was of more immediate advantage than the lifting of federal sanctions by the US.

He pointed out that financial sanctions had done more harm to the SA economy than trade sanctions.

"The US president has given the green light to a lot of other countries to lift sanc-

## Swiss <sup>220</sup> move 'of more <sup>12/7/4</sup> benefit'

tions. In many cases this will be of greater short term benefit than the lifting of US federal sanctions."

He thought the availability of money from Switzerland would give SA a safety net if the current account of the balance of payments came under pressure when the

economy began to expand, since IMF sanctions are still in place.

But Sanlam chief economist Johan Louw said commercial bankers could not be relied on to provide loans to make up for the absence of help from the IMF.

He thought the main advantage of the Swiss action would be to make it easier to roll over existing loans.

There was unlikely to be much foreign investment in new projects until stability had been achieved and it was clear what type of economy the new SA would have.

# No US scramble to return

WASHINGTON. — Several US companies say they are studying re-engagement in SA even as sanctions advocates are vowing to step up grassroots efforts to negate President George Bush's decision to terminate the Comprehensive Anti-Apartheid Act's trade and investment sanctions.

However, the prospects for an early return by the largest US firms that have sold out of SA in the past five years remain cloudy, both because of activist pressure in the US and conditions in SA.

One money centre bank, JP Morgan and Co, announced it was "actively" reviewing its no new loans policy, and a number of Wall Street brokerage houses, including Merrill Lynch and American Express Co, said they were considering reviving SA-related activities.

Merril, Amex and others are interested

in resuming research and trade in American Depository Receipts — proxy instruments that enable US investors to trade in SA shares.

With the ending of the investment ban, US institutions will now be able to market ADR's in respect of SA shares issued after the passage of the CAAA in October 1986.

General Motors, which sold its SA operation to Delta in 1996, said that with the end of sanctions it was taking another look.

Ford spokesman Ken Brown said: "The politics keep getting in the way."

Mobil spokesman John Lord said the company had not plans to return, even though the principle reason for its 1989 departure, the Rangel double taxation law, had now been rescinded.

Xerox spokesman Thomas Abbot said

Bush's decision "won't alter our no-investment policy as it stands".

IBM spokesman Tom Belz echoed this view.

Coca Cola's Linda Peck said that the company planned no immediate change of policy.

Even as Bush was announcing his decision on Wednesday, New York City was issuing a new financial rating system designed to keep city funds and bond underwriting business away from banks that have not sold their SA loans or which retain any other SA link.

The Rev Jesse Jackson meanwhile called for a guerilla-style sanctions campaign, with any company that chose to return to SA being subjected to boycotts.

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day, July 12 1991 5

# Bush gives his reasons

280  
12/7/91

From SIMON BARBER

WASHINGTON. — President George Bush decided to lift sanctions after concluding that political prisoners still held in the homelands were not covered by the Comprehensive Anti-Apartheid Act, according to a legal justification issued by the White House.

The document also said that South African law and practice had been sufficiently reformed in recent months as to "provide assurances" that there would be no further political convictions, as defined by the act, in the "foreseeable future".

Mr Bush's decision that the act's five conditions had been fulfilled has been attacked on the grounds that it failed to take into account 164 prisoners held in Bophuthatswana, most of them soldiers and officers involved in the 1988 coup attempt against Chief Lucas Mangope.

In Johannesburg, the Human Rights Commission also criticised Mr Bush's decision, saying it was flawed as not all political prisoners had been released.

It accused Mr Bush of not adopting the definition of a political prisoner as agreed in last August's Pretoria Minute.

W/Man 12/7-18/7/91

# The lone Dane who won't let sanctions go

●From PAGE 1 280

Sanctions have become an important domestic issue in Denmark.

The opposition Social Democrats, acting on strong popular support for maintaining sanctions, are obviously using it as yet another lever with which to topple the Conservative government, which favours ending sanctions.

"Of course this is tough luck for the South Africans," he says.

"Certainly I cannot do anything about this. But I should think that this would be an even greater incentive to the South African government to satisfy our demands."

Estrup does not feel burdened by the fact that the extent of economic relations 342-million Europeans in the Community may have with South Africa is up to him.

"Whether you like it or not, that is democracy," says the former history lecturer at the University of Copenhagen.

"The fact that the democratic process has produced this peculiar situation does not alter the principal questions involved. It doesn't give me sleepless nights."

He considers the EC recommendation to lift sanctions "very premature" and based neither on proper consultations nor documentation of the perceived improvements.

He is prepared to consider lifting sanctions once the government removes the pillars of apartheid, but he also wants the issues of the political prisoners and the return of exiles "properly addressed". Then sanctions will be phased out.

"Apart from sanctions being a means with which to remove apartheid," he says, "the issue is obviously also part of the internal battle for power in South Africa, and we intend to support neither side in this conflict."

"We are prepared to consult with all parties involved, but we will decide on this unilaterally."



What neither side seems willing to admit:

# Sanctions worked

BACK INTO THE WORLD

Why even the ANC  
should celebrate  
PAGE 16

What colours do the  
new 'Boks wear?  
PAGE 2

wlmal 12/7 - 18/7/91

280

Whether we like it or not, argues PHILIP VAN NIEKERK, this was the week of vindication for the harsh medicine of international boycotts.

**T**HE lifting of American trade and investment sanctions and the crumbling of the international sports boycott are a victory, not a defeat for the anti-apartheid movement.

The elimination of these sanctions is a sign that the world is confident the system of white minority rule is dying.

It also lays to rest a vociferous debate that raged throughout South Africa and the outside world during the 1980s. Yes, sanctions have worked.

Both the sport and United States embargoes were linked to limited objectives, which have almost been achieved. The African National Congress described the lifting of the Comprehensive Anti-Apartheid Act (CAAA) as premature, but only took issue with two points: the release of the remaining political prisoners and the fact that the violence is curtailing free political activity.

US President George Bush said when he lifted the CAAA this week that President FW de Klerk deserved credit for what he had done.

But the bans were not removed on the South African government's terms — and thus the government does not deserve all the credit.

When South Africa was expelled from the Olympic movement in 1969, blacks could not travel overseas as part of the national team.

In that year one of De Klerk's predecessors, John Vorster, declared:

"If any other country or the representatives of any sport want to put it to us as a condition that they will only maintain sports relations with us provided we allow mixed sport here in South Africa, then these sports relations will be immediately broken off."

The sports codes, such as cricket, that have gone back into the international fold have had to meet the very specific precondition of non-racial unity.

Today, no-one doubts that the boycott was crucial in transforming the entire structure of South African sport.

In 1986, when the CAAA was introduced in the US congress, then-president PW Botha warned that sanctions, boycotts and embargoes had never worked anywhere and added:

"South Africans will not allow themselves to be humiliated in order to prevent sanctions. We do not desire and we do not seek it, but if we are forced to go it alone, so be it."

Les Manley, South Africa's representative at the United Nations, told the international community to "do your damndest, we are going no further".

Photo: AP

● Turn to PAGE 8

● Turn to PAGE 3

## The lone Danish MP who won't let sanctions go

By PETER TYGESEN

THIS is the man who will decide when Europe joins the bandwagon of countries restoring trade with South Africa.

Danish MP Jørgen Estrup, above, is in charge of South African policy for the small Liberal Party, which holds the balance of power in the 179-seat Folketing, or parliament.

Earlier this year, the Folketing narrowly voted to maintain sanctions, and it was the seven votes of the Liberal Party that turned the tide.

An Economic Community decision to

lift sanctions must be unanimous. Thus the Folketing's decision has nullified the EC foreign ministers' recommendation to remove a voluntary ban on new investments and allow the import of South African iron, steel and Krugerrands.

Estrup — who plans to visit South Africa in September — does not believe the time is right to lift sanctions. "We do not feel that the present changes are irreversible," he says.

MUTINY OF THE BUCCANEERS: Troubled times at strike-hit Orlando Pirates. BACK PAGE



## ... WAS IT SANCTIONS THAT MADE THE DIFFERENCE?

## ●From PAGE 1

Economically, we were told, South Africa could construct a siege economy and find new markets in places like the Far East which would not demand a democratic South Africa and an end to apartheid.

But within months, as litres of capital life-blood drained out of an anaemic economy and other countries followed the US sanctions lead, it became apparent this was mere bravado.

The argument against sanctions then switched from its lack of effectiveness to its damaging consequences. Sanctions were blamed for everything ill in the economy and the pro-sanctioners were accused of creating hunger and unemployment for the black people they were supposed to be helping.

And we were told that, based on an understanding of how the Afrikaner's mind was supposed to work ("the laager mentality"), outside pressures would never force an obdurate National Party to change gear.

When the CAAA was introduced in 1986, tens of thousands of activists were in jail under a draconian State of Emergency; Nelson Mandela was among thousands of other political prisoners in jail; the ANC and a host of other political organisations were banned; there was some tampering with apartheid laws such as the Group Areas Act but no thought that they would be totally repealed; and negotiations with the ANC and Communist Party, vilified as "terrorists" were not even a twinkle in PW Botha's eye.

Few people would have predicted five years ago, when Botha declared his national State of Emergency, that South Africa would have moved as far as it has.

Though the government was beset by a range

# Did sanctions work? This week the answer was: YES

Wmcd 1217-18/1191

How rivalry between two sports officials took South Africa back into the world

PAGE 8

of pressures, those who insist that only internal factors — either in the form of gradual economic empowerment of blacks or anti-apartheid protest — forced the change, miss an entire dimension. All these forces were important.

South Africa could not continue in its isolation from the rest of the world forever. US sanctions, whatever their economic effect, were a cruel psychological blow to white South Africans, equal only in impact to the deprivations of the sports boycott.

In 1989, when De Klerk acceded to power, South Africa stood at a crucial crossroads: continue on Botha's doomsday path, or negotiate a new order with the black majority, with the assistance of the international community.

De Klerk chose the latter option and from the very beginning, showed an extreme sensitivity to international opinion. Before the September 1989 whites-only election, he promised foreign countries major reforms to stave off further sanctions.

Since then, his reforms have been tailor-made to meet the demands of the international community. He has consulted with foreign governments at every turn.

De Klerk initially claimed the Population Registration Act could not be abolished until a new constitution was negotiated. But this year — after it had been pointed out that the CAAA could not be lifted without the Act off the statute books — a way was found around the problem.

The Act could be abolished even if the register was not.

The first draft didn't pass muster, so with the help of US officials, it was redrafted to meet

CAAA requirements.

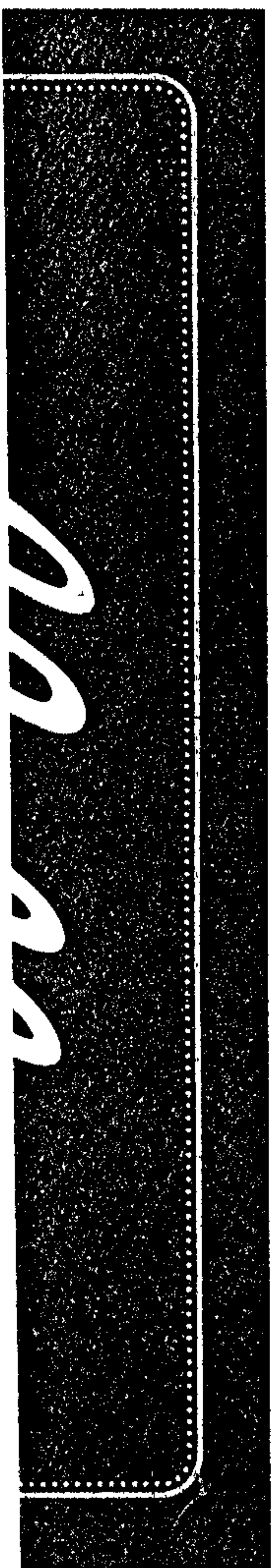
During the debate last month in parliament repealing the "pillars of apartheid" — the Group Areas Act, the Land Acts and the Population Registration Act — De Klerk was at pains to deny that it was being done in order to meet US demands.

Ferdinand Hartzenberg, deputy leader of the Conservative Party, said, however, that De Klerk was motivated by his desire to please the international community and was begging in a "pitiful manner". He claimed that De Klerk had "given in to the expectations of the outside world and broken every promise made to his own people".

The repeals were rushed through parliament to meet commitments that De Klerk had made to both the International Olympic Committee and the Bush administration that apartheid would be off the statute books by June 30.

Anyone doubting the importance of the international community in De Klerk's deliberations need only note the euphoria of the lifting of the bans this week.

But, despite the celebrations, many sanctions remain in place. Bush has tied financial sanctions to progress in constitutional negotiations,





# It's still too soon for euphoria

W/MC 12-17-18/7/91

While the lifting of US trade restrictions is more than symbolic, a number of key sanctions are still intact.

**By REG RUMNEY**

**A** LOT of butts make any euphoria about the lifting of United States sanctions premature.

Key US sanctions stay. And sanctions in the European Community and the Scandinavian countries have yet to be lifted. Yet the scrapping of trade sanctions by the most important economy in the world will in economic terms be more than symbolic. And it may encourage others to follow suit.

The two key legislated federal sanctions which stay in place are the Gramm and Evans amendments.

The Evans Amendment restricts US export/import bank funding for South African exports to the US.

More important, access to International Monetary Fund loans is blocked by the 1983 Gramm Amendment (as are loans from the World Bank). This amendment, which requires Washington's IMF-representative to block loans to South Africa, may not even come up for discussion in congress until next year.

Besides this, 26 states, 78 cities and 20 counties will still exercise sanctions legislation at the local level.

So-called "financial sanctions" — the refusal of US banks to lend new money to South Africa — were never legislated and so are unaffected by the Comprehensive Anti-Apartheid Act. These were the real Achilles' heel of the South African economy, rather than trade sanctions and disinvest-

## THE RESTRICTIONS THAT REMAIN

THE sanctions that remain:

- The Gramm Amendment blocks South African access to International Monetary Fund and World Bank loans.

- The Evans Amendment restricts US export/import bank funding for South African exports to the United States.

- "Financial sanctions", though not legislated, cut off South Africa from funding by US banks and precipitated a debt repayment crisis which still hampers the South African economy.

- State and local sanctions in the United States: 26 states, 78 cities and 20 counties still exercise their own ca.

- sanctions legislation, including powerful states like California.

- Prohibitions on the sale of military equipment, strategic technology and nuclear material to South Africa.

- The United Nations embargo on the sale of arms and ammunition to South Africa.

- European Community sanctions on imports of iron, steel, coal and gold from South Africa remain.

- Wide-ranging sanctions by Nordic countries, except for Finland.

- Comprehensive sanctions by the Organisation for African Unity.

- The UN embargo on supplies of oil and petroleum products to South Africa.

the US. The US uses "voluntary restraint of trade" agreements against countries which gain a large share of the US market. Textile exports to the US, for instance, are vulnerable to this form of protectionism.

SA Foreign Trade Organisation GM international operations David Graham points out that exporters found other markets when sanctions were imposed and don't necessarily have the spare capacity to export to the US now. However, the removal of the stigma attached to South African products will help marketing efforts.

Exporters are guardedly optimistic. Most believe the re-opening of the US market will not mean a great increase in export volumes, but will allow them to obtain higher prices for their exports.

The end of the CAAA means new US investment can once again flow into South Africa — in the long term.

The simultaneous scrapping of the Rangel Amendment, which imposed double tax on US companies operating in South Africa, means they will be less inclined to disinvest.

For the moment sanctions at state, local and county level will impede new investment. Companies will not want to lose big contracts from states such as California.

Continuing violence in South Africa and uncertainty about the future political dispensation will also deter investors, according to American Chamber of Commerce in SA (Amcham) executive director Wayne Mitchell.

"Investors are adopting a wait-and-see attitude. They haven't seen the scrapping of apartheid to mean the formulation of democratic principles in a market oriented economy."

don't have the promise of IMF funding you may need to stop the upturn."

True, the lifting of sanctions will increase business confidence and as Sacob has remarked, will encourage the rest of the world to speed up the normalisation of economic relations with South Africa. So, it speeds up the passing of sanctions elsewhere.

The passing out of law of the CAAA means steel, coal, textiles, uranium and agricultural products can once again be freely exported to the US. But the regaining of these markets is by no means automatic. In the short term there could well be little effect on US trade.

Firstly, the US recession will dampen the demand for South African exports. Also, Nedcor chief economist Edward Osborn points out, protectionist pressures will cap any strong growth of exports of those products to

ment, the effect of which tended to be overrated. R30-billion was exported over seven years to meet debt repayments and capital flight, according to Johannesburg Consolidated Investments economist Romie Behlehem. Access to IMF funding is not essential now. But SA Chamber of Business (Sacob) economist Ben van Rensburg notes IMF funding to support the balance of payments will be crucial during the next upturn, which may come at the end of the year.

An upturn in South Africa will put the balance of payments under pressure as imports increase. Without IMF support the Reserve Bank will have to halt the upswing perhaps 18 months after it has started, believes Van Rensburg.

"In the later stage of an upturn imports so far exceed exports and foreign reserves are so critical that if you

## Trade unions 'ignored request on sanctions'

12/17/91 PATRICK BULGER (122) 280

GABORONE — SA trade unionists were told they had one month to help their US counterparts organise opposition to President George Bush's lifting of the CAAA.

Africa representative of the American Federation of Labour/Congress of Industrial Organisations (AFLCIO) Barbara Lomax told Cosatu and Nactu delegations at the International Confederation of Trade Unions (ICTU) conference in Gaborone they must suggest ways in which US workers could help overturn Bush's executive order.

Lomax said three weeks ago she prepared papers advising SA unions that Bush was about to lift sanctions, but that she had received no response from the counterparts.

The conference yesterday passed the Gaborone Declaration of Basic Rights which seeks to advance democracy in Africa through the trade union movement.

The conference concluded that a lack of democracy and human rights had been a major factor in setbacks in African development.

The conference brought together 140 delegates from trade unions, developmental bodies and international finance organisations. The Gaborone Declaration acknowledged Africa's "serious violation of human and trade union rights".

The Declaration stated, however, that developments in SA over the past two years gave hope that apartheid would soon be a thing of the past. It said that until a constitution guaranteeing one person one vote was in place, pressure and sanctions must be maintained.

It noted that 1990 and 1991 had seen major changes in African countries and said that trade unions had been the leading agents of change in some of these countries.

The conference called for free and regular elections, multi-party political systems, an end to discrimination, independent judiciaries and an adherence to ILO conventions.

Trade unions should be strengthened and allowed the right to bargain without government interference. They should be consulted on developmental issues.



# Black lobby has 'the <sup>280</sup> most clout'

Star  
Pretoria Bureau

12/7/91

The lifting of American sanctions this week plays but a small rôle in the whole sanctions/disinvestment scenario — there is a whole barrage of separate legislation not affected by the announcement, the Conservative Party said yesterday.

CP spokesman on trade and industry Daan Nolte said sanctions had been a political rather than economic tool and had had little effect on the demand for SA products worldwide.

Remaining sanctions legislation would, however, continue to operate and prevent US arms deals and Export-Import Bank loans as well as US support for International Monetary Fund loans to South Africa, he said.

"US state and local bodies are controlled by anti-South African, mainly black lobbies, and President Bush cannot force them to rescind their legislation on South Africa.

"These lobbies are, in effect, more important than Bush in preventing investment.

"Most if not all of the US firms which left South Africa in the '80s will not return, simply because the country's economy has gone down the drain, and because they do not relish investing in a black-ruled country," Mr Nolte added.

He believed South Africa's weak position had been reached because of "our Government's refusal to counter-sanction those who would destroy this country".

"By allowing the American government to import 10 strategic minerals at the same time as imposing sanctions, the NP has placed this country's future in jeopardy."

## Grateful FW says thank you to Bush

President de Klerk last night held a telephone discussion with President George Bush after the lifting of United States sanctions.

The State President's office said Mr de Klerk stressed to Mr Bush that not only the less privileged communities would bene-

fit from the decision: the effects would be felt throughout southern Africa. He also expressed his gratitude to Mr Bush for the personal role he had played.

He informed Mr Bush of the role South Africa would play in encouraging the process of Angolan reconciliation and Mo-

zambican peace initiatives.

The President's office added that both ANC president Nelson Mandela and Bophuthatswana leader Lucas Mangope had asked the Government to arrange a meeting to discuss the crucial issue of political prisoners. — Sapa.



# Stand on 'homeland' prisoners explained

Biday 12/7/91

(280)

SIMON BARBER

WASHINGTON — President George Bush decided to lift sanctions after concluding that political prisoners still held in the homelands were not covered by the Comprehensive Anti-Apartheid Act, a legal justification issued by the White House says.

The document also stated that SA law and practice had been sufficiently reformed in recent months as to "provide assurances" that there would be no further political convictions, as defined by the Act, in the "foreseeable future".

Bush's decision that the Act's five conditions had been filled has been sharply attacked by sanctions proponents in Congress on the grounds that it failed to take into account 164 prisoners held in Bophuthatswana, most of them soldiers and officers involved in the 1988 coup attempt.

Congressman Ron Dellums, echoing ANC lawyer Matthew Phosa, said Bush had "in a de facto way, recognised Bophuthatswana as an independent state".

Lawyers for Human Rights in Pretoria on Tuesday asked US ambassador William Swing to forward to Bush a letter purporting to be from the Bophuthatswana prisoners currently on hunger strike, pleading for their cases to be taken into account.

The White House statement said prisoners held in the TBVC states had not been counted because the CAAA "does not include reincorporation of the so-called 'independent' homelands as a condition for lifting sanctions".

Officials further explained that to have

included TBVC prisoners might also have meant making the lifting of sanctions contingent on the ANC's releasing those it is still holding against their wills.

Instead, it was decided to focus on those prisoners in the custody of the central government and to treat homeland administrations as "other groups".

The US embassy had "exhaustively reviewed the cases of persons incarcerated or otherwise detained by the government".

ANC President Nelson Mandela told ABC's Ted Koppel that there were "still a large number of prisoners who are covered by the definition agreed upon by the ANC and government" and criticised the US for "imposing its own definition".

The White House statement said the CAAA was clear on this. Its standard "applies only to persons persecuted for their political beliefs or detained without trial".

Recent amendments to the Internal Security Act, new restrictions on detention with judicial review, and other reforms permitting free political activity made it unlikely that there would be further "convictions... for offences constituting 'persecution for political beliefs'".

The statement also noted the agreement between government and the ANC on the release of political prisoners was founded in the "acceptance" by all sides of "the essential integrity of the SA judicial system".

# US business won't Star 12/7/91 come rushing back

By Ramsay Milne  
Star Foreign Service

NEW YORK — President Bush may have reopened the door for US investment in South Africa, but few firms appear ready to rush through it immediately, US business spokesmen say.

"Tip-toeing back to South Africa may be the best way to describe how US firms will act on their new opportunities," said one official.

The experts say South Africa's political instability will feed fears about the safety of investments, and activists in the United States still dissatisfied with the pace of change in South Africa will keep pressing US companies to stay out.

However, companies as diverse as General Motors and ITT Corporation's Sheraton unit and the construction giant FluorCorp say they are willing to consider new investments in South Africa now that sanctions have been removed.

Another major US company, Digital Equipment Corporation, recently sent a team of senior managers to South Africa for the first time since 1972 to explore investment opportunities.

Their visit followed on the heels of a similar trip by the chairman of H J Heinz and Co, J F O'Reilly, earlier this year to meet President de Klerk and Nelson Mandela to discuss investment possibilities.

"The removal of sanctions will certainly put South Africa back on our radar screen," a Heinz of-

ficial told the Wall Street Journal.

Other major companies, like Mobil Corporation, International Business Machines, Ford and Xerox, say Mr Bush's decision will not alter their investment policies, because, they say, investment in South Africa could be too expensive and politically risky even with the removal of sanctions.

Even those companies who are prepared to face at home the continuing attacks from the US anti-apartheid lobby fear they may have already lost the competitive edge in South Africa to those who never left.

Mobil, one such example, says its return to South Africa would be so "astronomically expensive" that it would be unable to buy back at a reasonable price the operations it sold to Gencor in 1989. And rebuilding its market share of the South African oil market from nil to 20 percent would not be any cheaper.

The same is not true, however, for Fluor, a Californian engineering and construction company, which left itself a repurchasing option when it sold its South African operation to an independent trust in 1986.

"The lifting of sanctions is one step toward making a repurchase possible," said a spokeswoman.

But, she added, the company would probably wait for a calmer social and political order to emerge in South Africa. That is a view many other US companies are likely to share.



# Actor to fight Equity ruling

By Garner Thomson  
Star Bureau

LONDON — Actor Marius Goring has pledged to continue his High Court action against Equity over its decision this week to continue its ban on the sale of recorded material to South Africa.

The boycott decision follows a secret postal ballot of members indicating that the majority who voted want to maintain the present policy of the actors' union.

## Abandon

Afro-Asian councillor Albert Moses has hailed the result as a victory, adding: "The membership has spoken in a free vote and those who voted were people interested in the union and who are really concerned about protecting the interests of Afro-Asian artists.

"There was no guidance given by the council and so this shows that people do want to fight for the policy."

Now, however, Equity faces a

worst-possible scenario in which Goring and other anti-boycotters proceed with their planned High Court action to force the union to abandon its stance.

Already Goring has gained a High Court ruling that the union could not punish members who chose to work in South Africa.

Goring said after the results of the vote were made known: "It was made perfectly clear in the original settlement with Equity that if this happened I could proceed with my case. We are going right to the end of the road on this.

"The referendum was a question of opinion but there is not a question when it comes to the law as the rules are laid out.

"I am not disturbed in the slightest by the outcome of the referendum. I am just disturbed that it has been so complicated and has taken so long."

Goring's decision means that Equity could be forced to pay out anything from between R25 000 and R50 000 to fund the ballot in addition to a potentially vast amount for fighting a court battle.

# The Russians are coming to trade

● From Page 1

new trade relations with the Soviet Union, alongside the withdrawal of US government sanctions, as the most significant marker yet of an end to trade isolation.

The Department of Trade and Industry has welcomed the delegation's visit, and will be represented on the Sacob team.

A department spokesman, Francois Malan, said the initiative belonged to Sacob, and the department's representatives would meet the delegation as interested parties.

"We are not aware at this stage of the programme, so we can't speculate on what will arise from the visit in terms of trade deals," Mr Malan said.

"It is, however, a very positive development."

Insiders have already leaked news to The Star that the department has laid plans to open an SA trade office in Moscow.

This is likely to occur within the next few weeks to encourage more business.

Sacob forecasts that the arrival of the Soviet Chamber of Commerce and Industry team in Johannesburg on Sunday will give an added boost to new SA links with the communist bloc — opened by an exchange of trade officials with several Eastern European countries.

Still deeper behind the scenes, the establishment of wider trade relations between South Africa and China is also under intense debate in an exchange of trade delegations between Pretoria and Beijing.

Mr Haywood forecast that more and more overseas markets would swing open the doors to trade with SA now that Mr Bush had dropped US embargoes.

## Export-import pacts

# Russians

# coming to trade

By Michael Chester

Moscow has joined Washington in moves to lift sanctions against South Africa.

Confirmation of Soviet moves to follow the lead taken by President Bush in dropping trade embargoes came yesterday with the announcement that a high-powered delegation from the Soviet Chamber of Commerce and Industry would arrive in South Africa at the weekend to discuss new trade links.

The Russian delegation plans to strike export-import

trade pacts with the SA Chamber of Business, the Afrikaanse Handelsinstituut and the National African Federated Chambers of Commerce next week.

New agreements are expected to be formally signed on July 23.

The arrival of the Soviet team was confirmed by Sacob deputy director-general Ron Haywood, who has been to Moscow for behind-the-scenes discussions with Soviet government officials and business leaders to explore the trade outlook.

Mr Haywood said he regarded the establishment of

● To Page 2

While leaders in Nigeria, Zimbabwe and Canada condemned Mr Bush's decision as premature, other countries signalled yesterday they were likely to follow his lead.

Foremost was Japan, which is expected to lift sanctions at the end of the month. A delegation from Japanese banks and insurance companies is visiting South Africa at the moment to look into investment and financing opportunities.

The group is led by former vice-minister of finance Sadaaki Hirazawa.

Australia said yesterday that Commonwealth-inspired trade and economic sanctions against South Africa would remain.

Australian Foreign Minister Gareth Evans said Australian sanctions were introduced for moral rather than trade reasons, and that the apartheid system remained while the present South African Constitution was in place.

Sacob director-general Raymond Parsons has, however, already embarked on an Australian series of meetings with business and political leaders about better trade relations.

Apart from Britain, countries of the Commonwealth — a 50-nation grouping of former British colonies — also said the lifting of sanctions should wait.

A Commonwealth official said a summit of the grouping in Harare in October was likely to lift most remaining sanctions. "Our view is that the rest of the sanctions should remain until negotiations begun."

Canadian Prime Minister Brian Mulroney, a key Commonwealth leader, said he thought Mr Bush had acted hastily. He noted that ANC leader Nelson Mandela thought the US decision was unhelpful.



# Act maintains a ban on Soviet gold coins

WHILE Krugerrands can now legally be sold in the US, the Comprehensive Anti-Apartheid Act (CAAA) will continue to ban the import of Soviet gold coins.

Apart from Soviet gold coins, the 1986 Act relates exclusively to SA.

It is believed the CAAA reiterated an earlier ban on importing Soviet coins to prevent Soviets taking advantage of the Krugerrand sanction.

President George Bush's decision this week to lift most provisions of the CAAA overturns bans on the import of Krugerrands and other gold coins, new US investment in SA and nuclear trade with SA.

According to information supplied by the US Information Service yesterday, the way has been cleared for the SA government to be granted loans and for air links to be restored.

The Rangel tax amendment denying US nationals foreign tax credit for income paid, or accrued, to SA is lifted, as is the ban on the sale of military equipment. However, the US is still subject to UN embargos on arms and ammunition.

Other bans lifted are on:

- ☐ Imports of SA agricultural products and the products of SA parastatals;
- ☐ Computer exports to the SA military, police and "apartheid-enforcing entities";
- ☐ SA government bank accounts in US;
- ☐ Imports of uranium ore, uranium oxide, coal and textiles; and
- ☐ Promoting US tourism in SA and US government assistance to investment to, or subsidy for, trade with SA.

While Section 311 of the CAAA empow-

ers US President George Bush to lift the above measures, certain provisions are not covered by the section and remain in force.

Various statements of congressional policy remain in force. These include support for non-racial democracy and a negotiated settlement, a call for an end to apartheid, violence and necklacing.

Another provision authorises various forms of US assistance, including a human rights fund, scholarships for victims of apartheid and economic support funds to assist disadvantaged South Africans.

The Act still excludes support for organisations financed or controlled by the SA government (except for scholarships to students who choose to attend SA-supported institutions).

The Fair Labour Standards Programme for US firms employing more than 25 people in SA remains in force.

The remaining provisions include authorisation for the President to make emergency famine donations in southern Africa and protection of legal rights of US nationals seeking damages against anyone taking commercial advantage of the CAAA.

Some federal sanctions remain in effect. Chief among these is the Gramm Amendment which prohibits US support for SA access to IMF loans (except under certain prescribed conditions).

The ban in the Export-Import Bank Act outlaws support for activities in SA except (in accordance with the CAAA) for activities that support black-owned businesses.

(280)  
B/Day 12/7/91  
DARIUS SANAI

## Some nations opt to keep sanctions (280)

DENMARK, Canada, Australia and New Zealand have announced they will retain sanctions against SA until key ANC demands have been met.

However, Japan said yesterday it planned to follow the US's decision and would lift sanctions by the end of July.

Denmark's Social Democratic Party, the biggest party in the Danish parliament, said yesterday it would continue to block the lifting of EC trade sanctions, KIM BENTLEY reports from London.

Although the EC voted to lift the ban on importing SA iron, steel and Krugerrands in April, the move was later blocked by a centre-left coalition in Denmark which, although in opposition, has the majority on the sanctions issue.

Social Democrat foreign affairs spokesman Helle Degm said yesterday the position on sanctions would be maintained until three "priorities" had been satisfactorily addressed.

These were the release of political prisoners, the return of exiles and the establishment of a new democratic constitution. *Biday 12/17/91*

Degm said a pattern was developing whereby the big industrialised nations such as the US, with strong political, economic and trade interests in SA, were now "taking care" of those interests.

Sapa-AP reports from Tokyo that a leading newspaper said yesterday remaining Japanese sanctions, including bans on imports of SA iron and steel and on exports of

☐ To Page 2

## Nations *Biday 12/17/91*

computers to SA agencies that practised apartheid, would go by the end of July.

Japan last month ended sanctions restricting tourist travel and educational and cultural exchanges, but said it would hold off on lifting other sanctions to see what action the US took.

Australia and New Zealand said yesterday Commonwealth-inspired economic sanctions would remain indefinitely.

An Australian foreign affairs spokesman in Canberra said Foreign Minister Gareth Evans was maintaining his position that the removal of sanctions by the US was "premature".

In Wellington, External Relations and Trade Minister Don McKinnon said New Zealand would "wait and watch" and move

with the rest of the Commonwealth on the dropping of sanctions.

In February, Commonwealth foreign ministers agreed on a three-stage approach to lifting sanctions, including waiting until the UN arms embargo went.

Canadian Prime Minister Brian Mulroney also said the US's decision to end sanctions was premature.

"We were the first to establish sanctions and maybe we will be the last of the last to remove them. There's nothing wrong with that," Mulroney said.

Reuter reports from Berne that Switzerland yesterday abolished a limit on capital exports to SA.

The Swiss first imposed an upper ceiling of \$160m a year in the early 1970s, which was raised to \$190m in 1981.

☐ From Page 1



# US firms consider returning to SA, but obstacles remain

280  
Brent Von Melville  
8/Day 12/7/91

WHILE US companies are not exactly champing at the bit to re-invest in SA, many of the divested US interests are reviewing their options and weighing up the costs of returning.

Economists believe remaining local sanctions in the US and uncertainty about SA's political and economic future represent major stumbling blocks for any major return of capital.

However, American Chamber of Commerce executive director Wayne Mitchell has said nearly half the disinvested US companies had retained ties of some sort, facilitating a possible return to SA.

Large US concerns that left an open door include Coca-Cola, Pepsi, General Motors, and Xerox.

National Beverage Services (Natbev) is at present the master franchise holder in SA for Coca-Cola. Pepsi is marketed under Namibian Breweries and GM is now Delta Motors. Xerox is distributed under the Xeratech banner.

There is strong industry speculation that Coca-Cola may be one of the first to re-invest. While Natbev MD Sandy Allan says there has been no hint from Coca-Cola that it will change the existing terms of its franchise agreement, industry sources believe the strength of the SA market will lure the US parent back.

Coca-Cola (US) spokesman Linda Peek said yesterday Coca-Cola was reviewing its option.

SA is a healthy market for Coke. Natbev will have an estimated turnover for this year of R670m compared with R540m last year, and net income (excluding minorities) of R25m. Observers believe this could improve with the opening of SA tourist markets and the increasing disposable income of blacks.

Pepsi, which has been relegated in SA to about last place in the cold drink stakes, is understood to be holding talks with Namibian Breweries.

Speculation is that while it is not planning a fully fledged return, it is likely to appoint an SA-based franchise holder.

Delta Motors, which has links to Adam Opel in Germany and Isuzu in Japan (30%-held through GM) for supply and technology, said it was unlikely GM would make a direct return.

Xeratech, created after Xerox sold its SA interests to Altech subsidiary Fintech, is about to have its distribution rights taken away. Fintech executive chairman Dave Redshaw has confirmed that its rights to distribute Xerox products will be terminated at the end of this month.

## Decision premature, says top OAU official

ADDIS ABABA — <sup>8 Day 12/7/91</sup> Organisation of African Unity secretary-general Salim Ahmed Salim yesterday denounced a US decision to lift economic sanctions against SA as "premature and unfortunate".

"It is still a fact that there are political prisoners not yet released, and thousands of exiles not allowed to return to SA," Salim said in a statement.

"This decision's timing is premature and unfortunate."

Zambian President Kenneth Kaunda, speaking by telephone from Zambia to Harare, said he would call a meeting of a special OAU committee as quickly as possible to discuss developments regarding sanctions against SA.

Kaunda is chairman of the seven-nation group of Frontline states.

Asked about the decision by President George Bush to lift US economic sanctions against Pretoria, Kaunda said: "I think that that trend is catching up quite fast..."

### Pressure

"I think that what is needed now is really that all the others should get on with the job of changing the constitution as quickly as possible."

Salim called on the international community to continue to put pressure on the SA government to ensure "the end of apartheid in SA is irreversible".

Bush lifted a five-year trade embargo on Wednesday, saying Pretoria's irreversible moves towards dismantling apartheid justified the move.

In Harare, a senior Zimbabwean government official said the US decision could undermine moves to end apartheid and introduce multiracial democracy. Salim also described a decision on Tuesday by the International Olympic Committee to readmit SA to the Olympics as "untimely and premature".

—  
Reuter.



Renewed pressure for sanctions

# US firms are looking at a return to SA

280  
Bibay 12/7/91

WASHINGTON — Several US companies are studying reengagement in SA, even as sanctions advocates are vowing to step up efforts to negate President George Bush's decision to terminate the Comprehensive Anti-Apartheid Act.

One bank, J P Morgan and Company, announced it was "actively" reviewing its no new loans policy.

A number of Wall Street brokerage houses, including Merrill Lynch and American Express, said they were considering reviving SA-related activities.

"The progress made in SA ... that had led president Bush to lift sanctions is also causing us to review our policies," Morgan vice-president Jack Morris said.

However, the prospects for an early return by the largest US firms that have sold out of SA in the past five years remain cloudy, because of activist pressure in the US and market conditions in SA.

Merrill, Amex and others are interested in resuming research and trade in American Depository Receipts — proxy instruments that enable US investors to trade in SA shares.

With the ending of the investment ban, US institutions will now be able to market ADRs in respect of SA shares issued after the passage of the CAAA in October 1986.

"We're definitely going to do it, assuming there isn't a huge outcry," a brokerage executive told the Wall Street Journal.

General Motors, which sold its SA operation to Delta in 1986, said that with the end of sanctions it was taking another look "as we would at any investment opportunity".

Spokesman Ronald Thies said the overcrowded SA car market did not appear

SIMON BARBER

especially hospitable at the moment.

Ford spokesman Ken Brown said "the politics keep getting in the way. Lifting federal sanctions is an important step, but we would probably still feel inhibited by dozens of over kinds of sanctions that exist in the US at other levels".

Mobil spokesman John Lord said the company had no plans to return, even though the principal reason for its 1989 departure, the Rangel double taxation law, had now been rescinded.

Xerox spokesman Thomas Abbot dampened recent speculation that the firm intended to return, citing local sanctions as the reason. Bush's decision "won't alter our no-investment policy as it stands".

IBM spokesman Tom Belz echoed this view.

Coca-Cola's Linda Peck said that while "obviously, the situation has changed", the company planned no immediate change of policy. However, "we are looking at all our options".

State and local sanctions, especially the 51 selective purchasing laws on the books in major cities and counties around the country, remain a serious impediment.

President George Bush's plea that local authorities get in line with federal policy has been widely rejected.

The justice department is studying ways of pre-empting what the US assistant secretary of state for Africa called "local foreign policies", but this may require US companies to initiate action by bringing a lawsuit.

Even as Bush was announcing his deci-

□ To Page 2

## US firms

280  
Bibay 12/7/91

sion yesterday, New York City was issuing a new financial rating system designed to keep city funds and bond underwriting business away from banks that have not sold their SA loans or which retain any other SA link.

"It is our firm belief that without such measures, the pursuit of democracy in SA

will be stalled," said mayor David Dinkins.

The Rev Jesse Jackson meanwhile called for a guerrilla-style sanctions campaign, with any company that chose to return to SA being subjected to boycotts. "Bush may have taken the sanctions off, but we don't have to."

● Comment: Page 6  
● See Pages 3 and 5

□ From Page 1

SANCTIONS FM 12/7/91

280 (44)

# THE HORSE HAS BOLTED

**Expectations** of all sanctions being lifted in the near future are probably unrealistic.

There is little doubt that the sports boycott is in its final throes, with agreement on the issue between British Foreign Secretary Douglas Hurd and ANC president Nelson Mandela on Monday. The cultural boycott is going the same way. Trade and financial sanctions look set to take a little longer.

While Cosatu is moving towards a position that favours the removal of sanctions being tied to developmental policies and the protection of worker rights the ANC still says it wants sanctions until a new government is in power.

The emergent Cosatu position is likely to find wide acceptability in international circles and would help the ailing SA economy. The ANC will have to do some hard lobbying to convince international allies to maintain sanctions — though Cosatu is unlikely to adopt a sanctions policy that undercuts the ANC line.

## Tripartite meet

The ANC, Cosatu and the SA Communist Party will meet, probably later this month, to adopt a unified approach on sanctions.

The meeting will probably take place after Cosatu has decided on its position at its July 24 national conference.

Indicators from Cosatu's three largest unions — the National Union of Mine-workers, whose general secretary, Cyril Ramaphosa, is now ANC secretary general, the National Union of Metalworkers and the Clothing and Textile Workers' Union — are that sanctions need to be phased out, tied to social responsibility clauses for new investors (FM June 21).

The ANC clauses for the lifting of sanctions are tougher. The ANC's three-point plan, released after a gruelling session at its conference in Durban last week, calls for obstacles to negotiations to be lifted in terms of the Harare Declaration, as supported by the UN and the Organisation of African

Unity. The US Comprehensive Anti-Apartheid Act contains similar provisions to those of the Harare Declaration.

"The installation of an interim government, according to agreed arrangements for the transition to a democratic order" is the second ANC clause. The "agreed arrangements" proviso is aimed at preventing government from unilaterally setting up a super-Cabinet and calling that an interim government.

The ANC sees an interim government flowing from an all-party conference — possibly elected by that conference and with no single party dominant — as the neutral governors of the country while a new constitution is decided on by a constituent assembly. The government, not surprisingly, is opposed to such a route and believes the multi-party conference (as the Nats prefer to call it) should transform itself into the constitution-making body, with a super-Cabinet appointed to govern in the meantime.

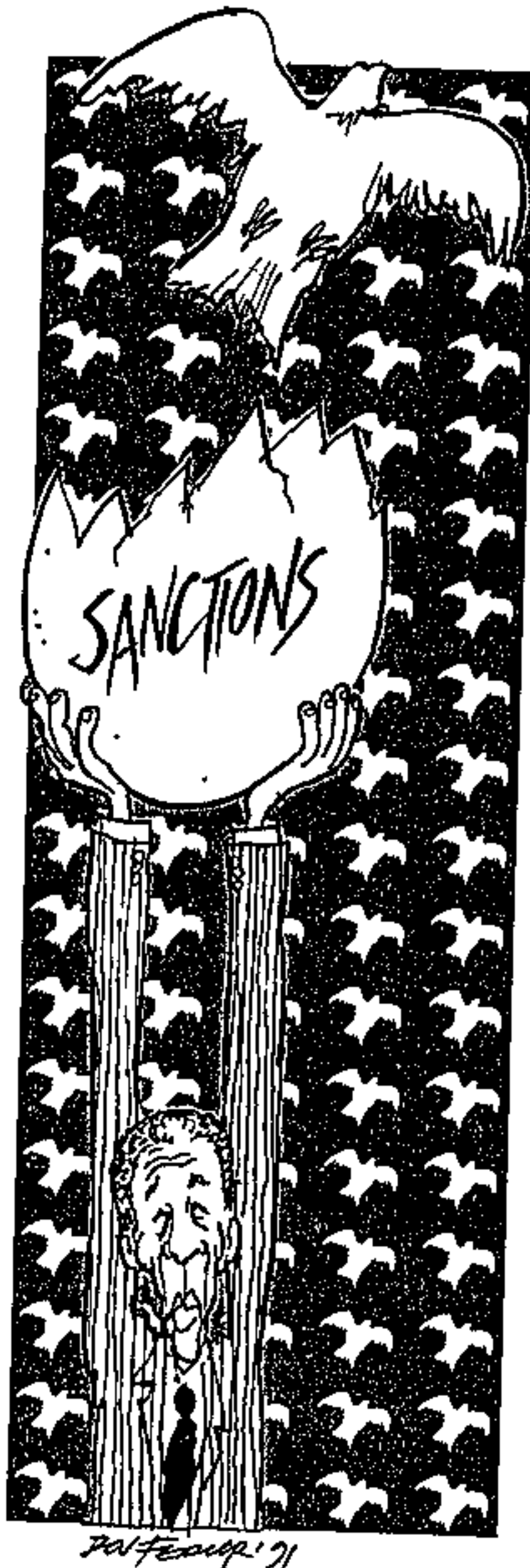
However, it seems likely that the all-party conference could become the constitution-making body without too much haggling from the ANC. The main issue of contention is the form an interim government could take and resolving this issue could take months.

The third proviso the ANC wants fulfilled before sanctions can be withdrawn is the adoption of a "democratic constitution and the holding of elections for a nonracial parliament." Ironically, this is something that could be done with or without ANC involvement.

The transformation of political parties in SA over the past year now means that even if elections were held tomorrow, all parties (with the exception of possibly the Pan Africanist Congress and probably the Conservative Party) would advocate non-racial democratic government elected by universal adult franchise.

Hurd indicated that the British government is still not happy with the ANC's three-point approach. He said the ANC and Britain agreed on the huge need for investment in a post-apartheid SA — but differences remain about the pace at which foreign investment should flow into the country.

Mandela says the ANC is flexible about sanctions, noting that otherwise "we will be left holding a shell and nothing else." ■





# Sanctions: Cohen steps in to smooth ruffled feathers

280 NR 4/3/7/91  
**SHAUN JOHNSON**

Weekend Argus  
Correspondent

PRETORIA. — America has made two important interventions to calm nerves in South Africa over the lifting of sanctions this week and what this would mean for negotiations.

□ The US assured the ANC that the lifting of the Comprehensive Anti-Apartheid Act (CAAA) was not intended as a slap in the face for Nelson Mandela's organisation; and

□ President De Klerk has been given a clean bill of health on allegations of State complicity in township violence.

In an interview by satellite link-up with Pretoria and Lagos late yesterday, Assistant Secretary of State for Africa Herman Cohen said that in praising President De Klerk and lifting the CAAA, President George Bush had not intended to "ignore those whose struggle helped so much to change the mental outlook of the white power structure".

The CAAA had to be lifted now in terms of US law, he said, and he did not expect that the move would give the South African government an unfair advantage in upcoming negotiations with the ANC. "It does not make the government's position any stronger, or the ANC's any weaker ...

"I do not think the president's actions will undermine efforts to end apartheid. In fact I'm quite surprised at the lack of joy coming from the mass democratic movement. It is a great victory for those who wanted to put pressure on the South African government. They should now be saying: We won. We won the fight to bring about profound change."

Mr Cohen said US investigations had produced "no evidence of any government complicity in the black-on-black violence", although these were not necessarily definitive and did not exclude the activities of private citizens.

"Who the instigators are I don't know. It's very complex.

There are ethnic problems, there are turf fights between different political organisations. There's the question of poverty, hostel-dwellers versus town dwellers."

But, he added: "I personally feel that the conflict between Inkatha and the ANC has been the major reason."

The US believed that South Africa was "condemned to negotiate ... there's no other way out", Mr Cohen said, and the prospects for a settlement were good.

Sanctions had played only "a modest role" in bringing this situation about, and their lifting did not erode the power of South African blacks.

"I think President De Klerk and the majority of the white people of South Africa have decided that the only way that their way of life can be maintained is if they bring the majority of the people into the modern system. And that means there must be democracy."

# Unionists slam lifting of sanctions

CT 13/7/91

GABORONE. — International trade unionists have backed pleas from South African labour unions for maintaining sanctions against Pretoria.

A human-rights conference in Botswana said in a statement on Thursday night that sanctions should be "maintained until a new constitution is in place in South Africa which would guarantee there is no turning back" to apartheid.

The statement was issued at the end of the three-day meeting, organised by the Brussels-based International Confederation of Free Trade Unions. It was attended by delegates from 39 African countries and labour groups from around the world.

It said "the legacy of apartheid is still intact" and pervaded all aspects of South African life.

The ICFTU said it would support only African trade unions that demonstrate their commitment to independence and democracy.

It said development assistance and trade agreements should be conditioned by universal basic standards of human and democratic rights.

Delegates condemned President George Bush's decision on Wednesday to lift US economic sanctions and moves by European nations and Japan to improve contacts with South Africa.

Mr Neil Coleman, Cosatu's information officer, said South African unions had never been consulted by Mr Bush on the sanctions issue. — Sapa-  
Reuter



# Costly burden of overloaded trucks

Star 13/7/91

280

AL-AMEEN KAFAR

WITH sanctions crumbling and the gateways to neighbouring African countries opening for South African traders, the chances of damage to trucking routes has risen substantially.

Irresponsible transporters using overloaded trucks are already costing South Africans billions of rands in road maintenance and upgrading.

Heavy road abuse has taken on such large proportions that R3,1 billion would be needed by the year 2000 to upgrade roads in the PWV, according to an estimate by the Transvaal Provincial Administration.

The Natal Provincial Administration has released a list of companies found to be using overloaded trucks frequently.

Cunning tactics, however, have made efforts by provincial officials to apprehend overloaders very difficult, according to the CPA's chief traffic controller Jas Cronje.

"Operators often send out pilot cars to observe which roads are being patrolled," Mr Cronje said.

He said current legislation in a way also favoured culprits.

Traffic officials were empowered to issue spot fines of up to R300 while the courts could only impose fines of up to R8 000, Mr Cronje said.

However, draft legislation had recently been completed and if Parliament accepted the new

Road Traffic Act, offenders could see their vehicles confiscated, Mr Cronje said.

An NPA spokesman said overloading was a national problem and to exercise control was imperative because of the huge cost of repairing damage, because overloading affected the ability of transport operators to compete on even terms and because it posed safety risks to other road users.

The spokesman said road funding has been cut drastically to make much needed funds available for socio-economic upliftment and it was therefore unacceptable to redesign roads to cope with unnecessary overloading by companies serving their own interests at the expense of others.

# Key to UN role lies with South American countries

Star 13/7/91

280

MIKE LITTLEJOHN

NEW YORK — The lifting of most US economic measures against South Africa and its readmission to Olympics competition have sharply diminished the Republic's international isolation, but probably not enough to bring it back into full UN participation this year.

This was the assessment of UN diplomats yesterday, who said they felt that Nelson Mandela's reiterated opposition to the removal of sanctions was still a major obstacle to a return to more normal international relations.

## Hostility

Despite some relaxation of the former hostility of the Organisation of African Unity members, a change of heart has not yet come far enough to permit South Africa to resubmit credentials for a General Assembly delegation in September with a reasonable prospect that these would be accepted, several diplomats said.

However, they were hopeful that events in the Republic would have so far progressed in 1992 that this year's UN session might well be the last from which a South African delegation was excluded.

The delegation was ejected in 1974 in a decision that many members, including the entire Western group, considered illegal. Derek Auret, who is due in New York early next month as the new South African ambassador to the UN, was a junior member of that ousted delegation. It is sure to be a source of special satisfaction for him when South Africa reclaims its prerogatives.

South Africa has remained a UN member all along and will

certainly be expected to pay a substantial part of about \$40 million (R116 million) in assessed contributions it has withheld, understandably, during the wilderness years. This will be a matter for negotiation between Mr Auret and the Secretary-General, Javier Perez de Cuellar.

The shifts in policies towards South Africa in Europe and the US and a more favourable attitude by some African countries are expected to encourage Pretoria to seek parallel shifts in Latin America.

Argentina, where South African diplomatic representation was reduced from that of regular embassy to a vice-consulate as Buenos Aires sought to improve its image with Third World nations, offers an early opportunity for possible improvement because Pretoria's "vice-consul in charge" there is completing his term.

Also, President Saul Menem enjoys good relations with President George Bush and could be influenced by the latest decision on sanctions. Furthermore, Brazil, Uruguay, Paraguay and Chile all have full diplomatic relations with South Africa, with ambassadors in place. This makes Argentina's stance a bit of an oddity.

Diplomats say that Mexico, a nation of great and growing political and economic importance in the hemisphere, may prove to be a problem.

South African officials are so unwelcome there that the Mexican consulate-general in New York refuses even to give them the necessary forms to apply for entry visas.



# Boom, not gloom at US trade show

Star 13/7/91

280

AMERICAN businessmen, say pundits in America, are unlikely to rush into doing business with South Africa now that sanctions have ended.

However, a trade exhibition in Johannesburg this week suggests the reverse is true.

The exhibition, planned long before President George Bush's announcement, attracted 102 US firms, ranging in size from fairly small to very big; all are established players on the international market.

Exhibition organiser Bob Heller of the Condor Companies Group believes that if the show had been held in a couple of months' time rather than now, the number of firms taking part would have trebled.

"The phone at our head office in Atlanta, Georgia, has been ringing off the hook since President Bush's announcement," he says.

## Catalogues

Mr Heller's exhibition, the first of its kind in a decade, is a "catalogue" show — that is, exhibitors are represented not in person but by promotional literature.

The response from local businessmen has been enthusiastic, with up to 70 at a time crowding into the Dunkeld Room at the Rosebank Hotel.

Mr Heller, a former executive director of the African-American Chamber of Commerce, expects "tens of millions of dollars" worth of business to result from the show.

"Local companies that express an interest in doing business with any of the US exhibitors will find the response the fastest they have ever had."

South African business people, he adds, will find a "warm and eager reception" from their counterparts in the US.

"We don't fully understand each other — we're like es-

## MALCOLM FOTHERGILL

tranged cousins — but American businessmen in general are anxious to make new contacts and to take advantage of new markets."

Mr Heller says his selling pitch to get companies interested in exhibiting was that if US companies didn't get involved in the South African marketplace, companies from other nations would.

"What they would be doing is abandoning a very good marketplace to the Germans, the Japanese, the French and the English."

"Besides, there are only so many developing marketplaces in the world with the sort of banking and other infrastructure South Africa has."

"I've been in most of the states in Africa and there's no other country that offers to all its people the opportunity and promise that South Africa does."

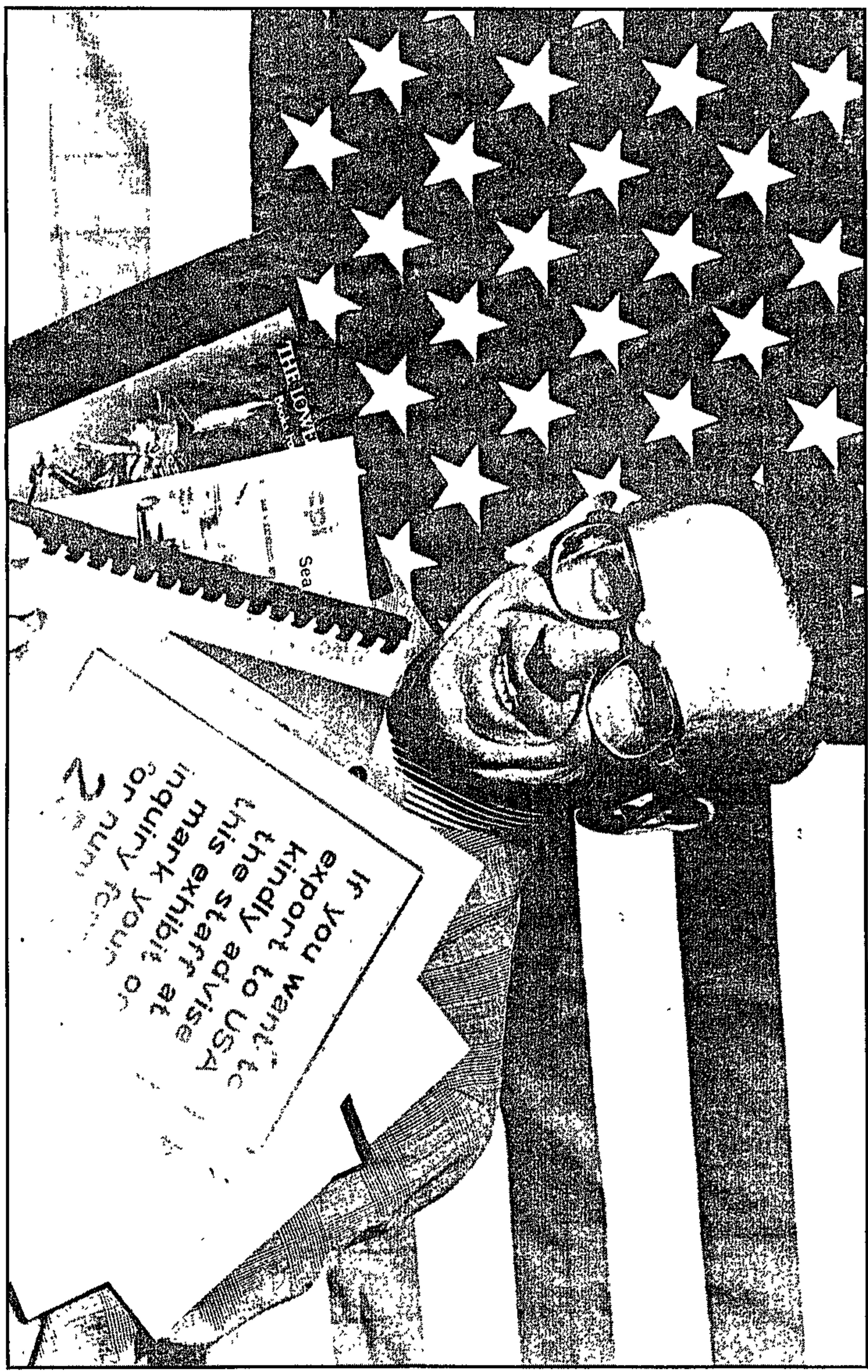
"This is the economic engine that can drive the economy of the whole continent. It's a pool of technology, talent, capital and energy. And it's got far greater market potential than say Australia."

Another plus factor for South Africa, Mr Heller believes, is that companies that deal globally want to be all over the world — "so even though South Africa is smaller than, say, France, there's still a market here."

The exhibition, which seeks agents, distributors, licensees, end-users and sales leads, will be at the Cape Sun Hotel in Cape Town on July 16 and at the Elingam Hotel in Durban on July 18 and 19.

Among the exhibitors are makers of aircraft parts, clothing, computers, inks, organic fertilisers and ultrasound therapy equipment.

Mr Heller also acts for American companies wanting to import from South Africa



AMERICAN PIE. Bob Heller, organiser of a series of trade exhibitions, is confident that American companies are eager to re-establish trade links with South Africa ● Picture REBECCA HEARFIELD



NEWS

# Those who stayed have strongest hands to play in new SA

SPIN 13/1/91  
MALCOLM FOTHERGILL and SUE OLSWANG

230

FOR public consumption, companies which disinvested from South Africa in the 1980s say their decision made sense both politically and morally and they have no regrets.

But it seems the biggest winners as the South African economy takes off again after the lifting of most United States sanctions will be those who stayed.

Already, some companies that pulled out in the mid-1980s during the storm of controversy over trade links with South Africa are planning to return.

One example is the British Whitehead Group, which makes stationery.

Stephen Watson, the group's financial director, said disinvestment cost the group little, because it was "not very big" in the market.

"However, many people in our sector in Britain lost a great deal. Any company needs as big a base as possible and South Africa would have been a viable export base."

"Yes, we will return to South Africa, in a bigger way than before I believe we will be back within the next six months."

Less forthcoming were other companies which pulled out, and which have no immediate plans to return.

## Time frame

Chase Manhattan Bank, one of the first to leave, said its decision was made as a result of perceived economic as well as political factors.

Before coming back to South Africa, it would have to study the effect of city and state laws that still prevent American firms dealing with South Africa.

Kodak said the situation after President Bush's announcement was "very complex". It has no plans to return — "and beyond that, we have no comment."

A spokesman for Scripto at the company's California head

office said it would be a while before the company could make any statements about the possibility of reinvestment.

"This is all brand new and I don't believe it would be fair for me to speak at this point."

"Contact me again in one month and I might be able to say something."

Companies that stayed on in South Africa, despite the pressures to pull out are today patting themselves on the back.

One such is BMW (SA), whose financial director, Peter Barbe, is in no doubt the company gained by staying.

"We gained in that we maintained the loyalty, support and goodwill of our customers, suppliers and employees."

"BMW (SA) employs close to 3 000 people with about another 2 000 in our dealer network. When you take suppliers and affiliated organisations into con-

sideration as well, the number could be as high as about 10 000 people employed by BMW (SA) in some way."

"That means about 10 000 people kept their jobs and, with an average of even two dependents each, that means about 20 000 people continued to eat."

"BMW never lost faith in South Africa. It did not stop investing. I don't believe we gained market share because our competitors were still here, even if under a different name."

"We tested public opinion among our workforce and established that they wanted us to stay. The union in Germany also wanted us to stay. Jobs were the paramount issue."

Caltex, another company that stayed, said in a statement from its head office in Dallas, Texas,

that it was proud of the role it and other US companies had played in speeding up the process of change.

"We are committed to the future of South Africa and will continue to do all we can to help the people of that country overcome the legacy of apartheid."

The local head of Caltex, Mike Maxwell, said from Cape Town that although Caltex did not expect a big inflow of capital in the short term, "the scrapping of the Comprehensive Anti-Apartheid Act will enable South Africa to compete for a fair share of investment funds in due course."

Companies that stayed in South Africa by changing their name and controlling sharehold-ers are unanimous in saying that disinvestment worked in

their favour.

For Delta, which used to be General Motors before that company disposed of its South African interests, George Siegmann said if GM wanted to buy a stake in Delta, "it would have to be on a basis that was mutually acceptable."

"They would have to pay for the privilege."

## Happy

For Logos Pharmaceuticals, which before being sold to the Barlow Rand empire used to be Merck, Mike Norris said the disinvestment was not so much politically motivated as the result of a policy of having licenses rather than subsidiaries in smaller markets such as Greece, Israel and some South American countries.

For Xerotech, which sells the products of its former parent,

Rank Xerox, Rob van der Merwe said disinvestment, when Altron bought the company, had proved "extremely successful" for the local operation.

"It's very unlikely they'll be coming back. They're happy with the distribution channel."

For Information Trust Corporation, which used to be Dun & Bradstreet, Tony Lang said ITC did not want the American company back.

"We've built up the company over the past four years into one that gives the marketplace what it wants and has a far more positive image than Dun & Bradstreet had."

"We would welcome strategic alliances on the international front, but we certainly don't want a big bloke plonking his backside in our back yard."

For ISM, which changed its name from IBM when the own-

ership changed, Brian Mehl said there was "no chance" the company would change its name back to IBM.

"IBM's disinvestment was from an equity point of view and left our supplies basically unchanged. So it will be business as usual for us."

Another "stayer", BP Southern Africa, said it also believed the decision to stay was without doubt the right one.

BP said withdrawal from South Africa would have left BPSA employees at the mercy of new ownership, who might have offered fewer opportunities for black people to achieve their full potential.

When asked whether the company "look flak" for deciding to stay, BP replied "Some people felt that no amount of contribution to change in South Africa could justify remaining."

BP respected their opinion even if they did not agree.

"The company wanted to demonstrate what could be done from within."



# Light at the end of very long tunnel

Star 13/7/91

(280) (68)

## MAGNUS HEYTEK

"SOUTH Africa is nearing the end of a journey of more than 40 years in the desert"

This comment from Dr Anton Rupert, chairman of the giant Rembrandt Group and one of SA's foremost international businessmen, encapsulates the dramatic events of the week past.

While the euphoria at President Bush's lifting of US sanctions against South Africa was justified to a certain extent, there still is some way to go before the end of the desert will have been reached.

Common sense suggests that it will take some time before the expected increase in trade between SA and the US will materialise.

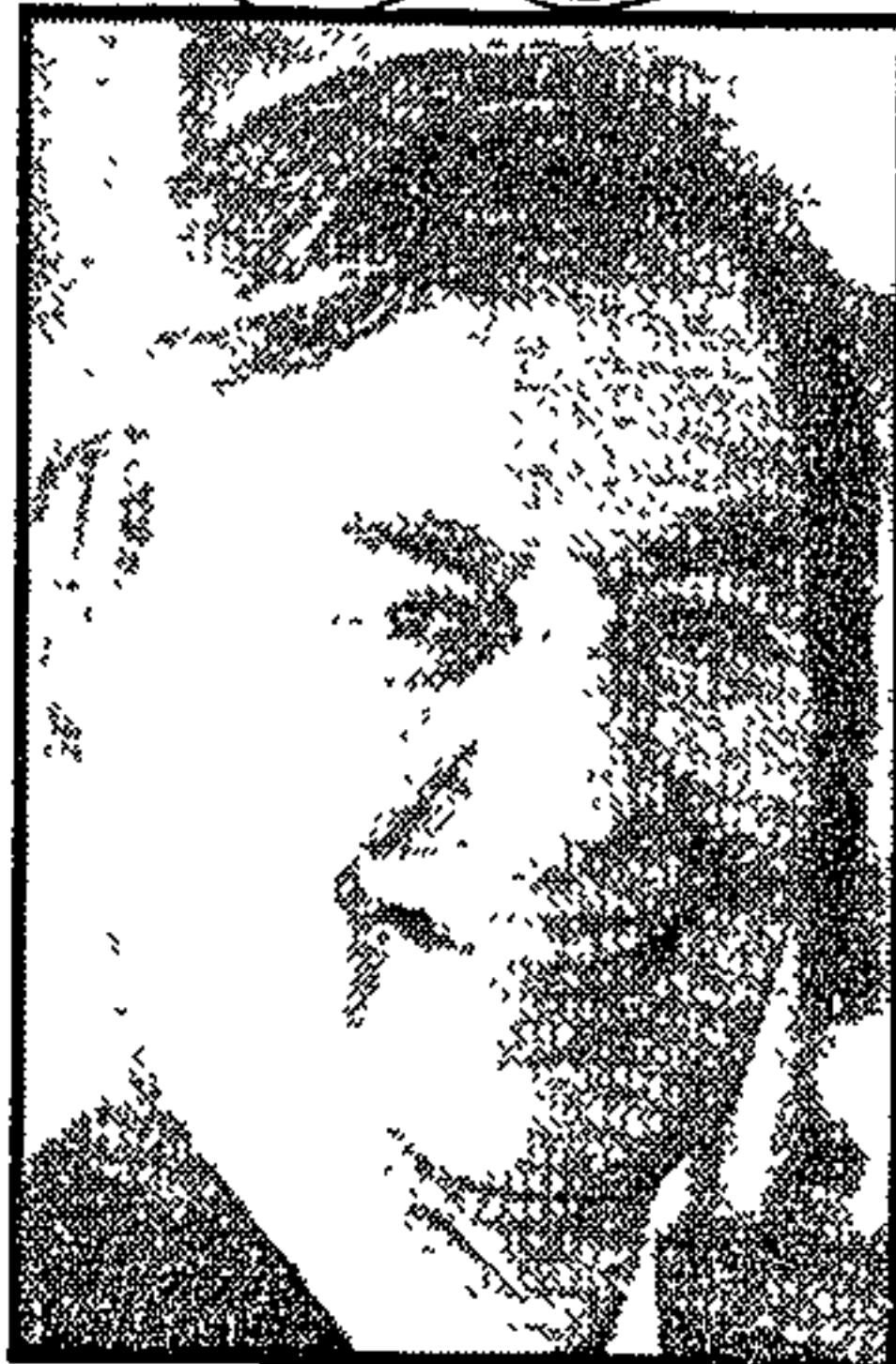
Although trade sanctions have all but been removed, financial sanctions still remain firmly in place. For the economy to be really unshackled, the sanctions on international capital must also be abolished.

But this will take some time — even as long as two years according to some reports, particularly with regard to funding by the International Monetary Fund and the World Bank.

South Africa last had access to IMF-loans in 1983, prior to the introduction of the Gramm amendment to the Bretton Woods Act, which effectively blocked any further loans to South Africa by either the IMF or the World Bank.

Some analysts have also expressed doubts as to whether South Africa will qualify for any IMF-assistance in the current world economic climate. Many other countries in far more serious trouble will likely qualify.

Several other constraints still



Dr Anton Rupert ... SA 40 years in desert.

have to be removed before South Africa can consider itself firmly back in the international fold. Several other countries still maintain sanctions against South Africa. The debt-standstill arrangement also remains firmly in place.

The sharp exodus of capital in terms of the debt-standstill agreement most probably had more impact than trade sanctions and disinvestment.

Between 1985 and 1989 more than 40 percent of net domestic savings of the country was required to finance outflows. South Africa was forced to repay loans equivalent to about R29 billion during this time.

This had an enormously debilitating effect on growth.

South Africa now has 1 percent fewer jobs than in 1985, says Rudolf Gouws, chief economist at Rand Merchant Bank. Per capita, the economy has been shrinking at a rate of about 1 percent a year during the same time. This explains the sharp increase in unemploy-



President Bush ... has taken initial steps on sanctions.

ment since 1985.

The United States has ignited a light at the end of the tunnel — it is a very long tunnel, says Nora Hill, who has been in the export market for many years and runs Export Marketing and Management Consultants in Durban.

She also serves on several committees that advise and co-ordinate export activities in South Africa.

"It is very good for the overall morale of the country but it is not a ticket for instant wealth, nor does it give South Africa any advantage over other countries competing in a tight world economy."

"The US is an opinion leader and this move should set the trend for all other countries to follow," she says.

The EEC, Australia, Japan, and New Zealand should all follow and these markets will become available as well as the hope that some investments will flow from these countries.

There are major problems in

the US, with the various states all having instituted their own laws which will make it difficult for trading relations to be resumed in the near future.

Also, Ms Hill points out, the President's revocation or modification of the sanctions Bill could be overturned by the enactment of a congressional joint resolution (subject to veto) within 30 days.

But the opportunities are now a reality and companies should be gearing up as soon as possible for the increase in trade.

Main areas that will benefit almost immediately are the iron and steel industry, the JSE, sugar, agriculture and raw materials.

Standing as major stumbling blocks are double taxation, lack of access to the International Monetary Fund, the arms embargo and no bilateral agreement on landing rights in the US and other countries.

Most SA companies are stretched to supply the local market. The export market will demand extra capacity that does not exist.

The cost of disinvestment when sanctions and boycotts forced companies out of SA is reflected by the fact that in 1985 US investment stood at R1,5 billion and by the end of 1986 it was down to R1,3 billion.

From January to July 1986 SA exports fell from R1,19 billion to R654 million in the corresponding period in 1987 — after a 21 percent increase from 1982 to 1986.

Although there was an initial drop in exports, SA businessmen have successfully replaced these markets and goods have continued to flow across the borders — albeit with a lot more effort and aggressive marketing.





HERMAN COHEN: "No unfair advantage".

# US acts to limit sanctions fallout

Star 13/7/91

SHAUN JOHNSON 280

WASHINGTON yesterday made two important interventions to calm nerves in South Africa over the lifting of sanctions this week and what this would mean for negotiations.

The US assured the African National Congress that the lifting of the Comprehensive Anti-Apartheid Act (CAAA) was not intended as a slap in the face for Nelson Mandela's organisation.

And President F W de Klerk has been given a clean bill of health on allegations of state complicity in township violence.

In an interview by satellite link-up with Pretoria and Lagos late yesterday, Assistant Secretary of State for Africa Herman Cohen said that in praising Mr de Klerk and lifting the CAAA, President George Bush had not intended to "ignore those whose struggle helped so much to change the mental outlook of the white power structure".

The CAAA had to be lifted now in terms of US law, he said, and he did not expect that the move would give the South African Government an unfair advantage in upcoming negotiations with the ANC. "It does not make the Government's position any stronger, or the ANC's any weaker."

"I do not think the President's actions will undermine efforts to end apartheid. In fact I'm quite surprised at the lack of joy coming from the mass democratic movement."

"It is a great victory for those who wanted to put pressure on the South African Government. They should now be saying 'We won. We won the fight to bring about profound change'."

Mr Cohen said US investigations had produced "no evidence of any Government complicity in the black-on-black violence", although these were not necessarily definitive and did not exclude the activities of private citizens.

"Who the instigators are I don't know. It's very complex. There are ethnic problems, there are turf fights between dif-

● TO PAGE 2.



"When an invitation to a lounge suit is..."



\* A London mat follows "In days to dawn evening of formal age, the acceptable As Mills Special is e their fine, expen

## Sanctions

● FROM PAGE 1.

ferent political organisations, there's the question of poverty, hostel-dwellers versus town-dwellers."

But, he added: "I personally feel that the conflict between Inkatha and the ANC has been the major reason."

The US believed that South Africa was "condemned to negotiate... there's no other way out", Mr Cohen said, and the prospects for a settlement were good.

Sanctions had played only "a modest role" in bringing this situation about, and their lifting did not erode the power of South African blacks.

"I think President de Klerk and the majority of the white people of South Africa have decided that the only way that their way of life can be maintained is if they bring the majority of the people into the modern system. That means there must be democracy. "The black people of South

Africa have it in their hands to control the future of the white people of South Africa. Whites cannot maintain their prosperous way of life without the co-operation of the black people."

Mr Cohen would not give details of US plans to launch reinvestment strategies, but said "ideas are being actively developed now".

He also intimated that it might be worth the South African Government's while to make an application to the International Monetary Fund for financial facilities.

"The South African Government is free to make an application," he said. "We have continuing legislation which requires us to vote against such a facility for South Africa unless it can be shown that it would help ease the impact of the apartheid system."

"So I would say the ball is in South Africa's court. I suggest you talk to Finance Minister (Barend) Du Plessis to see what his plans are to make such an application."

2 Saturday Star July 13 1991



# Apartheid not over, says Cohen

280

clp res 14/7/91

REMAINING US sanctions against South Africa relating to trade and international lending will be used to press the government and the mass democratic movement to get negotiations going, US Assistant Secretary of State Hank Cohen said on Friday.

In a satellite link-up interview with journalists in Pretoria and Lagos, he said the lifting of sanctions did not mean apartheid was finished.

"A new constitution has not been written yet, democracy has not arrived yet. We will continue to apply our diplomatic, political and economic pressure in South Africa to bring about this desired conclusion."

Cohen said the lifting of sanctions had not undermined efforts to end apartheid. The parties involved were "condemned to negotiate" as there was no other choice.

He said the move had not made the government's position any stronger or the ANC's any weaker.

US President George Bush had no choice in lifting most economic sanctions because by the end of June South Africa had fulfilled all the required conditions.— Sapa

**BIGGEST** news on the economic front during the past week was definitely the decision by the United States, leader of the Western world, to abandon sanctions against South Africa.

The news was celebrated by a strong surge on the Johannesburg Stock Exchange as foreigners joined in the rush to invest in our handful of blue chip shares.

Yet inherent in this new interest in our stock market is a new danger for the future: greater volatility in our financial markets. Should things go wrong, these foreigners will not hesitate to sell and take their money elsewhere.

What we desperately need is solid investment in industries that provide new job opportunities, especially for the thousands of former mineworkers walking the streets these days. Fortunately there has been

# Market rush on Sanctions news

## MONEY TALK

done quite well.

But the price has been high. Large parts of the older mines have been abandoned, staff has been reduced and costs were cut to the bone.

These steps are still reverberating through the economy as firms dependent on the mining industry struggle to keep their heads above water.

What has become clear is that the gold mining industry is no longer the growth industry it used to be.

Gold's monetary role has become less important and the met-

al is now more dependent on the jewellery industry than ever before.

In other words, as a country we will have to earn a greater proportion of our income in other areas. This means primarily industrial development.

With the lifting of sanctions by the US this should become easier, especially when Washington removes the obstacles blocking our access to funds at the International Monetary Fund.

But make no mistake, the hard work and planning will have to come from inside South Africa.

Things are tough on international markets and only the really naive will believe that a mythical American, European or Japanese company or foundation is waiting on the horizon to come and do our job for us.



**MOLEFE, CP deputy Editor**  
**is from Philadelphia, US.**

NY company that invests in South Africa now will become the target of US anti-apartheid movement, American Committee on Africa (COA) president Richard Knight said on Thursday.

Knight, who heads ACOA, which is probably one of the United States' oldest anti-apartheid movements, was one of those who reacted angrily to President George Bush's lifting of economic sanctions on South Africa this week. Prominent sanctions activist Randall Robinson, of Trans-Africa, argued that all political prisoners had been released in South Africa.

He cited recent reports by the South African Human Rights Commission and Amnesty International, which said at least 850 legitimate political prisoners were still incarcerated in South African jails.

Congressman William H Gray told one of the country's major newspapers, the *Philadelphia Inquirer*: "Neither the letter nor the spirit of the law has been complied with by the South African government."

"There are still hundreds of political prisoners, as documented by both Amnesty International and our own State Department."

Condemning the lifting of sanctions, another prominent American politician, the sanctions debate over the years,

## Protest storm

C/1000 14/7/91  
erupts as

## George Bush

## removes SA

## trade barriers

Representative Ronald Dellums of California, reminded Americans that black South Africans still could not vote.

Also under fire was President Bush's urging of American cities and states to follow his administration's move and lift sanctions against South Africa.

Church leader Leon Sullivan, architect of the Sullivan Principles for American companies operating in South Africa, said he hoped there would be pressure from cities and states because they still had legislation "that provides a good deal of continued pressure."

Sullivan also said he saw no possibility that this legislation would be lifted by American states.

New York mayor David Dinkins announced broad new rules that would further limit his city's business with banks that do business with South Africa.

He was joined by New York City Councillor Elizabeth Holtzman, who confirmed that her city was not about to consider reversing its support for sanctions.

South African born Dumisani Kumalo of the Africa Fund said: "We must begin to work at overturning this decision. We have 30 congressional working days to do that."

"People at community level are upset and I think they are mobilising to pressure Congress to resist this action."

The *Philadelphia Inquirer* also reported that this week's lifting of sanctions was not expected to unleash a flood of United States business investment into South Africa because of South Africa's political instability and the sanctions laws adopted by more than 120 state and local governments in the United States.

Indeed, added the newspaper, some United States industry analysts say the State and local prohibitions have been a bigger deterrent than the Federal ban on business investments in South Africa.

The newspaper's business page also reported that the United States business giants Kodak, Ford, Bank of America and General Motors, which have cut back business ties or withdrawn over the past five years, said they would not return to South Africa.

US firms still

280  
(13)

Blocked

# US fears SA 'begging bowl'

By LUCAS DE LANGE

THE Americans have a habit of wrapping their political decisions in a highly moralistic package which fits American self-interest.

When US president George Bush announced his decision to lift trade sanctions against South Africa, he stressed that he had told ANC president Nelson Mandela that it was "the right thing to do"

One must ask: Right for whom?

Filtering through from the American establishment in recent months, a new concern has been manifesting itself – a genuine fear that South Africa's economic situation is going to deteriorate to such an extent that we may become just another African basket case

The last thing the Bush Administration would like to see, is another begging bowl.

With a growing number of States in Latin America, Africa, Eastern Europe – and even the Soviet Union – exerting constant pressure for aid in a world short of capital, another candidate from southern Africa would be most unwelcome. Especially one that has succeeded in arousing emotions in Black-White American politics.

Using its economic might to help South Africa avoid becoming another basket case makes good sense. The scrapping of the Comprehensive Anti-Apartheid Act will undoubtedly cre-

ate new opportunities for South African exporters, while foreign investors will show a greater interest in South Africa

But be careful – it's a tough and highly competitive world out there and there is no such thing as a free lunch. In fact, South African political and business leaders would do well to soberly consider certain factors that played an important part in the background to the Bush decision.

The attitude of establishment Americans towards South Africa is probably well-defined in an article by respected US economic and political analyst Francis Fukuyama, after a recent visit to South Africa

Writing in the journal *The National Interest*, this former deputy head of the State Department's policy planning division said he found it hard to overstate the potential for economic disaster in South Africa

His article suggests three possible scenarios. The first is one in which South Africa would follow Germany's example, where the developed part of the country would peacefully absorb the less-developed part and, while suffering a temporary drop in living standards, would eventually raise the poorer section to the level of the richer part

The second possible scenario seen by Fukuyama is that South Africa would deteriorate into a Lebanese-type situation. In this

scenario, the township violence would spread and become part of the future of the country as a whole, because it has been partitioned into different ethnic or racial communities. In such circumstances, each of these communities would possess arms to protect themselves.

The last scenario is the Latin American model, where the decline would be mostly economical into some kind of poverty-stricken banana republic.

"It is a widespread misconception," he states, "fostered for many years by the apartheid regime, but believed by many blacks, that South Africa is a relatively rich First World country that has simply failed to share the wealth adequately with its black population."

The starting point for a new government could be the redistribution of wealth. "The problem is that any large-scale attempt to right these wrongs over a short period would be self-defeating in that it would wreck the economy."

"It is here where the evolution of the ANC's economic thinking over the next few years will be critical."

Fukuyama warns that a major problem a new government will have to face is to persuade the whites to stay. A serious deterioration in the economic situation will undoubtedly convince many whites that they should take their expertise where it is more marketable. He

believes that it would be hard to overstate the potential for economic disaster should large numbers of whites leave the country.

It is against this background that the favourable reception of the De Klerk government's efforts to have sanctions lifted must be seen. Many people in the ANC feel the Bush decision came much too early. But one may well ask whether it really had so much to do with what De Klerk and Mandela – although on opposite sides – had to say about the matter.

The reality is that sanctions are becoming part of our history. But another reality is that their disappearance will not make all that much difference to our economic situation. Assessments towards the end of the week showed that very few experts expect anything dramatic to happen.

Foreign investment will not simply appear on the horizon. Until perceptions overseas change about the country's stability and our willingness to increase our productivity, very little will change in the everyday lives of ordinary South Africans

Fortunately, we are not all that desperate for foreign investment. South Africa can finance an important part of its future growth, provided we can rebuild business confidence and stop the slide in workers' productivity.



# ANC manages to stave off OAU meeting on lifting of sanctions

By DAWN BARKHUIZEN and PATRICIA CHENEY

THE ANC has succeeded in delaying an Organisation of African Unity meeting to review sanctions against South Africa.

The meeting was scheduled to take place in Abuja, Nigeria, tomorrow under the chairmanship of Nigerian President Ibrahim Babangida. It has been postponed to next month.

President Babangida, the current OAU chairman, is keen to reward the South African government for the changes it has introduced by lifting some sanctions.

ANC International Affairs spokesman Yusuf Saloojee said the ANC would argue next month that sanctions should be maintained until all politi-

cal prisoners, including the 160 in Bophuthatswana, are released and mechanisms to end violence are in place. *S Times 14/7/91*

It would take the same message to leaders in Denmark, Germany and Holland early next month, he added.

The conservative Danish government supports the lifting of sanctions. It is being prevented from doing so by social democrats and liberals who have a parliamentary majority on the issue. This, in turn, is preventing the lifting of the remaining European Community sanctions, as all EC decisions have to be unanimous.

However, South African officials believe Japanese sanctions will go within a month.

Two Japanese trade delegations, the Keidanren and the Society of Modernisation, have visited South Africa recently. Officials said they were confident Japanese businessmen would be more willing to invest in South Africa than their American counterparts.

The OAU initially turned down the ANC's request to delay the meeting, saying it had come too late. It later acquiesced.

## Premature

ANC international affairs head Thabo Mbeki said a meeting now would be premature.

Mr Saloojee said once the issues of prisoners and violence had been resolved, the ANC would call for the "phased maintenance" of sanctions.

This provides for the lifting of:

- Cultural and tourism sanctions once obstacles to negotiations are removed. These include the indemnification of all exiles, an end to political trials and the repeal of security legislation;

- Iron and steel sanctions when an interim government is installed;

- The oil and arms embargo once a democratic constitution is in place.

Meanwhile, an American union official has said that despite the lifting of US sanctions, the passage of goods from South Africa to American consumers will not necessarily be a smooth one.

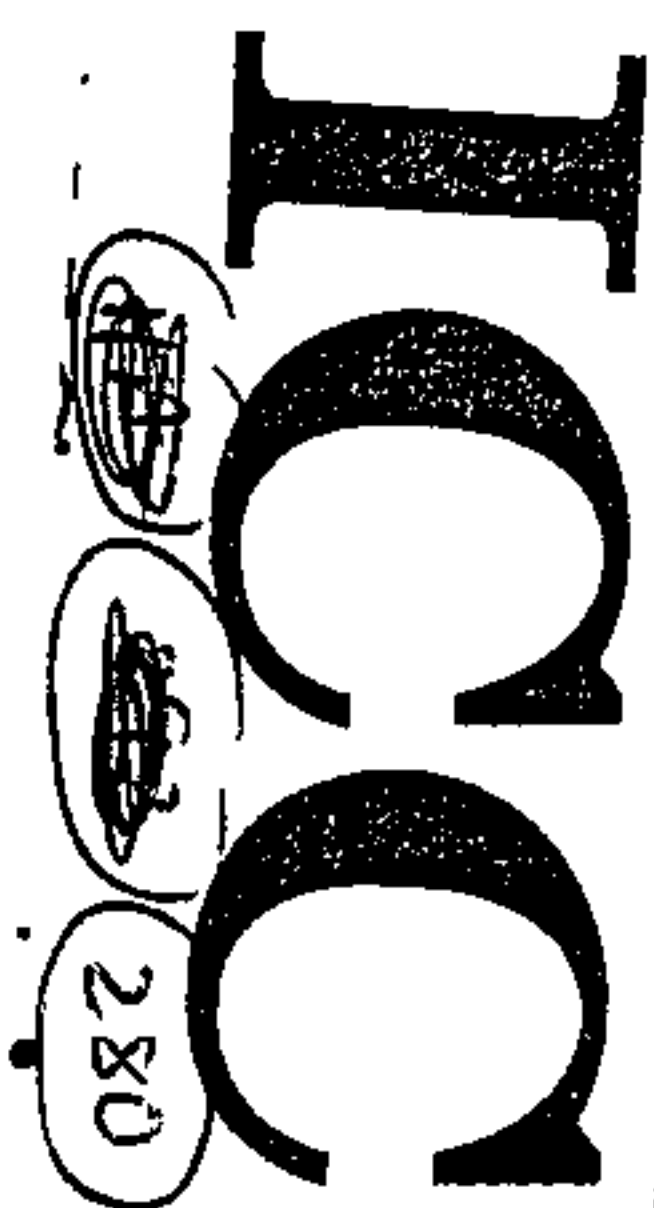
Mr Kenneth Zinn of the United Mine Workers Union said: "Unionists will continue to show solidarity with black workers in South Africa."

He said American longshoremen could hold up SA goods at the docks.

In 1986, longshoremen in Mobile, Alabama, refused to unload SA coal and unionists in Oakland, California, and New Orleans, Louisiana, kept SA goods on ships for days.

# How Mbeki swayed

S Times 14/7/91



By EDYTH BULBRING

**DETAILS of the ANC's efforts to lobby hostile foreign governments to ensure South Africa's return to world cricket emerged yesterday.**

The key to SA's readmission this week was a letter sent by ANC international head Thabo Mbeki to the foreign ministers of all International Cricket Council member countries.

The ANC was also urged by British Foreign Secretary Douglas Hurd to follow up the letters by actively lobbying governments which exerted influence over their sporting bodies.

Mr Hurd is understood to have been referring to the West Indies, India and Pakistan.

Copies of the correspondence between the ANC and governments of ICC full-member countries were obtained by the Sunday Times yesterday.

Mr Mbeki urged the foreign ministers to use their influence to encourage the admission of the United Cricket Board of SA (UCBSA) into the ICC.

He said in the letter that the ANC was lending full support to the UCBSA's application for ICC membership.

The ANC was satisfied that the necessary progress had been made towards the establishment of a non-racial controlling



THABO MBEKI

## ANC went in to bat for SA cricketers by lobbying hostile states

IT IS IN THE LIGHT OF ALL THESE DEVELOPMENTS THAT WE REQUEST YOUR EXCELLENCY TO USE YOUR GOOD OFFICES TO ENCOURAGE THE ADMISSION OF THE PROJECTED UNITED CRICKET BOARD OF SOUTH AFRICA INTO THE ICC.

**PERSUASIVE ... an excerpt from Mbeki's letter to the Jamaican government**

body for South African cricket.

The UCBSA had also insisted conditions aimed at ensuring that disadvantaged South Africans gained access to adequate sport facilities, the letter said.

Readmittance to world cricket would play a crucial role in encouraging the complete desegregation of sport in general, Mr Mbeki said in the letter. "This in turn would have

an important impact on the processes in which we are engaged directed at moving the millions of South African people, including the youth, towards a non-racial and democratic order and a peaceful and stable society," Mr Mbeki wrote.

Mr Hurd said in his reply that he was impressed by the efforts of ANC sports head Steve Tshwete to foster racial integration in sport and to facilitate the

unification of sports bodies in South Africa.

"I warmly welcome the creation of the United Cricket Board of SA and endorse your wish to see UCBSA admitted to the ICC in July. We will do all in our power to ensure that UCBSA's application is successful," Mr Hurd wrote.

He cautioned that the British government did not, however, direct sport in Britain.

"It is the advocacy of the UCBSA themselves and the support which the ANC has given them which is likely to weigh most with British cricketers and, indeed, with other ICC members," Mr Hurd said.

Other ICC member governments, however, tended to exercise a more direct influence over their sports organisations than the British government, Mr Hurd said.

### Backing

"I hope you will follow up your letters with other contacts to ensure that these governments are in no doubt as to the ANC's support for UCBSA's application," he wrote.

Approached for comment yesterday, Mr Tshwete said the first question he was asked by every representative of the ICC in his visits to London was whether the ANC supported the UCBSA's application.

"The bottom line from the ICC members was that without ANC backing the application by the UCBSA could not be approved," Mr Tshwete said.



**F**OR the life of me, I cannot understand why Foreign Minister Pik Botha should have agreed to debate with Mr Randall Robinson on Ted Koppel's *Nightline* this week. The sanctions question had just been settled. Why lend dignity to a has-been? And why get up at five in the morning — the time at the minister's end — to do it?

Folly. And Mr Robinson very nearly made the most of it, hammering his adversary with questions (how come Pretoria still spent three times as much on white students as black ones?) to which Mr Botha, at that hour, could scarcely find a coherent answer. When he did find words, it was to call Mr Robinson a communist.

Game, set, and . . . no, not match, for suddenly there was Koppel, leaping down from his umpire's chair to slide a stiletto into Mr Robinson's back.

"There is one issue that does stand out a little bit, Mr Robinson, and that is you seem more exercised (about the repeal of sanctions) than the black South Africans from whom we've heard today."

**T**EN minutes earlier, none other than ANC president Nelson Mandela had been asked by Koppel if he was worried by the day's events. "No," he had said. "We have no fears at all." The ANC might disagree with President Bush's timing, but such was life.

Blindsided, Mr Robinson turned ashen. He seemed to understand the implication of Koppel's sally immediately, but could not parry it. President Bush's decision, he seethed, would have "an extraordinarily bad impact on progress in



## SIMON BARBER's Washington Diary

South Africa" and, besides, it violated American law.

It was a transcendent moment. Now, at last, it was plain for all to see: Mr Robinson was more royalist than the king, more concerned with his position and the disintegration of an Act he had helped put on the books than with the views of those he claimed to champion.

He is not the only sanctioneer to have betrayed himself in this manner. The same day, New York mayor David Dinkins announced: "It is our firm belief that without these measures on the local, state and federal level, the pursuit of democracy in South Africa will fail."

Congressman Ron Dellums, in an identical vein, proclaimed: "To lift sanctions, as I see it, no longer allows the playing field to be level. You don't keep the South African government's feet to the fire."

What these gentlemen

are all saying is that the ANC and its fellow strugglers are incapable of managing their destinies for themselves; that their achievements to date are worthless; and that without their princely foreign guardians, they cannot succeed. This is condescension on an epic scale.

After generations of extraordinary hardship and sacrifice to get themselves treated as equal human beings, black South Africans have brought the government to the negotiating table and the brink of a new constitution. And here are their "friends" telling them that they are poor, weak dears who cannot hack it on their own.

**T**HE ANC, with its victim psychology, must take some blame for having made its "useful idiots" look down upon black South Africans so. It has belittled the heroism of its own people by relying so long upon the kindness of strangers. It has espoused strategies that have turned hundreds of thousands of young men and women into permanent mendicants.

But now, surely, it must understand what it has done and the new kind of colonialism it has created, and tell the pious leeches where to get off. Doesn't the farce over the money Mr Mandela raised here last year tell the movement anything?

Before long, when a new government is installed, the leeches will be disembarking at Jan Smuts in expectation of a hero's welcome. In their dreams, they are already lining up to be fêted and given medals for having "freed" South Africa, when all they have really done is to help prolong its enslavement.

# Israel lifts sanctions <sup>Argus 15/7/91</sup> but arms ban remains 286

JERUSALEM. — Israel's cabinet voted unanimously to lift economic sanctions against South Africa.

"We are now returning to full trade, economic and cultural co-operation — and also in other fields," Foreign Minister Mr David Levy announced after a meeting yesterday.

Israel is the second country after Switzerland to follow the lead of US President George Bush who eased sanctions last week.

Officials said a four-year ban on new arms contracts with South Africa remained intact. There have been persistent media reports of military co-operation between the two countries.

South African embassy officials in Tel Aviv said last month President De Klerk, who initiated the dismantling of apartheid, would visit Israel later this year.

"The activities of President De Klerk have been very constructive,"

Mr Levy said. "Israel very much appreciates the decisions carried out in this field and those which will come."

Four years ago Israel followed the West in imposing economic sanctions for fear of risking its R8,7 billion package in annual US aid.

At the time Israel pledged not to sign new military deals with South Africa or to serve as middleman for sanctions-busting third countries. But existing arms contracts would remain in effect until their expiration.

Cabinet Secretary Mr Eliyakim Rubinstein issued a statement: "Today's cabinet decision did not deal at all with military aspects of earlier decisions and no change has taken place in that sphere."

Also yesterday, Israel and Congo restored diplomatic relations, bringing to nine the number of black African countries to resume full ties since 1982. — Sapa- ● See page 9.



# French visit boosts hope for new trade

SHARON SOROUR  
Staff Reporter

FRENCH business interest in South Africa has been boosted by the first visit in many years by Parisian entrepreneurs seeking economic ties and exploring investment opportunities.

The "economic mission" by 75 post-graduate students — all business leaders with 10 to 15 years' experience — had already resulted in a R2½-million software distribution deal, group leader Mr Philippe de Braquilanges, an electronics expert from Dassault Electronique, said at the weekend.

While the opportunities for investment in South Africa by French companies were good, the international business community was still looking at South Africa at this point, but with "great interest".

"There has been a delay in France, compared with our neighbours, in expressing interest in South Africa.

"We have now taken advantage of the incredible momentum taking place in this country right now with the lifting of economic sanctions and the scrapping by the Economic Community of bans on trade and investment," he said.

The two-week visit was part of a one-year advanced management diploma from the Centre de Perfectionnement aux affaires, which operated under the auspices of the Paris Cham-

ber of Commerce and Industry.

Mr De Braquilanges said there were three objectives of the visit:

- To explore the financial, economic, political and social realities of the country;

- To meet businessmen from all sectors to set up potential business ties and investment opportunities;

- To promote French companies interested in South Africa, who had sponsored the visit.

He said there was "significant" international business interest in South Africa and a "definite potential for business" existed.

French business could play a major role in South Africa because of its knowledge of the African continent, Mr De Braquilanges said.

"South Africa would be an ideal platform to cover our interest in the southern part of the continent," he said.

"We decided to come to South Africa to convince ourselves and our sponsors of the business potential in the country," he said.

The group, which included two women, represented the entire French industrial sector.

They visited Johannesburg before coming to Cape Town and move on to Durban before flying back to Paris this week.

Business ties were forged in the food industry, banks, insurance, data processing, technology, health services and communication.

# Big winners are companies who stayed in SA

Business Staff

WHILE companies that disinvested from South Africa in the 1980s say they have no regrets it seems the biggest winners as the economy takes off again after the lifting of most United States sanctions will be those who stayed.

Already, some companies that pulled out during the storm of controversy over trade links with South Africa are planning to return. One example is the British Whitehead Group, which makes stationery.

Mr Stephen Watson, the group's financial director, said disinvestment cost the group little, because it was "not very big" in the South African market.

"However, many people in our sector in Britain lost a great deal. Any company needs as big a base as possible and South Africa would have been a viable export base.

"Yes, we will return to South Africa, in a bigger way than before. I believe we will be back within the next six months."

Less forthcoming were other companies that pulled out, and that have no immediate plans to return.

Chase Manhattan Bank, one of the first to leave, said its decision was made as a result of economic as well as political factors. Before coming back to South Africa, it would have to study the effect of city and State laws that still prevent American firms dealing with South Africa.

Kodak said the situation after President Bush's announcement was "very complex". It has no plans to return — "and beyond that, we have no comment."

Companies that stayed on in South Africa in spite of the pressures to pull out are today patting themselves on the back.

One such is BMW (SA), whose financial director, Peter Barbe, is in no doubt the company gained by staying.

"We gained in that we maintained the loyalty, support and goodwill of our customers, suppliers and employees.

"BMW (SA) employs close to 3 000 people with about another 2 000 in our dealer network. When you take suppliers and affiliated organisations into consideration as well, the number could be as high as about 10 000 people employed by BMW (SA) in some way.

Caltex, another company that stayed, said in a statement from its head office in Dallas, Texas, that it was proud of the role it and other US companies had played in speeding up the process of change.

Companies that stayed in South

Africa by changing their name and controlling shareholders are unanimous in saying disinvestment worked in their favour.

For Delta, which used to be General Motors before that company disposed of its South African interests, George Stegmann said that if GM wanted to buy a stake in Delta, "it would have to be on a basis that was mutually acceptable.

"They would have to pay for the privilege."

For Logos Pharmaceuticals, which before being sold to the Barlow Rand empire used to be Merck, Mike Norris said the disinvestment was not so much politically motivated as the result of a policy of having licensees rather than subsidiaries in smaller markets such as Greece, Israel and South America.

"We still have close ties, and get all the group's technology. The difference now is that the business is running a lot better than it did when they had it."

For Xeratech, which sells the products of its former parent, Rank Xerox, Rob van der Merwe said disinvestment, when Altron bought the company, had proved "extremely successful" for the local operation.

"It's very unlikely they'll be coming back. They're happy with the distribution channel."

For Information Trust Corporation, which used to be Dun & Bradstreet, Tony Lang said ITC did not want the American company back.

"We've built up the company over the past four years into one that gives the marketplace what it wants and has a far more positive image than Dun & Bradstreet had."

For ISM, which changed its name from IBM when the ownership changed, Brian Mehl said there was "no chance" the company would change its name back to IBM.

● A high-powered delegation by the Soviet Chamber of Commerce arrived at Jan Smuts Airport yesterday for a 10-day visit to South Africa to strike export-import trade pacts.

The five-man delegation, led by Vladislav L Malkevitch, president of the Soviet Chamber of Commerce, will meet representatives of the SA Chamber of Business (Sacob), Afrikaanse Handelsinstituut (AHI) and National African Federated Chambers of Commerce (Nafcoc) during their stay.

Mr Malkevitch told a press conference yesterday that their goal was to enter into economic dialogue with South African commercial associations.



# Steel, coal to benefit most as sanctions go

Own Correspondent.

JOHANNESBURG — The JSE's steel and coal sectors stand to reap the greatest benefits from the lifting of US trade sanctions, say market analysts.

But they believe these benefits will be felt only after some time, when international steel and coal prices firm.

An increase in these prices is forecast in line with the economic recovery in major industrialised countries.

One analyst said that as the steel and coal sectors bore the brunt of sanctions "it stands to reason they will benefit most".

Anglo American Corporation stands to benefit through subsidiaries Anglo American Coal and Highveld Steel.

Barlows has substantial steel interests through Middelburg Steel & Alloys and it is exposed to the coal sector through Rand Mines' Witbank Colliery.

Iscon will be a major beneficiary in time, and this is reflected by the rise in its price

But Fergusson Brothers' William Bowler cautions that benefits will not be immediate as "world steel markets are depressed and at present there is softness in world coal markets".

An indication of the depressed state of steel markets is the 65% slump in British Steel's pre-tax profits in the year to March.

Analysts said the benefits in the coal sector would be through higher prices, as export capacity was constrained by the limitations of the Richards Bay terminal and inadequate rail transport.

Coal exporters no longer had to take a political discount in price.

The Richards Bay terminal is being expanded, and capacity constraints are likely to be alleviated when railway extensions are completed.

# SA parastatals back in world bond markets

Own Correspondent

(246) (280)  
CT 15/7/91

JOHANNESBURG. — SA parastatals are returning to international bond markets after years of financial isolation and the lifting of sanctions is expected to accelerate the trend.

Investors who have shunned SA for more than five years are being tempted back, with mainly Swiss and German interests involved.

The latest in a series of overseas loans is a \$40m new bond placement secured by Eskom through Swiss banks in London.

Other public corporations have also

broken into international bond markets this year. Transnet placed DM50m of four-year bonds in June and Posts and Telecommunications secured a DM150m four-year private placement in May.

Figures compiled by the London School of Economics' Centre for the Study on the SA Economy and International Finance show that in the first half of this year SA borrowers had 10 international bond issues valued at \$600m falling due. The centre estimates half had been refinanced.

Although few details are available, most of the deals secured are with pri-

vate individuals. But with the lifting of sanctions many expect foreign institutional involvement in the SA bond market to rise.

But market analysts warn that falling foreign yields on capital market stock, in line with the narrowing of the financial rand discount, and economic and political uncertainty may dampen foreign enthusiasm for local bonds.

Trade-linked financing is rising. The largest deal this year was a \$600m loan to the Industrial Development Corporation by the Export-Import Bank of Taiwan.



JERUSALEM. — Israel's cabinet, following the lead of the United States, voted unanimously yesterday to lift economic sanctions against South Africa.

"We are now returning to full trade, economic and cultural co-operation — and also in other fields," Foreign Minister Mr David Levy said after the meeting.

Despite reports of secret military co-operation between Israel and SA, the Israeli government said its four-year-old ban on new arms contracts with Pretoria would be maintained.

Israel is the second country after Switzerland to follow the lead of US President George Bush, who eased sanctions last week after the SA government's political reforms.

South African embassy officials in Tel Aviv said last month that

# Israeli govt discards SA sanctions

President F W de Klerk would visit Israel later this year.

"The activity of President De Klerk has been very constructive," Mr Levy said "Israel very much appreciates the decisions carried out in this field and those which will come."

Four years ago, Israel imposed economic sanctions for fear of risking its three-billion-dollar (R8bn) package in annual US aid.

At the time Israel pledged not to sign new

military deals with SA or to serve as middleman for sanctions-busting third countries. But existing arms contracts would remain in effect until their expiry.

Cabinet Secretary Mr Eliyakim Rubinstein issued a statement yesterday saying "Today's cabinet decision did not deal at all with military aspects of earlier decisions and no change has taken place in that sphere."

In November 1989 the US television network

NBC reported that Israel had developed and tested a medium-range missile in SA in return for Pretoria enriching weapons-grade uranium for the Jewish state. Israel denied the report.

In January last year, the Jerusalem Post newspaper reported that the Defence Ministry had resisted Foreign Ministry pressure to cancel defence contracts with SA.

Then-defence minister Mr Yitzhak Rabin reportedly warned of harm to the arms industry.

● Israel and Congo restored diplomatic relations yesterday, bringing to nine the number of black African countries to resume ties with Israel since 1982. — Sapa-Reuter

● Major will urge G7 to back SA — Page 3

● Steel and coal to benefit most — Page 9

# Full trade, economic and cultural co-operation Now Israel lifts

Spain 15.17191

**JERUSALEM** — Israel's Cabinet, following the lead set by the United States, voted unanimously yesterday to lift economic sanctions against South Africa.

"We are now returning to full trade, economic and cultural co-operation," Foreign Minister David Levy announced after the agreement had been reached.

Israel is only the second country, after Switzerland, to follow President George Bush since he eased US sanctions last week after South Africa had moved to end apartheid legislation.

"The activity of President de Klerk has been very constructive," Mr Levy said. "Israel very much appreciates the decisions carried out in this field and those which will come."

South African embassy officials in Tel Aviv said last month that President de Klerk would visit Israel later this year.

Israeli officials, however, said a four-year ban on new arms contracts with South Africa remained intact even though there have been persistent media reports of military co-operation between the two countries.

Four years ago, Israel followed the West in imposing economic sanctions for fear of risking its \$3 billion (about R8.7 billion) package in annual US aid.

280

## Middleman

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Also yesterday, Israel and Congo restored diplomatic relations, bringing to nine the number of black African countries to resume full ties with the Mideast state since 1982. — Sapa-Reuter.

● California not easing up on sanctions — Page 6

# Sanctions



# Parastatals return to bond markets

SHARON WOOD

SA PARASTATALS are returning to international bond markets after years of financial isolation and the lifting of sanctions is expected to accelerate the trend.

Investors who have shunned SA for more than five years are being tempted back, with mainly Swiss and German interests involved.

The latest in a series of overseas loans is a \$40m new bond placement secured by Eskom through Swiss banks in London.

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Trade-linked financing is rising. The largest deal this year was a \$600m loan to the Industrial Development Corporation by the Export-Import Bank of Taiwan.

# End of US curbs 'to boost steel, coal'

8/10/91 15/7/91

WILLIAM GILFILLAN

THE JSE's steel and coal sectors stand to reap the greatest benefits from the lifting of US trade sanctions, say market analysts.

But they believe these benefits will be felt only after some time, when international steel and coal prices firm. An increase in these prices is forecast in line with the economic recovery in major industrialised countries.

One analyst said that as the steel and coal sectors bore the brunt of sanctions "it stands to reason they will benefit most".

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But Fergusson Brothers' William Bowler cautions that benefits will not be immediate as "world steel markets are currently depressed and at present there is softness in world coal markets".

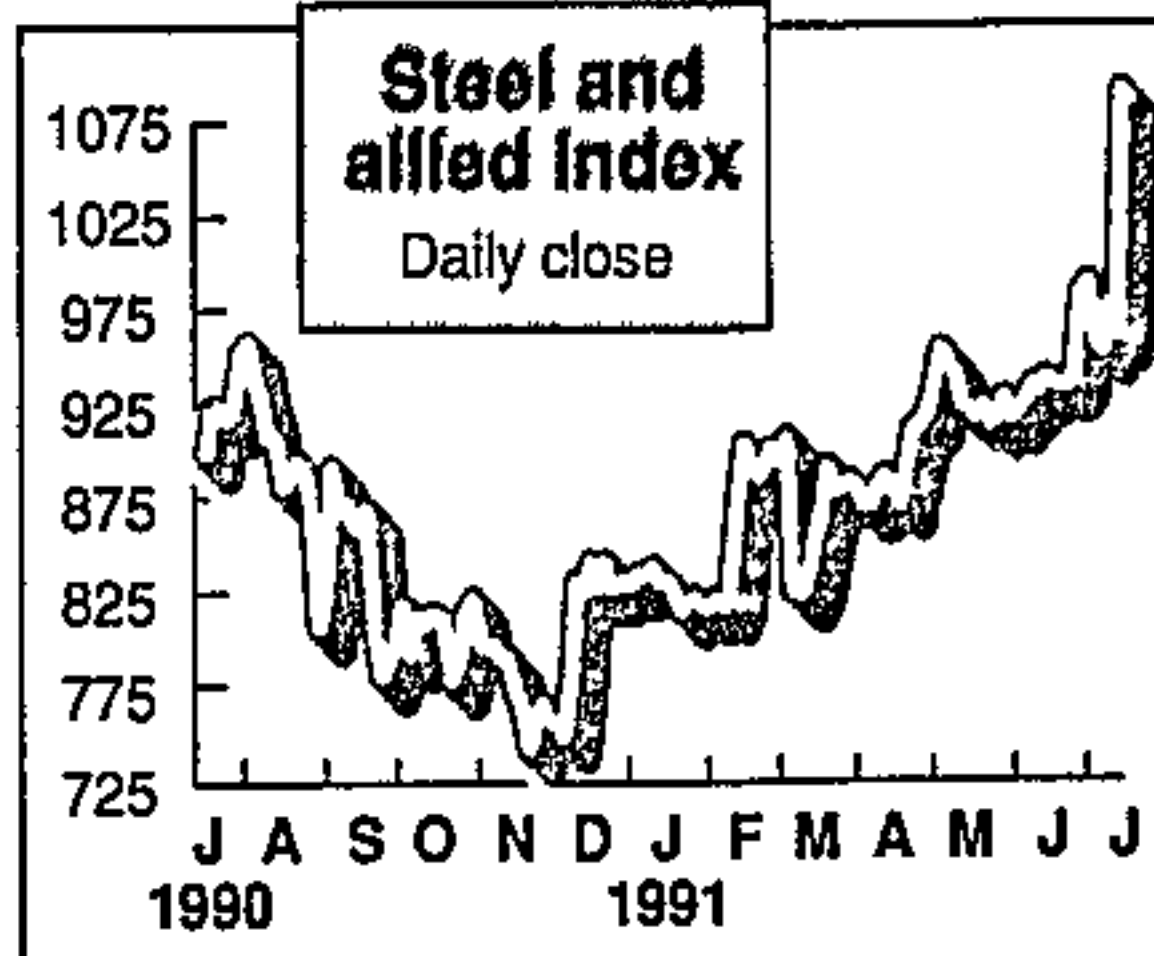
An indication of the depressed state of steel markets is the 65% slump in British Steel's pre-tax profits in the year to March.

Analysts said the benefits in the coal sector would be through higher prices, as export capacity was constrained by the limitations of the Richards Bay terminal and inadequate rail transportation. Coal exporters no longer had to take a political discount in price.

The Richards Bay terminal is being expanded, and capacity constraints are likely to be alleviated when railway extensions are completed.

Analysts said it was often difficult to know to what extent lower exports were due to slowdowns in international economies or to sanctions.

Sappi and Samancor were cited as



Graphic: FIONA KRISCH Source: I NET

groups affected largely by depressed international commodity prices.

Benefits will flow to shipping and transport companies through increased trade, said John Rogers of Edey Rogers. Companies involved in trade finance, and wine and fruit exporters, should also do well. Tourism would improve — if township violence abated.

The lifting of US sanctions was not expected to have much effect on trade with Africa, as this had continued throughout the sanctions period. Analysts also feel Africa could pose a payments problem for SA suppliers.

The Premier Group is considered best placed to benefit from any increased trade with Africa, as it already has a substantial distribution infrastructure in the continent. Tiger Oats could also do well.

Analysts said groups involved in basic commodities, especially foodstuffs, would prosper if trade with Africa picked up.

Regarding the American market, a senior manager of trade insurer Credit Guarantee, Gernot Kruger, said it would take time for SA companies to regain lost market share.

He gave the example of Namibia, which was struggling to increase exports. One reason for this was that despite the country's independence, local authorities in the US still had sanctions legislation against Namibia on their books.



# A return to normal for SA with lifting of trade embargoes

Star 15/7/91

**T**HE ANNOUNCEMENT by President George Bush of the withdrawal of most United States government trade embargoes on South Africa promises to act as a green light to a virtual global lifting of the sanctions blockade.

While several former overseas trade partners still show hesitation, there is no doubt whatsoever that the impact of the White House announcement will have a snowball effect in a return to normal international trade relations.

The arrival in Johannesburg yesterday of a high-powered delegation from the USSR Chamber of Commerce and Industry underlines the speed of events since the launch of the reform programme by President de Klerk at the start of last year.

The sweep of new perceptions of South Africa from the extremes of the political spectrum seems almost complete now that Moscow has joined Washington in burying the hatchet.

Since the White House announcement a few days ago, Switzerland, on neutral territory between the two superpowers, has lifted obstacles to financial contact. Japan is also reviewing its attitudes towards investment in South Africa.

South Africa, in the sanctions era, devoted enormous effort to the development of new markets in the Far East. The restoration of normal business relations with Japan will be especially important.

But world investors have the choice of many opportunities when they come to decide the destination of their funds. Their primary concern, naturally, is evidence of political stability and overall prospects of sound economic growth.

While South Africa cannot meet all the necessary criteria at the moment, events prove that South Africa has at least been put on the list of potential investment targets. Now we need to earn the merit for reappraisal in investment terms.

International companies who have stayed in South Africa and understand our markets are likely to be the first of the international players to make new investment moves — with modernisation and expansion of their operations. Newcomers are likely to be more cautious. Fortunately, most political



Trade . . . Haywood.

**The arrival of a trade mission from the USSR Chamber of Commerce and Industry provides yet another sign of the end of South Africa's international isolation, writes RON HAYWOOD, deputy director-general of the SA Chamber of Business.**

and business leaders on the continent have learnt to understand that Africa as a whole needs to work closer together to become more self-reliant.

South Africa, in turn, will have to make a firm decision about how it sees itself interfacing with the sub-Saharan family of nations.

Inter-regional trade in the Preferential Trade Area at the moment amounts to no more than a mere five percent of the total. The potential to increase internal trade is enormous — and South Africa is now being regarded by the rest of the world as the most likely bonding force on the continent.

South Africa was long the ham in the sandwich as regards the Cold War between America and Russia and paid an extremely high price with the destabilisation of the region, particularly in Angola, Mozambique and Zimbabwe.

It makes it all the more encouraging to see that Russia and America are now working together to stabilise the whole region. Thanks largely to their

influence, a peace accord has already been signed with Angola and there is every chance that peace will ultimately be restored in Mozambique.

Optimism has been increased by the arrival of a top-ranking delegation from the USSR Chamber of Commerce and Industry, led by Vladislav Malkevitch, a former Deputy Minister of Foreign Trade in Moscow.

It may be the prelude to the development of many more contacts in key trade and investment spheres.

Happily, in the field of South African politics, perhaps one of the most important watersheds was the recent national congress of the ANC, which saw the first democratic election of its new leadership.

Internal violence has been a considerable cause for concern. But very positive initiatives have been taken by the government, church leaders, political parties and the business sector.

In addition, the Government has announced its intention to develop a new industrial strategy and the State President's Economic Advisory Council is also working on an updated economic policy.

The moves are crucial. While the outside world is offering South Africa wider, bigger trade opportunities, the industrialised world is also becoming more competitive.

Now that South Africa has started to break out of the laager, businessmen will have to start thinking in global terms and adopting a far more outward-looking approach.

The withdrawal of sanctions has created much more optimism about South Africa's outlook, but there is still a need for down-to-earth pragmatism.

The road ahead will be rough and lots of give and take is needed at the negotiating table to find acceptable solutions and challenge the problems of social upliftment, unemployment, poverty and crime. The vital priority must be economic growth.

Clem Sunter, talking about High Roads and Low Roads, has said that the future is what we make it. It's a truism we all need to keep in mind — perhaps now more than ever.

South Africa still needs to prove its political stability and economic will-power if it is going to make the most of new opportunities. □



Cabinet decision unanimous

# Israel lifts sanctions against SA

280  
8/12/87 1517191

JERUSALEM — Israel decided yesterday to lift economic and cultural sanctions against SA.

The cabinet decision was unanimous, Israel radio said. It came four days after US President George Bush lifted US sanctions, Sapa-AP reports.

The cabinet did not discuss lifting military sanctions imposed on SA, the radio said. The proposal to waive the other sanctions was raised by Foreign Minister David Levy with backing from Prime Minister Yitzhak Shamir.

A cabinet communique said Israel "welcomes the progress and reforms" undertaken by the SA government.

Israel traded heavily with SA until March 1987, when the cabinet approved a ban on military contracts with Pretoria and restricted cultural ties.

VERA VON LIERES reports SA Zionist Federation (SAZF) head Solly Sacks said yesterday the Jewish community welcomed the lifting of Israeli sanctions and hoped this would lead to further co-operation between the two countries.

Sacks said he was confident that Israeli ministers would visit SA soon. Local Jews

were hopeful that President F W de Klerk would visit Israel this year.

The announcement would not affect SA participation in next year's Maccabi Games as SA had already been invited to take part, he said.

Spokesmen for Foreign Affairs and De Klerk's office were not available for comment yesterday.

Israel's decision to impose sanctions in 1987 came after the US Congress made it clear Israel's \$1.8bn in annual military aid could be jeopardised by its trade with SA.

The same year, Israel's Foreign Ministry banned new investments and government loans and curtailed iron and steel imports. Israel also halted imports of oil and gold coins and barred government employees from visiting SA without cabinet approval. Coal imports were exempt.

However, concerted action saw imports and exports climb over the past few years after an initial decrease towards the end of 1987, ANDREW GILL reports.

The potential decline in trade was averted by moves to trade in manufactured goods not covered by the sanctions.

Yesterday's announcement opens the way for new investment by yet another country while government loans can theoretically be secured.

Exports to Israel amounted to about \$200m in 1987 and remained at that level in 1988. Imports climbed over the same period, to \$137m from \$100m. Imports and exports have remained static since then and trade between the two amounts to between \$330m and \$340m a year.



● SHAMIR



# Pro-sanctions lobby seeks new strategies

HUGH ROBERTON  
The Argus, Foreign Service

WASHINGTON. — Evidence is to be led in Congress tomorrow on "post sanctions strategies" aimed at putting continuing pressure on the South African government and reviving the pro-sanctions movement across the United States.

The chief witness will be the Rev Leon Sullivan, author of the "Sullivan Code" for US companies operating in South Africa and an outspoken supporter of sanctions. He met President Bush last month in a last-minute attempt to persuade him not to lift sanctions.

His evidence — and that of others with a knowledge of South African investment and trade, but whose names have not yet been made public — will be given at a hearing convened by the Senate Foreign Relations Committee's subcommittee on African affairs.

The Senate panel is headed by Senator Paul Simon of Illinois, a supporter of sanctions who has acknowledged that there are insufficient votes in Congress to overturn President Bush executive order but who

has strongly criticised the White House decision as "premature".

The Senate hearing is the first formal move in Congress in response to President Bush's announcement on sanctions last week, but rather than producing a final blueprint for further action it is likely merely to be a venue for the discussion of "alternative strategies and action" and a means of breathing new life into the demoralised and disappointed pro-sanctions movement.

● South African Airways is expected to apply soon for a special exemption permit to enable it to resume direct flights to and from the United States while a new bilateral air agreement is negotiated.

When sanctions were imposed in 1986 the bilateral agreement which was in force at the time was revoked. The lifting of sanctions last week did not restore the validity of the agreement and if SAA wishes to operate in the US while a new agreement is negotiated it will only be able to do so by obtaining special exemption.

● See page 3.

## DP and ANC Youth in row over sanctions

**Political Correspondent**

A ROW has blown up between the ANC Youth League and the Democratic Party Youth over their views on sanctions.

The national executive of the DP Youth said in a statement yesterday that the "ANC's economic proposals will fail to provide the economic growth necessary to address South Africa's acute social deprivation."

The statement, issued by DP Youth vice-chairman Miss Shevaughn van Rooyen, added that the ANC's "continued promotion of sanctions and their threats against investors is a display of gross irresponsibility".

In a swift response, the ANC Youth League said it found this view "rather disturbing and erroneous".

"We take offence to being labelled 'grossly irresponsible'," the league said in a statement.

The league added: "We are further disturbed that the response to the partial lifting of sanctions by the Bush administration has only been welcomed by those who stand to benefit from them and who have always benefited from white privilege and domination."

ARG 16/7/91



# DP hits at ANC's sanctions policies

16/7/91

Political Correspondent

280

THE ANC's continued promotion of sanctions and its threats against investors is a display of gross irresponsibility, according to the Democratic Party's youth wing.

This criticism of the ANC emerged after the weekend congress of the Democratic Party youth wing in Johannesburg.

Vice-chairman Ms Shevaugh van Rooyen said: "The government continues to mismanage the economy, squander the country's resources and cause South Africans to grow steadily poorer."

She then added: "The ANC's economic proposals will fail to provide the growth necessary to address South Africa's acute social deprivation."

An ANC Youth League spokesman said yesterday that the organisation found the conclusions reached by the national executive committee of the DP Youth "rather disturbing and erroneous".

"We take offence at being labelled 'grossly irresponsible'."

It said that given the ANC leadership's vision, statesmanship and commitment to the peace process, the DP Youth should have engaged in "more thinking and soul-searching" before arriving at its conclusions.

# SA's ticket to the Commonwealth: one-man, one-vote

By Helen Grange  
Pretoria Bureau

South Africa will not be re-admitted to the Commonwealth unless there is an election based on the principle of one-man-one-vote, a visiting delegation of the Commonwealth Parliamentary Association (CPA) said yesterday.

Addressing journalists in Pretoria before leaving South Africa, the delegation made it clear that the Commonwealth looked forward to South Africa's readmittance and would contribute toward the critical need for education funds once the country had achieved a democratic constitution.

The eight-man delegation said, however, that there seemed to be hesitancy among many South Africans to trust the *bona fides* of President de Klerk.

"Until you can get people to talk, there will be difficulty in reaching agreement," said Clive Griffith, chairman of the CPA and president of the Legislative Council of Western Australia.

South Africa deserved the help and support of the Commonwealth to ensure it reached its goal as quickly as possible, they said.

The CPA made its first official visit to South Africa for more than 30 years to offer objective and impartial advice

and comment to all groups involved in the negotiations.

President de Klerk has suggested the CPA examine and comment on the draft constitution and Bill of Rights for South Africa, when it is prepared.

Among parties and leaders the CPA delegation met were peace facilitator Dr Louw Alberts, PAC general secretary Bennie Alexander, retired DP MP Helen Suzman, general secretary of the SA Council of Churches, the Rev Frank Chikane, Inkatha president Mangosuthu Buthelezi, CP foreign affairs spokesman Nicholas Langley and ANC president Nelson Mandela.



# OAU denounces US move to drop sanctions on SA

Star 16/7/91

230  
280

Nigerian President Ibrahim Babangida, chairman of the Organisation of African Unity (OAU), has denounced the lifting of US sanctions against South Africa as a gigantic setback for the forces of democracy.

General Babangida said in a statement the decision also undermined what he called a shining period in US policy towards Africa.

"It is decidedly a gigantic setback for the democratic movement and commitment to total liberation which has mustered force inside South Africa

and internationally in the past four decades," he said.

General Babangida indicated the a meeting of the 51-member OAU's special committee on Southern Africa, which he said would be held soon in the central Nigerian city of Abuja, was unlikely to propose any significant move on Africa's sanctions policy.

The statement was dated July 11, a day after President George Bush lifted a five-year US economic embargo. — Sapa-Reuter.

## Ground-breaking Soviet-SA mining pact

The Chamber of Mines and a visiting Soviet delegation yesterday signed an historic co-operation agreement in Johannesburg.

The agreement was signed by chamber president Naas Steenkamp and the head of the Soviet Chamber of Commerce and Industry, Vladislav Malkevich.

In a brief address, Mr Steen-

kamp said the signing effectively demolished the barriers that for many years had prevented the world's two leading mining countries from exchanging technology and expertise.

He said the agreement was aimed at ensuring an exchange of topical information on mining trends.

This could include informa-

tion about employee training, health and safety, advances in mining methods. (280)

According to Mr Steenkamp, the agreement would have been unthinkable without the statesmanship and vision shown by the heads of state of the Soviet Union and South Africa, who had removed the barriers which had previously existed. — Sapa.



# Japan seen as target for new export opportunities

Star 16/7/91

The removal of sanctions could provide a valuable opportunity for South African manufacturers to supply Japan with components or even finished products, says Toyota chief executive Bert Wessels.

He says the lifting of sanctions by Japan will come at a time when there is an acute shortage of manpower in Japan, which will provide valuable opportunities for the South African manufacturing industry.

SA manufacturers may even take care of the minor markets for Japan.

"This scenario would tie into the current trend

towards globalisation of component sourcing."

He expects Japanese manufacturers and trading houses to be keen to invest in this country as soon as possible. However, direct capital investment would not necessarily be more advantageous than support for local enterprises in the expansion of international trading opportunities.

"Capital investment on its own will not solve our problems. Export opportunities for our manufactured goods have to be found and we have to ensure that we are competitive in these markets."

He discounts export

opportunities to the rest of Africa.

"In some instances South Africa already accounts for as much as 80 percent or more of sales of manufactured goods in Africa so the export potential is not that good.

"The real opportunity for expansion lies in becoming an active member of the global manufacturing community."

Japanese investment in SA could be cautious but at the same time opportunistic.

"I believe that if any strategic advantage is perceived they will move very quickly." — Sapa.

# A return to foreign markets

6 Dec 16/11/91

280

## MAURICE WEAVER in London

GRAHAM Broomhall admits he does not know a short leg from a maiden over, but few people were more delighted than he this week to hear that SA cricket is being brought in from the cold. As European head of Unifruco, the company that puts a wide range of Cape produce on Britain's fruit stalls, he knew it was a crucial step towards thawing a marketplace that has long been frosty.

Many a glass of KWV Roodeberg or Onzerust was raised in other quarters, too. The rehabilitation of the Springboks on the cricket pitch, in the Olympics and, increasingly, in the world trade circles, is the news that Britain's SA commercial community has been waiting for since sanctions began in the 1970s.

Thousands of shoppers turned their backs on Roodeberg and Onzerust, together with Outspan oranges and Cape apples, in protest against apartheid, but now there are high hopes they are ready to forgive and start buying once more.

Broomhall said: "These have been difficult years. You can turn off sporting contacts but you cannot turn off apple trees and grapevines. As an international company we have succeeded remarkably well in finding alternative markets. Even during the darkest days we sold 30-million cartons of fruit a year in

western Europe. Now I hope British and American buyers will welcome us back."

For SA importers in America it really will be a matter of starting again. The US sanctions lifted this week were five years old and comprehensive in their impact. In Britain, as in most European countries except Scandinavia and Eire, there was never a formal block on imports but the impact of the anti-apartheid campaign boycott was significant.

Willem Bestier, MD of Edward Cavendish and Sons, a Hampshire-based company that is owned by KWV, describes the impact as "devastating". British sales of KWV wines crashed from 7-million litres to a mere 1-million.

The overall value of SA imports to Britain crashed but has been creeping back up — from \$658m in 1987 to £1,078bn last year, a reflection of a gradual relaxation of public attitudes as the forces of apartheid itself have diminished. In recent weeks mounting awareness of President F W de Klerk's reforms has resulted in renewed interest in SA goods, with

the SA embassy in London reporting 420 written trade inquiries, many from potential importers.

The embassy's commercial minister, Peter Pullen, said: "We have been rushed off our feet — everything from toy importers seeking new suppliers to construction firms seeking information about prospects. There is definitely a softening of attitudes. Traders have realised that the British consumer is ready to buy our produce again."

Not all concur. The Co-operative Wholesale Society, which banned SA goods from its 400 shops in 1985, has no intention of changing just yet.

National secretary of the 2,000-member British Independent Grocers' Association, Alan Taylor, said most retailers had decided it was the prerogative of the customer, not the shop-owner, to take a political stance. "Some are now recognising

that Pretoria is trying to put its house in order; others insist they won't buy anything South African until that country has a black president. It takes all kinds ..."

Taylor believes such extremism is going out of fashion but thinks it will be some time before recent political developments have a significant impact on sales patterns. The possibility of SA rehabilitation will worry those countries which moved in with their produce when the boycott began. SA's main fruit exports compete directly with produce from the Mediterranean countries and Florida.

The low rand means wine prices are reasonable. Editor of Harpers Wines and Spirits Gazette, Pat Straker, says: "They will be less expensive than Australian and Californian wines but more than the Chilean, competing directly with the Italian and cheaper French."

Representatives of leading wine companies in London met recently to set up a special committee to handle the expected increase in SA imports. They have held a prestige tasting, when 40 producers provided samples

for 500 trade buyers, and there are plans for a "sensitive" sales campaign. The feeling is that the generic description can be used again. Bestier says: "We will dare to be visible, gradually and with dignity."

Exchange rates are likely to have an effect in other sectors. Northern Ireland Electricity has carried out tests at its power stations with 50,000t of SA coal, although it emphasises that there is no question at present of using it to replace regular supplies from the Ayrshire coalfield. A SA-built car, the Sao Penza, is already being marketed in Britain and could give some other cheaper imports a run for their money.

SA's return to respectability could also affect a travel trade hungry for new, exciting venues. A spokeswoman for Kuoni, which offers safari tours, said most holidaymakers heading for SA were visiting friends or relatives. The image of apartheid had deterred many others, but she believed that could now change.

Nobody who knows SA is suggesting the country is out of the woods yet. Director of the UK-SA Trade Association Nick Mitchell says importers and those interested in inward investment will be watching closely as the country's new political character develops. Serious instability would be disastrous for business confidence. — Daily Telegraph.



# SA businessmen looking to the East as barriers crumble

Star 16/7/91

289

As sanctions begin to fall by the wayside, the Far East market is opening up more and more for SA businesses.

By FREDERICK CLEARY, Foreign Editor.

SEVERAL major South African firms are already queuing to tender for contracts on Hong Kong's multibillion-rand Chek Lap Kok airport development scheme.

Confirming this in an interview at the South African Government mission in the colony, Vice-Consul David Conradie said this huge project offered a golden opportunity for companies from the Republic.

He said that, since this country is considered respectable again and can trade openly

abroad, businessmen should pack their bags and seek the many lucrative contracts which will be on offer on the airport project and elsewhere.

The big corporations had long been wise to the airport scheme and the opportunities it offered, but the smaller companies should not let this chance slip.

The Pacific Rim region was a businessman's paradise, said Mr Conradie. South Africa had a wide range of quality products which would sell well, and its reputation for reliability stood

it in good stead in the region.

While Mr Conradie named steel and glass as two particular products which would be in special demand on the airport scheme, he indicated that the overall range was almost limitless.

People with specialised technical expertise should also look to the Far East.

While the ending of apartheid and the cracking of the sanctions wall had enabled the South Africans to move more openly in some countries, Hong Kong Chinese businessmen were less interested in politics than getting a good deal, Mr Conradie said.

"All they were ever after was a product at the best price and quality, and they did not care with whom they traded."

True, in 1986, the Hong Kong government banned trading of Krugerrands and requested local business not to trade with or invest in South Africa, but of course that has all gone by the board now.

Current figures show that South Africa's annual trade with Hong Kong is around R6.5 billion, which is a mere 1 percent of Hong Kong's overall foreign trade. Of this, between 30 and 40 percent comes from coal sales.

There was intense, international competition for contracts, said the vice-consul.

"Our knowledge of the marketplace can be of great assistance. For example, it is no good companies who make processed foods trying to gatecrash into the general market."

"That is already crowded and there are long waiting lists. Rather, firms should look to specific areas such as hospitals and hotels."

He stressed that the personal touch was essential when doing business with Chinese and most other people in the Far East.

The long-distance approach by letter, telephone or fax was a waste of time.

"Chinese businessmen like to see the face of the person with whom they are doing business. It is also essential to work through a local agent, not only because of the language factor, but also because of the need to understand local procedures and customs."

Mr Conradie and his colleagues believe the clenching of the airport complex deal between Britain and China guarantees Hong Kong's future. They expect to be even busier in the months ahead. □

31 May 16/7/91  
**Cargo handlers  
prepared for  
end of sanctions**

 LINDEN BIRNS 280

FACILITIES at Jan Smuts Airport were adequate to deal with any major increase in freight following the lifting of US sanctions, airlines said yesterday.

British Airways SA marketing manager Sandi Lee said the lifting of sanctions was good news for the air freight industry, but warned it could take some time for the effects to be felt during the current world recession.

Wendy Vorster, director of Expeditors International, said there would be more talk about increased capacity than there would be actual growth.

This was because during sanctions goods entered SA via "back door" third parties. With sanctions gone, the same volume of freight would now come in through the front door, she said.

She said handling capacity at Jan Smuts Airport was satisfactory, but that there was a backlog in outgoing cargo due to an unnecessary amount of red tape.

Lufthansa, the largest air freight carrier into SA from Europe, is expecting growth in air freight of between 15% and 20% for the next year. Last year it carried 7 000 tons of freight into SA and 5 000 tons out.

SAA spokesman Leon Els said SAA had no plans to expand cargo handling facilities at Jan Smuts as it still had spare capacity.

The airline also had enough airborne freight capacity as shorter routes to Europe meant higher payloads on each flight, he said.

Els said there had been no growth in the past nine months, and that there were no dramatic prospects for short-term growth.



## Shift in OAU sanctions stance unlikely

LAGOS — Nigerian President Ibrahim Babangida, chairman of the Organisation of African Unity (OAU), has denounced the lifting of US economic sanctions against SA as a huge setback for the forces of democracy.

Babangida's statement was published in Nigerian newspapers yesterday.

Babangida indicated an OAU special committee meeting on southern Africa, to be held soon in Abuja, was

unlikely to propose any significant move on Africa's sanctions policy.

Africa could not afford "the luxury of dropping its guard" yet, he said.

While the OAU had acknowledged President F W de Klerk's courage, SA's political system remained deeply oppressive and divisive.

It was necessary to ensure that black South Africans' "patient determination" was not thwarted at the 11th hour. — Sapa-Reuter.

# Big 7 boost for SA

280  
CT 17/7/91  
(49)

From IAN HOBBS  
**LONDON. —** The leaders of the world's seven richest nations said yesterday that economic growth and access to "all foreign borrowing" was crucial to stability in the new South Africa.

The dramatic statement, which clearly sounds the death knell for sanctions, was interpreted as a certain indication that President George Bush will soon use his executive powers to give South Africa access to International Monetary Fund (IMF) and World Bank loan facilities.

The anticipated end of financial sanctions will be the key to a new era of economic growth and grounds for political stability during the process of constitutional negotiation.

The G7 group — the US, Japan, Britain, Germany, France, Canada and Italy — sprang a surprise by producing a significant statement on South Africa in a political communique yesterday.

Diplomats said British Prime Minister Mr John Major, backed by Mr Bush and German Chancellor Mr Helmut Kohl, had successfully argued in favour of

boosting economic growth in South Africa.

It is understood that Canada alone among the G7 countries prevaricated on general sanctions.

The agreed communique, described by one senior Western diplomat as a "a necessary kick in the pants" for sanctions, emphasised the need for prosperity and stability reaching the poor through economic growth — and the danger of violence undermining a new non-racial South Africa.

## ● IMF to help with BoP

— PAGE 14

The key paragraph declared. "South Africa needs to pursue new economic investment and other policies that permit normal access to all sources of foreign borrowing. In addition to its own domestic efforts, South Africa also needs the help of the international community, especially in those areas where the majority have long suffered deprivation (in) education, health, housing and social welfare."

Welcoming the "positive developments" of the dismantling of the pillars of apartheid, it hoped the de facto elimination of apartheid would follow.

On the undertaking by the G7 nations that aid would be direct-

ed to relieving deprivation in education, health, housing and social welfare, British Foreign Secretary Mr Douglas Hurd said most countries already had their own programmes, pointing out that Britain, for example, had about 300 aid projects in South Africa.

He emphasised that the importance was "to restore growth, now not later, if South Africa after apartheid is to have a chance of offering jobs, housing and schooling to black South Africans who have been deprived of them hitherto".

● Both the South African government and the African National Congress yesterday welcomed the G7 statement and agreed that discussions in South Africa on a new constitution should be pushed forward as fast as possible, UPI reports.

Minister of Foreign Affairs Mr Pik Botha said in a statement in Pretoria that he considered the G7 declaration to be "positive and encouraging".

ANC spokeswoman Ms Gill Marcus said the ANC welcomed the G7's call for aid for social problems as long as it did not legitimise the South African government.

"This aid is welcome as long as it is not done in such a way as to extend a new lease on life to apartheid," she said last night.

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# DP Youth accuse ANC of 'posturing'

Political Correspondent

THE row between the Democratic Party Youth and the ANC Youth League over sanctions warmed up yesterday with the former accusing their counterparts of "haughty posturing rather than rational arguments".

Earlier, the ANC Youth League had criticised the DP for drawing "rather disturbing and erroneous" conclusions about the ANC's pro-sanctions stance.

Yesterday the DP Youth's vice-chairman, Mr Colin Douglas, said it stood by criticism of the ANC's "irresponsible sanctions policy".

He said DP Youth had spoken out "because the homeless and unemployed and poor desperately need improvement in South Africa's dire economic situation".

The DP Youth had every right to question when ANC national executive members "threaten to destabilise South Africa to discourage investment".



By ANTHONY  
JOHNSON

CT 17/1/91

THE United States Assistant Secretary of State for African Affairs, Mr Hank Cohen, told African journalists during a satellite link-up last Friday that he was "surprised at the lack of joy" on the part of the so-called mass democratic movement at President George Bush's decision to lift a number of sanctions against South Africa.

He argued that the lifting of the Comprehensive Anti-Apartheid Act (CAAA), in force since 1986, should be seen as a "great victory" for the representatives of the black majority in South Africa who ought to be crowing: "We've won!"

This is clearly an oversimplification of how perceptions and politics work in this country and Mr Cohen, astute analyst that he is, must have known this.

A few days earlier, visiting British Foreign Secretary Mr Douglas Hurd also skirted some of the complexities of the South African situation when he pronounced apartheid dead and argued that it was time to put aside worn out arguments about sanctions.

The reaction, understandably euphoric, among many white South Africans to moves to relax the international sports boycott has also shown up similar blind spots.

### Violence

One of the problems bedevilling our still deeply divided and unequal society is that what for most whites is indisputably good news, remains the source of dispute, division or even indifference among black citizens.

While the easing of sanctions represents for one constituency a just reward for the reform efforts of President F W de Klerk, for others, whose day-to-day lives have so far been left largely untouched by the repeal of apartheid laws, the big fuss

# Easing of sanctions: <sup>(280)</sup> A blow for the ANC

about the issue must seem bewildering.

For the ANC, on the other hand, the summary or "premature" relaxation of sanctions represents an unhappy downgrading of its influence at home and abroad and loss of a crucial weapon — particularly now that the armed struggle has been suspended — with which to apply pressure on the government.

In strategic terms, the ANC is not chanting triumphantly "We've won!", as Mr Cohen suggests they should, but rather "We're losing".

The normalisation of South Africa's relations with the rest of the world in the areas of diplomacy, trade and sport is increasingly going ahead regardless of what the ANC says.

### SA sportsmen

At the same time, the real-life conditions of violence and deprivation affecting many township dwellers shows little prospect of improving in the short term.

This places groups like the ANC in an especially vulner-

able position among their supporters since there are few demonstrable and concrete benefits they can show for taking the risk of entering into negotiations with the government.

Indeed, as Idasa points out in its latest journal, "the birth of the 'new South Africa' is beginning to look like a nightmare to ordinary South Africans whose hopes for respite from horrendous violence and unprecedented political turmoil are being dashed daily by a relentless avalanche of conflict and confusion".

Much of the potential which sport has for welding our divided society into a single nation will be lost if South Africa rushes into international competition without first implementing massive sports development programmes in disadvantaged communities.

If South African sportsmen and women attending the Olympic Games in, say, 1996 remain predominantly white, there is little prospect that they will be seen as symbols of a new national unity to be cheered by all South Africans.



## 1992 challenge to Equity ban

(280) Own Correspondent

LONDON. — An application to Britain's High Court for a ruling that the Equity ban on the sale of television programmes to South Africa is unconstitutional, is scheduled to start in six months' time.

Last week, in a low 14% poll of Equity's 46 000 members, a small majority voted to retain the 16-year-old ban.

The referendum was agreed to in April, when the Equity council approached veteran actor Marius Goring, just days before his court application was due to be heard.

Having lost the referendum, Mr Goring, 79, confirmed yesterday that his court action will now start in the first week of January, 1992.

He expects the case to take less than

a week and is confident of victory.

Mr Goring and a younger West End actor, Bruce Bennett, are applying for a ruling on Equity policies that ban the sale of television programmes to South Africa and prevent Equity contracts being used for tours by British companies to South Africa.

They are seeking to have these policies declared unconstitutional on the grounds that Equity has no power to carry on an activity for sectarian purposes.

Despite last week's referendum result, they believe they will have the policy overruled.

In an earlier case, heard in 1986, Mr Goring won a judgment against an Equity policy that instructed members not to work in South Africa.

TOKYO — Japanese bankers are gearing up for the anticipated normalisation of relations between Tokyo and Pretoria, but industrialists caution that an immediate increase in trade is unlikely because of SA's decimated economy.

Japanese government officials say a decision to lift the ban on direct investment and other trade in SA will most likely be made during a July 30 cabinet meeting.

However, major Japanese manufacturers do not plan to step up exports in the short term.

"The ironic thing is that now, when politics would allow us to increase exports to SA, the economy won't," says a senior official of Toyota.

"SA is surely the largest market in the region," says Nissan's Africa GM Hiroki Kato. "But even if we really wanted to, there is no way we could sharply increase exports."

Kato says SA's economy has been badly hurt by sanctions and has so far this year shrunk between 5% and 6%.

A microcosm of the general economy's downward spiral, the car market in SA, has shrunk two years in a row. Sales in 1990 totalled 334 356 vehicles, down 5% from 352 629 in 1989 and 7% from 357 898 in 1988.

Japan's major electronics makers say they will take a wait-and-see approach. Matsushita, Sharp and Hitachi say they have no immediate plans to expand exports.

"We have been doing business in the SA market for many years, but we do not have any immediate plans to expand our presence there," says Matsushita spokesman Akira Nagano. "Business will continue at the same pace, and we do not anticipate that sales will increase much."

But an SA specialist at the Asian

# Economic scenario counts against trade

B1 Day 17/7/91

Economic Research Centre in Tokyo says economic conditions should pick up now that the US has lifted sanctions. Says K Hayashi, "I believe the market situation will improve sometime later this year."

"Progress is being made on the lingering issues, such as the constitutional right to vote for blacks."

Hayashi says resumption of international monetary fund financing would also help speed the healing of SA's wounded economy.

The Export-Import Bank of Japan, an arm of the Japanese government, says it is prepared to resume business immediately after sanctions go.

## Investment

"If Japan's private entities go and invest in SA, of course we are ready to support that action," says an international relations official at the bank, Takahiro Hosujima.

Hosujima says the bank, which borrows money directly from the government's trust fund, is preparing to offer overseas investment credits to qualified borrowers.

With SA, Japan has one of its rare trade deficits.

Among the imports that the Japanese government's 1986 sanctions prohibited were iron and steel. But a loophole has kept the supply lines open.

An official at the Japan Iron and

Steel Foundation says that the government does not forbid import under contracts signed before sanctions were imposed.

Still, the volume has dropped considerably. In 1990, Japan imported 433 000 tons of the two metals, down 41% from 733 000 two years earlier.

The industry official says that companies may be considering boosting imports once sanctions are lifted, but he has not heard any such talk directly.

Japanese companies no longer practise "self-restraint" in their SA dealings, says Keidanren director of international economic affairs Hajime Ota.

"Manufacturers are no longer holding down exports as a tool of political pressure but as a result of market forces."

"I don't think SA's economic situation will allow it to pull imports from Japan," Ota says. "Of course, in the long term, the outlook is great."

Despite flagging iron and steel imports, Japan's trade deficit with SA has grown during the past two years, according to the Ministry of International Trade and Industry.

The imbalance grew to \$366m for 1990, when Japan exported \$1,47bn in goods but imported \$1,84bn of SA goods.

During 1989, Japanese exports to SA totalled \$1,72bn while imports were \$2,03bn. — AP-DJ.



Helen Suzman takes issue with those who insist sanctions succeeded in ending

apartheid

# A cure sure to kill the

Star 17/7/91

280



patient

**G**ETTING rid of the legacy of apartheid is not as simple as repealing legislation in Parliament. That can be done — as State President de Klerk has done — with the stroke of a pen. But it is considerably more difficult to establish a viable nonracial democracy to replace apartheid. To advocate maintaining sanctions on South Africa at this critical juncture is self-defeating and can only hinder the process of reform.

More than 50 percent of blacks in South Africa are under the age of 25. The vast majority have been subjected to inferior education and many are functionally illiterate. An estimated five million people (mostly black) are unemployed. Seven million people (almost all black) live in informal

settlements — a polite term for squatter camps and backyard shacks. Dire poverty, violence and crime are prevalent.

The salvation lies short term in massive state assistance (which is forthcoming) for education, training and housing. But long-term salvation lies in ongoing opportunities for gainful employment. This means substantial economic growth, now at its lowest ebb because of lack of confidence and shortage of investment capital and sanctions.

Those who claim triumphantly "sanctions have been effective in ending apartheid" ignore the fact that many non-cosmetic changes contributing to the breakdown of apartheid occurred before the imposition of sanctions. I refer to the repeal of job res-

ervation in industry, to the legal recognition of black trade unions in 1979, to the acceptance of the permanent urbanisation of blacks by extending freehold rights and with the repeal of influx control and the pass laws in June 1986.

All these important changes were due to internal economic factors and not to sanctions. And they were due to the escalation of black resistance — mass protests, strikes and boycotts — in South Africa. I can never understand why blacks do not claim the credit of being largely responsible themselves for change, instead of attributing it to sanctions.

If sanctions have "worked" against apartheid, they have also had disastrous effects on the South African economy. The longer sanctions are maintained, the

greater the danger of curing the disease but killing the patient.

President Bush has lifted the Comprehensive Anti-Apartheid Act of 1986 but important strictures remain, such as denial of bank loans and access to IMF funds. To the ongoing policy implemented by some 26 states, 78 cities and 20 county governments of refusing to grant contracts to firms doing business with South Africa must be added the reluctance of institutions to invest their pension funds in such firms.

The pro-sanctions lobby should take a long, hard look at the history of the US. It is nearly 30 years since the US Civil Rights Bill, which outlawed race discrimination, was enacted. Black Americans remain an underclass, despite the considerable progress

made by many individuals, as the depressing statistics on black earning capacity, unemployment, illiteracy, one-parent families and the prison population bear witness. And, indeed, as do the Civil Rights (Quota) Bill now before Congress and the apparent continued necessity for the existence of a black caucus in that assembly. Does anyone really believe that the lot of black Americans would have been improved by a decrease in job opportunities and a downturn in the US economy?

Whether the pro-sanctions lobby here and abroad operates through moral convictions, misguided assumptions or expediency is immaterial — the effect can only be to delay the reform process and lead to the steady descent of South Africa into Third World chaos, ir-

pective of the government in power in the future. I appreciate that to favour the removal of sanctions, one has to have faith in the sincerity of President de Klerk's intentions to convert South Africa into a non-racial democracy. I have never considered him to be a frustrated liberal, but I have no doubt his acceptance (albeit late in the day) of the failure of apartheid is as genuine as the acceptance by eastern Europeans of the failure of the communist system. I only wish I could say the same about the South African Communist Party. I wish too that the ANC would recognise the damage it does to its own future prospects by advocating continued sanctions on South Africa and by retaining its strong links with the SACP. □

# SA and US start to clear sanctions debris

WASHINGTON — SA and State Department officials yesterday met to start clearing away the technical debris left by the 1986 Comprehensive Anti-Apartheid Act which was revoked last week.

Matters to be discussed included negotiation of a new tax treaty between the two countries. The old taxation treaty established rules for "the avoidance of double taxation" and for "reciprocal administrative assistance with respect to taxation income".

Also up for discussion was whether SA's quota for sugar exports to the US, which SA lost to the Philippines in 1986, will be returned. Under the quota system, sugar

producing nations are given an annual limit on what they can export to the US.

The full restoration of SAA's US landing rights in the absence of the bilateral air services agreement, which was rescinded by CAAA, was also high on the agenda.

A related question, raised by both the State Department and the SA embassy, is where SAA flights should land when service is resumed. Officials have stated privately that New York might not be a good idea, at least at first, given the likelihood of protest action and union boycotts. Altern-

tive sites were under review, embassy sources said.

It is expected the Transportation Department will issue temporary permission for SAA to land in the US while a new pact is worked out.

Contrary to some earlier fears, pacts of this nature do not have to be submitted to the Senate for ratification.

In addition to imposing double taxation on US companies in SA, the CAAA also terminated the 1946 tax treaty between the US and SA. This treaty would be subject to Senate approval. Business sources say a new agreement could be an important factor in reinvestment decisions.

SIMON BARBER



# Coal market moves during sanctions seen as a hurdle for SA exporters

LONDON. — Whatever else South Africa's coal exporters are expecting from a lifting of the US sanctions it is not a flood of orders from coastal electricity producers in the United States.

Once a significant source of coal for the Florida utility Gulf Power, South African coal producers are entering a very different market from the one from which they were excluded in 1986.

The past five years have seen the rocketing growth of exports from a much closer source of low cost coal, the mines of Colombia and Venezuela. And today the spot market, which was once dominated by South Africa, is as much the province of those US producers that the big South African exporters once displaced on their home ground.

But if the lifting of sanctions will have no immediate effect on South African coal business in the US it will make a lasting impact throughout the rest of the world. Buying coal from South Africa has once again become respectable.

Apart from the American blocking of imports for the past five years, a measure that did not extend to US exports of coking coal to South Africa's Iron and Steel Corporation, the only other significant boycott was that imposed by the Danish parliament. This looks set to remain at least into 1992 following the parliament's reaffirmation of its sanctions stance, thus thwarting an attempt by the Danish government to have them dropped.

Already the Japanese power companies are shifting their stance and are increasing liftings from Total, Gencor and Amcoal. It is expected that the Korean state power company, Kepco,

ARG 18/7/91  
will follow suit.

In Europe attention will focus on Electricite de France, at present a big buyer on the spot market, and on the UK.

The French have an informal understanding they will not import from South Africa, though this was never enacted into law in the same way that it was in Denmark. Nor has it been rigorously enforced.

Most coal traders believe it will be only a matter of months before Britain's three big coal-consuming electricity producers, PowerGen, National Power and Scottish Power, follow the lead of the smallest,

Northern Ireland Electricity, and take their first South African cargoes.

National Power has already despatched Mr John Jump, former head of BP Coal, on a confidential fact-finding mission to the South African mining houses to help formulate its purchasing strategy. No South African coal has been openly burned in mainland power stations, but a lot has been blended with privately mined British coal and sold as such.

Doubts remain, however, over its suitability for British power stations because of the low volatility of most South African coals. — Financial Times.

Thursday, July 18 1991

# African countries buy from Armscor

CT 18/7/91

288

LONDON. — A number of African countries have been "major customers" for South African-produced defence equipment and this is expected to increase, according to the latest edition of Jane's Defence Weekly.

In a three-page analysis of Armscor, Jane's says that given the end of hostilities in Namibia and recent defence cuts, Armscor and its associated defence industries are now also moving into technology transfer to the civil sector.

And, although currently government-owned, Jane's says, Armscor "may well be involved in privatisation".

The survey shows how Armscor, developed 25 years ago in the face of the arms embargo, has grown into one of South Africa's major industries

But, it says, "with the withdrawal of South African forces from Angola and the slashing of the SADF defence budget, Armscor has been forced to cut its workforce to around 20 000".

This still makes it one of the country's major employers.

## Major customers

Jane's says Armscor has marketed its defence equipment to around 50 countries. "It has sometimes used other countries, for example Chile, as a marketing platform, although it is now selling on a more direct basis."

A number of African countries had been major customers for South African-produced defence equipment, including radios, and this was expected to increase.

Although established to manufacture equipment for the SADF, Jane's says Armscor is "moving

into the civil sector. During the current year, Armscor predicts R106m in income will come from technology transfer to the civil sector. Within four years, Armscor is confident this will increase to around R750m.

Examples of technology transfers include commercial nitro-cellulose used in the manufacture of paints and lacquers."

Defence Minister Magnus Malan last night announced a separation of posts in the top structure of Armscor.

Mr J G J van Vuuren, the current executive chairman, will retain the chairmanship of the board of directors, while Mr Johan Alberts, the current director of finances and planning, will be appointed executive general manager. The changes will come into effect on Monday. — Own Correspondent, Political Correspondent



## Nigeria won't lift sanctions

LAGOS. — Nigerian vice-president Mr Augustus Aikhomu said yesterday that it was premature to lift sanctions against South Africa and that anti-apartheid pressure on Pretoria should be stepped up. CT 18/7/91

"The federal military government considers the lifting of sanctions — economic, political, social, cultural and sporting sanctions — against South Africa by any country or organisation as premature."

His comment at a press briefing was a clear signal that the Organisation of African Unity (OAU) would not join other countries in relaxing sanctions. —

Sapa-Reuter

The battle for Washington isn't over yet, writes Political Editor Shaun Johnson

# ANC survives Bushwhackings

Star 18/7/91

280

ONE can picture the scene quite vividly. A telephone rings in the Soweto home of Nelson Mandela. The ANC president picks it up himself. It is a transatlantic call: "Nelson? Hi bud, George here. I'm shafing you. Just wanted you to be the first to know."

That, of course, is not the way in which the content of US President George Bush's momentous call to the ANC leader was reported to us, but it captures its political essence infinitely more accurately than endless explanations framed in diplo-speak.

Behind the legalisms and "spin control" interventions emanating from Washington in the wake of the lifting of the Comprehensive Anti-Apartheid Act lies a stark fact of political life: on this issue, the ANC was Bushwhacked.

Mr Mandela and his senior colleagues had for some time drawn succour from the belief that the United States, at least, would not lift sanctions until the last moment. Because of the strict legal and constitutional constraints attending American measures, it was argued, the ANC's demand for full consultation would be acceded to. In the end, as the tele-

phone call proved, it was not the kind of "consultation" Mr Mandela had in mind.

But now that the body blow has been absorbed — in markedly gracious fashion by the ANC, it must be noted — the new nature of the relationship between the US and the ANC can begin to be assessed.

It might have seemed, in the immediate aftermath of President Bush's White House media conference last week (and in particular in his extempore answers to questions) that Washington was coming down very strongly on the side of the Pretoria Government in the run-up to substantive negotiations in South Africa. At that conference President Bush was insistent that sanctions had played only a minor role in bringing this country to the point of a negotiated settlement.

Thrice, when pressed, he gave the lion's share of the credit for change to President de Klerk. "I think what really turned the difference is when South Africa came in with a new regime and they decided to move forward. I don't think it was strictly because they wanted to get rid of two sanctions while others remained." And: "I can only point to the

real change in South Africa taking place because of Mr de Klerk himself and some of his associates who have a very different approach to equity in race and to the elimination of apartheid than his predecessors."

And again: "I can't say that sanctions had no effect, but I think far more important was the fact that you had a forward-looking man of Mr de Klerk's stature, who released Mr Mandela from jail and decided to go forward in consultation. And I can't say that Mr de Klerk did that because of economic sanctions."

In a follow-up interview, Assistant Secretary of State Herman Cohen presented a more balanced view, crediting all anti-apartheid campaigners with having changed the psyche of the white power bloc, and stressing that a number of important US sanctions remained in place despite the demise of the CAAA. While not suggesting that these survived on the say-so of the ANC, he did intimate that Washington had not yet decided to give President de Klerk a free ride home. For this and other reasons, it would be unwise to assume that the ANC's leverage in the sphere of international

pressure — and, in particular, US pressure — has disappeared entirely.

The sanctions and isolation weapon has undoubtedly been blunted. But ANC leaders will be well pleased with themselves for having modified timeously their policies on the issue at the recent Durban conference — which preceded the Bush announcement. At the time it may not have been of much interest to non-Africanados of ANC pronouncements, but the terminological contortions there performed have enabled the ANC to swallow Bush's bitter pill without gagging.

The sequence of events is important. Last year, after the unbanning of the ANC, the organisation's "line" was that sanctions should in no way be tampered with until Mr Mandela explicitly concurred. This was followed by a heart-stopping few months for the organisation as many countries — especially African countries — began to wobble precipitously and gaze hungrily at the reservoir of funds down south.

At this point international affairs chief Thabo Mbeki looked beyond the Limpopo and across the Atlantic, and saw the writing on

the wall in very large letters. At the ANC's "consultative conference" in December he fashioned a strategy for the "phased removal" of sanctions to make sure that the ANC retained at least some control of the weapon it had created. He was savaged for his pains by militant delegates. Thus everything stayed the same into 1991 — until Durban, when Mbeki shepherded through a policy of "phased maintenance" of sanctions (a very sophisticated inversion) which addressed his original concerns, but kept the militants happy too.

Thus the ANC's position remains plausible, and there is still room for business to be done with Washington. The arms embargo remains, as do the locks on the doors of the International Monetary Fund's vaults. Had the ANC still been stuck with its "all or nothing" dictum, the Government's significant diplomatic victory could have turned into a decisive one.

The ANC's claims of consistency and coherence in sanctions policy may not entirely stand up to rigorous scrutiny. But, then again, this is politics, and we do have a National Party that claims it has

been planning the De Klerk reforms all along. It should not be of too much concern if political groups try to read history backwards in order to feel better — and to make their supporters feel better — about themselves. Indeed, this is probably a necessary condition for quick progress in negotiations.

The Government, with the possible exception of Foreign Minister Pk Botha, seems to have recognised this: National Party leaders have resisted the temptation to rub the ANC's nose in the CAAA defeat.

Mr Cohen, who is an astute politician domestically as well as internationally, has let it be known to US pressure groups like the Black Caucus that Washington is not giving President de Klerk carte blanche, some firepower is being retained in case Pretoria should become too pleased with its own triumphs, and consider reneging on earlier undertakings. The ANC will — and, indeed, has already begun to — fall back on residual measures unaffected by the CAAA. President de Klerk's forces have not yet occupied Washington. □



## Philippines in bitter-sweet

### war with SA

Stew 18/7/91

By Hugh Robertson  
Star Bureau

WASHINGTON — They call it the "sugar war" or, more formally, the South African-Philippines conflict of interest, but either way it is a nettlesome dispute for the United States to resolve in the wake of President George Bush's decision to lift sanctions.

It centres on the conflicting claims of the South African and Philippines governments over who should retain a sugar quota of 50 000 metric tons that used to belong to South Africa but was switched to the Philippines in 1986 when sanctions were imposed.

It is one of the issues now on the agenda of negotiations between South African and US government departments aimed at normalising relations.

From the South African perspective, the claim to the quota seems entirely just and reasonable. It used to belong to South Africa, and now that South Africa has expunged those reasons for the withdrawal of the quota, it should revert to South Africa.

The Philippines is the only true "colony" the US has possessed and has a special place in the hearts and minds of Americans.

The Philippines government is putting up a spirited battle to hold on to the sugar quota. Its most persuasive argument is that the quota represents the livelihood of 15 000 workers.

# SA pays R5,8-m to lobbyists

Star 18/7/91

280

By Hugh Robertson  
Star Bureau

WASHINGTON — According to Justice Department records, the South African Government has paid about \$2 million (R5,8 million) in the past year to a small group of lobbyists whose principal task has been to persuade the White House and Congress to abandon sanctions.

The records, which must be filed at regular intervals in terms of the Foreign Agents Act, show that South African Government money also went to the election campaign funds of US politicians who were thought to be sympathetic to the Government and its policies.

## Detailed

Eleven companies were registered as "agents" working on behalf of the South African Government, and some were paid almost \$500 000 (about R1,4 million) for their work. Detailed accounts show that expensive dinners and luncheons were paid for in some of Washington's most luxurious restaurants.

The best known South African lobbyist is John Sears, whose brilliant running of former President Ronald Reagan's election campaign won him much admiration — and influence — in Washington.

Mr Sears, whose fee is \$360 000 (about R1 million) plus expenses, also reports in his Justice Department declaration that he hosted expensive luncheons in pursuit of his South African brief.

But the big earner who did much hard legwork on sanctions was the discreet firm of Riley and

Fox, which was paid nearly \$500 000 for the year to lobby big business and Congress on sanctions.

The firm also arranged a wide variety of meetings between visiting South African politicians, businessmen and officials and movers on Capitol Hill.

According to congressional aides, however, the bulk of the work to get sanctions lifted was done by the SA embassy.

## Praise

Its staff was described as dedicated and tireless, and was said to have been working "18-hour days, seven days a week" for several months on sanctions.

There was special praise, too, for the ambassador, Harry Schwarz, who has dazzled Capitol Hill with an energetic campaign aimed at making contact with a whole range of congressmen and congressional advisers who had been abandoned as lost causes by previous ambassadors.

But, in contrast with the huge expenditure to help get sanctions lifted and generally facilitate the South African Government's cause in Washington, is the perpetrator of most of Pretoria's problems here — the small upstairs office of the ANC on a noisy street in the heart of the city's most crime-ridden neighbourhood. The four-member staff has no assistance from lobbyists, operates on a shoestring budget, and takes guests to lunch at a corner eatery.

In fairness, it must be said that almost all foreign governments employ lobbyists of some sort or another in Washington. Lobbyists have, indeed, become a necessary evil.



# Sanctions 'are not crumbling'

MOST economic sanctions imposed by overseas countries against the South African Government were still in place and only minor components of the sanctions package had been lifted, advocate Mr Dikgang Moseneke said yesterday.

The Pan Africanist Congress vice-president was the guest of the *Sowetan*/Radio Metro Talkback Show "Face the Nation".

Although it had been the decision of countries



imposing sanctions to lift them, Moseneke said to say sanctions were crumbling was a bit of an exaggeration.

"It's a media-hype that comes with headlines saying sanctions are

*Sowetan 19/7/91*  
crumbling but reading the fine print the message that comes out is clear - only a small part of the whole package has been lifted," he said.

Moseneke said the PAC was opposed to the idea of an interim government because it believed there was no "midway station" to liberation and that there were problems relating to how it would be constituted.

The problems related to the functioning of the interim government were substantial - who would serve on it, who would appoint people serving in the interim government - and if they were members of parliament (MPs),

would they be MPs without constituencies, Moseneke asked.

He said appointing people to serve on the interim government would be like appointing representatives to the constituent assembly directly.

Asked about the "patriotic front", he said the PAC had had discussions with other liberation movements, including the Azanian Peoples Organisation and Inkatha Freedom Party.

"Face the Nation" programme is on every Thursdays and listeners are invited to ask questions to the guest of the talkback show.

# Japanese envoy to explain sanctions

280  
CT 19/7/91

JOHANNESBURG. — Japan's deputy foreign minister, Mr Munēō Suzuki, arrived in South Africa yesterday, saying he would convey his government's thinking on sanctions to South African authorities.

After his arrival at Jan Smuts airport, Mr Suzuki declined to comment on the speculated lifting of Japanese sanctions.

He is, however, likely to meet his South African counterpart, Mr Leon Wessels, today.

Mr Suzuki said he had discussed South Africa with the presidents of Kenya, Tanzania, Zimbabwe and Zambia and is visiting South Africa with those talks in mind.

Japan recently lifted voluntary restraints on trade with South Africa, but still maintains economic sanctions.

Mr Suzuki is the first Japanese official to visit South Africa since 1969.

● Japan is planning to expand its financial contributions to South Africa's black communities next year, diplomat Mr Yoshinobu Hiraishi said yesterday. — Sapa, Own Correspondent



# IAAF invites SA

ROME - The International Amateur Athletics Federation yesterday granted temporary affiliation to the new, unified South African track body and invited a 36 athlete team to the Tokyo World Championships. ~~199~~

The announcement virtually ended a 15-year international ban on South Africa for its apartheid policies. ~~199~~

The IAAF said its decisions were based on recommendations by an all-African delegation which visited South Africa twice this year and triggered the merging of the three South African track bodies into a new federation. *Gordon 19/7/91*

The temporary affiliation will run until August 20, when the IAAF Congress in Tokyo was expected to vote South Africa as a full member, said IAAF president Primo Nebiolo.

In the interim, South African athletes will be allowed to compete only in Africa and against African athletes. Their results will be fully recognised. - Sapa-AP

# Sanctions issue divides America

280  
~~281~~

Sowetan 19/7/91

By RAMSAY MILNE  
Sowetan Foreign Service  
NEW YORK - Sanctions. It is a word to conjure with, a word that has haunted South Africans for years, pleased and inspired some, ruined others and angered many, a word that may now be heading for the scrapheap of history.

And as sanctions at last wither on the vine, observing America, is to witness an astonishing division within that country itself.

The United States was until a week ago the last important intransigent holdout of this barren policy (if one discounts the churlishness of peculiarly fractious Commonwealth countries like Canada, Australia and New Zealand).

"Official" America, of course, formally abandoned sanctions when President George Bush declared them over last week.

"Unofficial" America, dutiful to the dictates of the ANC in what has been a masterly example of political PR down the years, has said "no" - loudly - insisting that South Africa has not freed all



political prisoners even while South Africans are debating an over-generous release of potentially violent prisoners.

It is a dissenting voice to be listened to, since it was "unofficial" America that was the driving force behind Washington's sanctions all along.

It consists of the Congressional Black Caucus, the mayors of many major cities elected to their offices by millions of disgruntled black voters and some State governors elected on similar platforms.

## Mandate

Also involved are scores of lobbyists and activists like Trans-Africa's Randall Robinson and the American Committee on Africa's Jennifer Davis, Dumisani Khumalo and Richard Knight, individuals and groups all exercising power and influence far beyond any elected mandate.

All pursued their goals of sanctions and disinvestment with unrelenting fanaticism.

But now that the pendulum has swung, most have grown silent, though some, like New York's mayor David Dinkins, the first black mayor of America's biggest city, has applied even tighter restraints, like a defeated boxer lashing out wildly in the hope of a last minute demolition of his opponent.

It's a time for historic reflection, though.

## Invasion

Anglo American's Clem Sunter has written very eloquently about the poor track record of world sanctions, reminding us that when China emerged from its 24 years of world quarantine in 1972, it left behind tens of millions of dead without ever showing signs of moderation - even now.

Spain's General Franco was similarly intractable. Italy's dictator Mussolini laughed off world sanctions after his invasion of Ethiopia in 1936 and happily joined Hitler in an ungodly Fascist-Nazi alliance a few years later.

Nearer home for Americans, Cuba's Fidel Castro, quarantined by the US for close on 30 years, is

quite unrepentant - and unchanged.

Perhaps the arguments about sanctions may go on. (With Iraq the next already selected victim.)

Yet one cannot find a better illustration of how far wide of the mark the fanatical US pro-sanctioneers are than this:

On the same day that the leaders of the world's most powerful nations declared at their meeting in London their intention to draw South Africa back into the world economy as the best means of helping to create a successful, non-racial state (as they did on Tuesday this week) the US Conference of Mayors, meeting in Boston, urged all American city governments to maintain sanctions.

An action of this kind seems almost antedeluvian in the light of the rest of the world's swift unravelling of sanctions.

It begs the question: When will the black mayors of America's substantially black cities finally turn to what matters most for black Americans - not apartheid in South Africa but the pernicious racial prejudices that abound in America itself?



# Rights and Ronges of Sachs' 'Bill'

Why can we go to the Olympics — but still not watch British TV? **MARK GEVISSER** examines the debate over Albie Sachs' proposal of a 'Bill of Rights for South African Artists'

CAN we talk about artistic freedom in South Africa while we are still in the chains of a cultural boycott?

In a response to Albie Sachs' proposal for a 'Bill of Rights for South African Artists', presented at this year's Grahamstown Festival, *Sunday Times* critic Barry Ronge last week rapped the African National Congress' most famous cultural commissar over the knuckles for presuming to defend South African artists' rights while belonging to an organisation that still supports this country's cultural isolation.

At its conference two weeks ago, the ANC did, in fact, resolve to advocate lifting the cultural boycott entirely as soon as the state removes "the obstacles to negotiations" — which means, in effect, as soon as all exiles are home, all political prisoners are released, and some serious effort has been made to curb township violence. This could take weeks or it could take months. In the meanwhile, the ANC continues to advocate a fuzzy selective cultural boycott that is in urgent need of clarification.

Ronge challenges the integrity both of the ANC and the international artists who continue to boycott South Africa: "As long as artists hold out against acknowledging change in South Africa, they will always command a higher-profile media audience (as well as better photo opportunities) which will cast doubt on the bona fides of the new South Africa," he writes.

What clearly jars the arts community that Ronge represents is the following: "If sportsmen and businessmen can move more freely, why should artists not be able to?" If the ANC has put its stamp of approval on the lifting of the sports boycott, why not the cultural boycott too? Why, in the same week that the International Olympic Committee readmitted South Africa, did Equity reimpose its ban?

Perhaps it is because sport has a larger and more vocal constituency in all sectors of South Africa than culture will ever have; perhaps because of the vision and hard work of sport-politicians like Steve Tshwete and Sam Ramsamy, who have managed to commit most South African sports bodies to a common goal of non-racialism.

But rather than crying foul and attacking international boycotters and the ANC for the continuation of the cultural boycott, we could all (including the ANC) look at the work that has been done in South Africa to make sports non-racial, and try to replicate that work in the arts.

If the government were more forthcoming in its democratisation of the airwaves and the SABC fairer in its reporting of the news; if the performing arts councils, still firmly entrenched in the Very Old South Africa, were to make obvious and far-reaching attempts to restructure so that our arts resources were more equitably spread, then we — like the sportsmen — could have stronger grounds on which to base our calls for an end to the cultural boycott.

All too often, the boycott is used by South Africans as a convenient scapegoat for all cultural stagnation in this country, when it could, in fact, serve exactly the opposite function: Whether we support the boycott or not, we

●Turn to PAGE 29

## Was Albie Sachs evasive?

could use our isolation productively — to encourage a diverse and thriving local art scene.

While Sachs once again evaded the issue of the boycott in his "Bill of Rights", what he proposed was precisely a system whereby we could begin to create the circumstances that would make a cultural boycott entirely unnecessary and unjustifiable.

Ronge glosses over Sachs' major point: that apartheid has marginalised black people and their culture, and that, just because we have entered a media-fashioned "new South Africa" doesn't mean that black culture has yet been put on centre-stage, where it belongs.

Sachs' central critique is that the allocation of resources in this "new South Africa" perpetuates the inequities of apartheid: "What does it mean that millions of rands are spent on fantasy palaces to delight wealthy audiences with large homes to go back to while there is no money to upgrade the shacks in which millions of their compatriots live?"

Ronge takes issue with Sachs' conflation of the apples of art and the oranges of living conditions, but Sachs insists on looking at them together: just as shacks have been bulldozed, he says, so too have the shack-dwellers' culture. Just as black South Africans have been marginalised politically and geographically, living in suburban backyards or in peripheral townships, so too have they been marginalised culturally.

What Sachs therefore proposes is a Bill of Rights that, rather than simply stopping at a guarantee of artistic freedom for all, calls for creative affirmative action that will move black cultural expression from the margins of our culture to its centre.

Ronge is right in chastising Sachs for not coming up with concrete solutions for effecting this (subsidies, pay equity, access guarantees): Sachs does "evade the question of subsidy and sponsorship which is what keeps opera, ballet and theatre alive in this country".

And it is perhaps this, more than anything,

that sits uneasily with Ronge, who is clearly worried about the implications of affirmative-action subsidies, which he sees as "a Verwoerdian-style cultural quota".

In Sachs' South Africa, Ronge writes, "for every *Sleeping Beauty* there must be one wedding dance. For every *Rigoletto* there must be a concert by rural drummers. Can you imagine the nightmarish bureaucracy that will leap, hydra-headed, from such a system?"

Strangely, Ronge — an unapologetic advocate of the classical "Eurocentric" artforms — rejects Sachs' solution, one which would not only guarantee the immortality of *Rigolettos* and *Sleeping Beauties* on the African continent, but that is modelled on systems already in operation in Europe and North America.

In a multi-ethnic land like the USA one *does* have have one "wedding dance" (as Ronge so disparagingly abbreviates the entirety of black South African culture) for each *Sleeping Beauty* — there, state arts foundations and councils are required by law to allocate resources equally, even if this does require more bureaucracy.

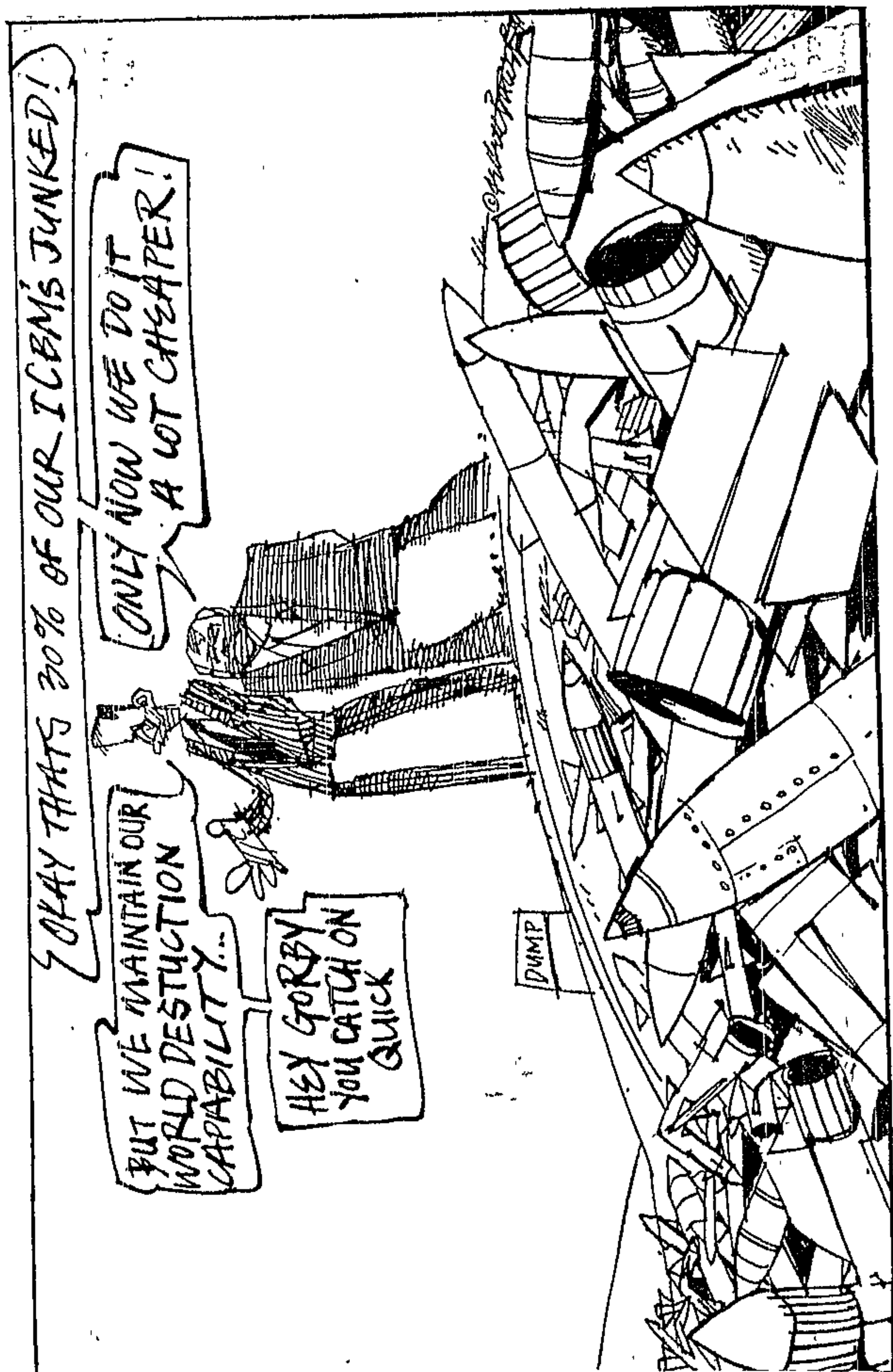
Ronge is worried that redressing cultural imbalances will further impoverish South African art by reducing "standards". But as South Africa's sportsmen have discovered about sport, a coherent commitment to non-racialism (which is what Sachs was trying to evince from South Africa's arts community at Grahamstown) can only enrich our culture — not least by readmitting us into the international cultural market.

Certainly, if Sachs is going to continue to be the ANC's cultural troubleshooter, he needs to deal with the issue of the boycott and he needs to translate his ideas into policy. But his ideas are a vital and creative addition to an ANC that seems to show little interest in fostering the arts, and that, while talking about democratising everything else, seems to have forgotten about culture.

●From PAGE 25

280 w/Mad 19/7/ - 25/7/91

DEREK BAUER'S WORLD





# A visit to America is no longer on the cards

280  
w/mail 19/7-25/7/91

**A**MBASSADOR Bill Swing invited me last September, on behalf of the United States government, to visit the US. All arrangements were finalised and I was supposed to leave for the US on July 26 1991.

Unfortunately, I had to reconsider my acceptance of the invitation as a result of statements made by the US administration in providing details of the decision of President George Bush to lift sanctions imposed by the Comprehensive Anti-Apartheid Act (CAAA) of 1986.

In answer to a question whether the US was satisfied that the South African government was in no way involved in perpetrating black-on-black violence, Assistant Secretary General Herman Cohen said: "We have looked at all of the accusations. We have deployed our own resources to find out. We have seen no evidence that the South African government entities are supporting black-on-black violence. This does not exclude the activities of private citizens which we're not aware of. But we have seen no evidence that the government entities are doing anything in that line."

Any serious student of South African politics will reject this statement with the derision and contempt it deserves.

I do not for one moment suggest that President FW de Klerk is party to the present destabilisation of black politics. In fact, I believe his position has been weakened by the black-on-black violence, which has strengthened the hands of the hard men in the political and security establishment. There is no doubt whatsoever that members of the security forces have actively encouraged the violence. Whether this is done with the knowledge of some members of the cabinet is not clear.

Acting on hard evidence and sound information, I put a series of questions in parliament to the state president and other ministers regarding state assistance to system political groups and parties. All these questions were evaded with replies that it was not in the interest of state security to divulge the information. The same approach was originally followed by the Civil Cooperation Bureau.

The Swanierville massacre is a case in point. Excellent reports on state involvement have appeared in *Africa Confidential* and *The Independent*. It smacks of the situation in the mid-1970s, when any involvement in Angola was denied by all and sundry but was common knowledge to

**KOBUS JORDAAN**, the Democratic Party's MP for Umhlanga, explains why in the light of explanations for the lifting of sanctions, he feels compelled to reject an invitation to visit the United States

overseas journalists and agencies.

The second statement by the US administration was: "We feel that all political prisoners or prisoners of conscience are now out of prison." The South African government was requested, however, to put pressure on the government of Bophuthatswana to release its political prisoners.

This request is inexplicable. Apart from the fact that the US does not recognise Bophuthatswana, a large proportion of those prisoners are there as a result of the South African government's direct intervention in the attempted coup to overthrow the Mangope government.

The third statement was to the effect that "the South African government appears to be honestly and genuinely committed to creating a non-racial democracy in South Africa".

If this statement was made during the latter half of 1990, one would have been inclined to agree with it. Of late, however, there have been disturbing signs from government politicians that they have decided, under pressure from inter alia the security establishment and security-orientated members of the cabinet, to go for a competitive transition in alliance with other "moderates". This most probably explains the attitude of "we need the ANC to legitimise the negotiation process leading to the new constitution, but unless they dump the Communist Party fairly soon, we shall crush them".

I believe it is in the interest of all to allow the ANC to be built up as a strong, and hopefully adaptable, organisation that will be prepared to compromise during negotiations. Their recent congress showed extremely hopeful signs in this respect. Any compromise reached with organisations and parties which are perceived in the eyes of a major portion of the population not to be representative, despite possible acceptance by the outside world, will almost certainly lead to a new round of repression, albeit in a different guise.

The "pact mentality" of the National Party

(NP) is vividly illustrated in its employing a facade of legality by pushing legislation through parliament to broaden decision-making during transition, as borne out by measures such as the Bill on interim local government and the development aid amendment Bill. Such an arrangement will be non-racial, but definitely not democratic nor legitimate. All interim structures should be the result of negotiation with all parties.

Lest I be misunderstood, I have to state categorically that I fully support President Bush's decision to lift sanctions imposed by the CAAA.

It cannot be denied that sanctions did play a role in forcing the South African government's hand in accelerating the process towards inclusive democratic government. In the process, sanctions hurt the deprived and voteless communities to a far greater extent than the privileged minority. What hurt these communities, as well as other South Africans, even more were homegrown, abject economic and political policies and ideologies which discouraged both internal and external investment. This can only be rectified by South Africans themselves in demonstrating to all and sundry that we can govern ourselves sensibly.

Foreign governments should at all times attempt to enhance the process towards "sensible" government — which in turn would lead to the eventual provision of housing and educational needs and the provision of employment for everyone.

Against this backdrop the abovementioned statements should be evaluated. One gets the impression that the US administration has lost its way in understanding the present political situation in South Africa.

It is essential for the NP and the ANC to stop undermining each other and scoring petty debating points against one another. They must truly put South Africa and all its people first. The same applies to all other parties — both inside our country as well as abroad. It is essential for outsiders to scrupulously refrain from taking sides. The possibility of damaging the process of negotiation by giving the NP and its allies a false sense of security is indeed real.

As much as I would have loved to visit the US and share my dreams and ideals for my country with the American people, my conscience does not allow me to accept US state funds as long as the present administration continues distorting the realities in South Africa. I have no option, therefore, but to pull out of my proposed visit.



## Staying the course

Top US employers in SA

Company	Employees
1 Caltex	2 050
2 International Paper	1 797
3 Johnson & Johnson	1 495
4 Crown Cork & Seal	979
5 United Technologies	939
6 Joy Technologies	856
7 American Cyanamid	855
8 3M Company	851
9 Dresser Industries	757
10 Union Carbide	684
11 Colgate-Palmolive	631
12 Warner-Lambert	617
13 Strategic Minerals	550
14 Bristol-Myers Squibb	548
15 Arvin Industries	512
16 Harsco	500
17 Baker Hughes	470
18 Ingersoll-Rand	462
19 The Interpublic Group of Cos	424
20 Reader's Digest Association	380

Companies with at least a 50% stake in SA subsidiaries

rific. I see Coke and Kodak all back here, but it will take some time."

(Coke, whose product is still available, and Kodak, which pulled out completely, have not said they plan to re-enter the market.)

Pick 'n Pay chairman Ray Ackerman says seven years of "watering the ground" paid off when he was invited this week to meet three food companies in the US and three in Europe to "discuss figures."

The only company he would identify is H J Heinz, Pittsburgh-based makers of ketchup and other prepared foods. Heinz, which has a Zimbabwe factory, already has a few products in SA stores. Ackerman says he has talked to it about manufacturing in SA.

Some American companies, such as Colgate-Palmolive, never left. In fact, 104 US companies have direct investment or employees in SA (down from nearly 300 in 1984) and 184 US companies have nonequity links, according to the research centre's Moses.

Colgate director Russell Pollard acknowledges that the lifting of sanctions won't change his day-to-day business but, he adds: "It's nice to have them out of the way; we stayed through the stormy times and we're pleased at what happened, but we're carrying on as usual."

The lifting of the Rangel amendment, which imposed double taxation on US companies that remained, will have "a major impact," Pollard predicts. But he doesn't expect "a big rush in new investment while we're wallowing in the negotiating process and violence."

Moses says companies are looking for stability above all else. "It's up to South Africans themselves. It's like they said in the movie (*Field of Dreams*), 'If you build it, they will come.'"

Many analysts feel that the restrictions imposed by 27 states (including six of the 10 biggest), 88 cities (the top eight) and 24 counties have had more of an impact than the federal sanctions. The restrictions range, however, from almost airtight bans to merely "Shell-free zones," so it's up to individual businesses to decide whether it's worth pro-

ceeding.

"If a company makes a flange that's used only in the gold mining industry, then there's no problem," Moses says. "But if in addition to the flange they also make heart/lung machines and highway construction equipment, then they have to decide whether they're willing to give up that business with the state." This is because the sanctions apply only to purchases by state and local governments, not to private companies in the state or locality; the federal sanctions were applied across the board.

As long as the ANC continues to support sanctions there will be a potent lobbying force at work to prevent lifting the local restrictions. "These state and local laws will take far longer to repeal, partly because the pressures that brought them to enactment have not abated, and partly because most of them do not specify timetables or conditions for their repeal," says the research centre.

It's been nearly two years since its UN-supervised elections, but Namibia is still trying to undo sanctions. Of the 53 US localities that restricted business links with the former South West Africa, 30 still have laws in effect, including California, according to the research centre. This is despite regular appeals from the State Department, the Namibian government and organisations such as the research centre and the International Freedom Foundation.

The prospect of reinvestment remains uncertain. Many companies completely severed their links while others sold out to local interests. Moses says one major automobile manufacturer that pulled out would not want to jump back in after the "completely unpleasant" experience of protests by shareholder and university groups and saying good-bye to employees as well as the plant, which had to go at a fire-sale price.

As for the perceived threat of nationalisation, Heller says that if the "rhetoric of the N-word turns into policy, they'll be all hell to pay; no one will invest US\$10m in the XYZ plant if they think they're going to wake up and find it's now the ANC plant."

Moses, however, says multinationals aren't too concerned about the talk of nationalisation. They believe they're safe from a takeover as long as an SA company as prominent as Anglo American is still private.

One way to reaffirm US-SA links is through tourism. America, with 47 425 visitors to SA last year (up 2.2% on 1989), ranked behind the UK (135 404) and Germany (83 443). But the 250m-strong US market glows with potential. The SA Tourism Board wasn't prevented from promoting SA in the States, but it hasn't done a major media campaign since 1987, mainly due to tight budgets, says Satour's Spencer Thomas.

When SA Airways' landing rights are restored, he predicts Satour will do a major tourism push in conjunction with the airline. "Once we see the restoration of air links, that will be something to write home about."

Maureen Sullivan

## TESTING THE WATERS

No one expects SA to be overrun by US companies now that President George Bush has lifted sanctions. But there's no doubt that a host of American businesses are kicking the tyres to find out what opportunities are available. FM 19/7/91

What will keep investors at bay is the continuous political and economic turmoil and violence, as well as the 140 US state and local laws — unrelated to federal sanctions — that restrict ties with SA.

"People don't want to get burnt," says Bill Moses of the Investor Responsibility Research Center in Washington.

While many people have shrugged off Bush's action as merely symbolic, others feel it will have an impact, at least psychologically. "It will end some deviousness and promote openness," says Robert Heller, of Condor, a US company that sponsors trade exhibitions worldwide.

When Heller was trying to entice American companies to participate in exhibitions this month in Johannesburg, Cape Town and Durban, he got a steady stream of negative responses.

When sanctions were lifted, he says, his office was inundated with calls from mainly small companies wanting to know whether they were too late to exhibit.

"A number of companies are keen to get into SA," Heller says. "SA itself is a good marketplace and a distribution centre for sub-Saharan Africa. Businesses must come into the SA market if they want to be international. The franchise opportunities are ter-



GROWTH AFTER SANCTIONS

Fm 19/7/91

## **This isn't the kick-off** (280)

**Whether** the imposition of trade sanctions by the US actually did galvanise the National Party into irreversible reform is now solely in the realm of conjecture. Nor is the removal of US sanctions likely to kick-start this economy into a period of rapid growth — it remains too dependent on the revival of growth in the economies of its trading partners.

Its depressed state, the likelihood of political instability and the threat of nationalisation will all combine to discourage an inflow of real fixed investment. Indeed, that sort of capital is still on the way out.

But it does open up possibilities for rapid and energetic diplomatic initiatives abroad to secure future markets, and for SA businesses to participate with less political inhibition in economies more prosperous than government has allowed ours to be. That would add to domestic prosperity.

Before that process can begin in earnest, exchange controls on residents need to be substantially liberalised. Before Pretoria will do that, it in turn will need the assurance of access to International Monetary Fund standby credits or participation in one of the structural adjustment programmes. The relatively modest foreign debt still caught in the net could then be either repaid or negotiated into a form that would not constrain growth.

In that regard, the attitude of the Group of Seven industri-

al nations meeting in London this week towards assisting our economy is more hypocritical than helpful. What this country needs, more than what would amount to aid flows for investment in education and housing, is a resumption of economic growth. That would lead to a more permanent reduction of unemployment.

If the Group of Seven is so concerned about the disadvantaged here it would do more good by bringing pressure on the US to remove its blocking mechanism on SA's access to IMF funding. If the Bush administration has accepted that reform towards the creation of a liberal democracy is irreversible, then it is churlish and politically self-serving for the US to allow the IMF embargo to remain in force.

What would also help is if all those African "democracies" to the north, who are queuing and yearning for relatively cheap SA manufactures, were also to lend their support to the removal of a major restraint on an economy that could produce them at an even lower cost.

Pretoria could help by continuing to liberalise the economy. By continuing to deregulate, reduce protection and privatise (the last especially appears to have been abandoned) it could demonstrate more vigorously that apartheid is no longer the artificial economic constraint that the US, via the IMF, was refusing to finance. ■

# Coalmen seek price boost as sanctions end

LONDON — Whatever else coal exporters are expecting from the end to sanctions, it is not a flood of orders from coastal electricity producers in the US.

Once a significant source of coal for the Florida utility, Gulf Power, South African coal producers are entering a very different market from the one from which they were excluded in 1986.

The last five years have seen the rocketing growth of exports from a much closer source of low-cost coal — the mines of Colombia and Venezuela.

In addition, today the spot market, which was once dominated by South Africa, is as much the province of those US producers that the big South African exporters once displaced on

their home ground.

But if lifting sanctions has no immediate effect on SA-US coal business, it will make a lasting impact throughout the rest of the world. Buying coal from South Africa has once again become respectable.

Apart from the US's blocking of imports for the past five years — a measure that did not extend to the US's export of coking coal to Iscor — the only other significant boycott was that imposed by Denmark.

This looks set to remain at least into 1992 following the Danish parliament's re-affirmation of its sanctions stance, thus thwarting an attempt by the Danish government to have them dropped.

Already the Japanese power

companies are shifting their stance and are increasing liftings from Total, Gencor and Amcoal.

It is expected that the Korean state power company, Kepco, will follow suit.

In Europe, attention will focus on Electricite de France, at present a big buyer on the spot market, and on the UK.

The French have had an informal understanding that they would not import from South Africa, though this was never enacted into law in the same way that it was in Denmark. Nor has it been rigorously enforced.

Most coal traders believe it will be only a matter of months before Britain's three big coal-consuming electricity producers

— PowerGen, National Power and Scottish Power — follow the lead of the smallest, Northern Ireland Electricity, and take their first South African cargoes.

National Power has already despatched John Jump, former head of BP Coal, on a confidential fact-finding mission to South Africa to help formulate its buying strategy.

No South African coal has been openly burned in mainland power stations, but a considerable amount has been blended with privately mined British coal and sold as such.

Doubts remain, however, over its suitability for British power stations because of the low volatility of most South African coals.

— Financial Times.



Sanctions still have some die-hard supporters in the US, writes Ramsay Milne  
Stew 1911/1/11

# Down but not out for the count

**SANCTIONS.** It is a word to conjure with, a word that has haunted South Africans for years, pleased and inspired some, ruined others and angered many, a word that may now be heading for the scrapheap of history.

And as sanctions at last wither on the vine, observing America, until a week ago the last important intransigent hold-out of this barren policy — indeed as new policies for investment and growth were being framed this week by the Group of Seven in London — is to witness an astonishing division within America itself.

"Official" America, of course, formally abandoned sanctions when President George Bush declared them over last week. "Unofficial" America, dutiful to the dictates of the ANC in what has been a masterly example of political PR down the years, has said "no" — loudly — insisting that South Africa has not freed all political prisoners even while South Africans are debating an over-generous release of potentially violent prisoners.

It is a dissenting voice to be listened to, since it was "unofficial"



David Dinkins . . . still giving sanctions the thumbs-up.

America that was the driving force behind Washington's sanctions all along. It consists of the Congressional Black Caucus, the mayors of many major cities elected to their offices by millions of disgruntled black voters, some State governors elected on similar platforms, and scores of lobbyists and activists such as TransAfrica's Randall Robinson and the American Committee on Africa's Jennifer Davis, Dumisani Khumalo and Richard Knight, individuals and groups all exercising power and influence far beyond any elected mandate. All of them pur-

sued their goals of sanctions and disinvestment with unrelenting fanaticism.

But now that the pendulum has swung, most have grown silent, though some, like New York's Mayor David Dinkins, the first black mayor of America's biggest city, has applied even tighter restraints, like a defeated boxer lasting out wildly in the hope of a last-minute demolition of his opponent.

It's a time for historic reflection, though. Anglo-Americans' Clem Sunter has written very eloquently about the poor track record of world sanctions, reminding us that when China emerged from its 24 years of world quarantine in 1972, it left behind tens of millions of dead without ever showing signs of moderation — even now.

Spain's General Franco was similarly intractable. Italy's dictator Mussolini laughed off world sanctions after his invasion of Ethiopia in 1936 and happily joined Hitler in an ungodly Fascist-Nazi alliance a few years later. Nearer home for Americans, Cuba's Fidel Castro, quarantined by the US for close to 30

years, is quite unrepentant — and unchanged.

Perhaps the arguments about sanctions may go on. (With Iraq the next already-selected victim.) Yet one cannot find a better illustration of how far wide of the mark the fanatical US pro-sanctioneers are when, on the same day that the leaders of the world's most powerful nations declared at their meeting in London their intention to draw South Africa back into the world economy as the best means of helping to create a successful, non-racial state (as they did on Tuesday), the US Conference of Mayors, meeting in Boston, urged all American city governments to maintain sanctions.

An action of this kind seems almost antedeluvian in the light of the rest of the world's swift unravelling of sanctions. It begs the question: when will the black mayors of America's substantially black cities finally turn to what matters most for black Americans — not apartheid in South Africa but the pernicious racial prejudices that abound in America itself? — Star Foreign Service. □

# EC sanctions to stay

COPENHAGEN. — Denmark will maintain its trade sanctions against South Africa, blocking European Community efforts to ease them now Pretoria has abandoned apartheid.

Danish foreign minister Uffe Ellemann-Jensen said yesterday Denmark's embargo would remain in force after the centre-right minority government failed to win support from opposition parties for a plan to phase out sanctions gradually.

Any EC decision to lift sanctions would have to be unanimously agreed by the 12 member states to take effect.

"The government goes in for a stage by stage phasing out of the embargo as the best way to support reform in South Africa," Mr Ellemann-Jensen told reporters after a Danish parliamentary committee meeting.

"We pressed the opposition to agree to our plan, some parties supported us but it was impossible to gain majority support... it is unwise for Denmark to be the only EC nation still opposing an easing of sanctions, it threatens our goodwill in the Community", he said.

Denmark imposed a total embargo on Pretoria in 1986 for its apartheid policies and played a strong role in pushing the EC into stopping trade

## Denmark blocks move to ease trade restrictions

with South Africa the same year.

In April the EC decided to lift its ban on imports from South Africa of gold coins, iron and steel. But Denmark's parliament refused to ratify the decision, effectively blocking the EC move.

Earlier this year, Denmark started easing other sanctions on Pretoria, the toughest in the EC, by lifting bans on sporting, cultural and business contacts.

The Danish opposition, led by the Social Democrats, feels it is premature to lift sanctions on Pretoria, despite recent legislation passed by South Africa's parliament removing the legal foundations of apartheid.

It says it prefers to wait until South Africa changes its constitution, which still guarantees white supremacy, and frees all political prisoners. — Sapa-Reuter.



# Japan 'seeks to help Africa'

CT 20/7/91

PRETORIA. — Japan would like to consider the issue of lifting sanctions against South Africa in a way that was "not only beneficial to South Africa but Southern Africa, black Africa", Japan's Deputy Foreign Minister Mr Muneo Suzuki said here yesterday. (280)

Speaking after a meeting with South Africa's Deputy Minister of Foreign Affairs Mr Leon Wessels, Mr Suzuki said Japan was taking into consideration "various factors" regarding the lifting of sanctions.

He said he had also conveyed to Mr Wessels the viewpoints of the leaders of Kenya, Tanzania, Zimbabwe and Zambia, which he had already visited during his African tour.

He had stressed to Mr Wessels the concerns expressed by these leaders.

Mr Wessels said they had discussed bilateral relations, and he had briefed Mr Suzuki on the most recent developments in SA and the government's position on various issues. — Sapa

## Denmark to maintain sanctions

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"The government prefers a stage by stage phasing out of the embargo as the best way to support reform in South Africa," Mr. Ellemann-Jensen said after a Danish parliamentary committee meeting yesterday. — Sapa-Reuter



# The trade winds are

Sec 20/11/91 (280) 2-way trade with

## Aussies on cards

MICHAEL CHESTER

The first cracks in the Australian sanctions wall against trade with South Africa are expected to appear as early as next week, according to predictions made by the SA Chamber of Business in Johannesburg yesterday.

The forecast came from Sacob director-general Raymond Parsons, on his return from a two-week round of talks with Australian business and political leaders.

Though the Bob Hawke government in Canberra has so far refused to follow the lead taken by US President George Bush in a formal lifting of sanctions, renewed contact at business level on two-way trade appears to be imminent.

### SA visit

Mr Parsons disclosed that Australian Shadow Minister of Trade Alexander Downer was due to visit South Africa next Thursday to hold discussions on the prospects for bilateral trade and investment opportunities.

High significance has also been placed on plans by the Confederation of Australian Industry — the largest employer body in the country — to send in a

business mission in November.

According to insiders, Australian Prime Minister Bob Hawke is likely to reserve any official moves until the next Commonwealth Conference — due to be held in Harare in October.

But Mr Parsons believes that Australian businessmen will push ahead with new trade regardless of the stance taken by the government (Foreign Minister Gareth Evans is on record as saying sanctions will stay until South Africa reached agreement on a new constitution).

"There is a strong desire on the part of the Australian business community to normalise economic relationships with South Africa," he said.

"Relations between the two countries can now be looked at on their economic merits."

Business talks have revealed a mutual ambition to break the trade embargoes and boost trade flows.



**HOPEFUL:** Raymond Parsons held talks with Australian business leaders each country would be used by the other as key gateways into new and expanding overseas markets.

### Growing belief

Australian businessmen would use South Africa as a trade springboard into the rest of Africa; South Africa would use Australia as a springboard into markets in the Far East, which would be more significant than ever if Japan decided to lift sanctions too.

It was also likely that new joint trade and investment schemes would be explored.

"Whatever happens at the Commonwealth Conference, the Commonwealth Con-

ference, there is a growing belief in Australian business circles that sanctions are on their way out and will soon be gone," said Mr Parsons.

"However," he added, "there will be no miracles or blank cheques for South Africa — we will have to satisfy stringent economic and political criteria."

"While many Australian business and political leaders are cautiously optimistic about developments in South Africa, there is deep concern about the continuing violence in the townships. Apart from the human cost involved, the level of violence is not seen as conducive to business confidence."

"But the trade winds between Australia and South Africa are blowing again and businessmen in both countries should look forward to new opportunities."

Mr Parsons said more new pointers to improvements in international relations would be seen next week when the top-level mission from the Soviet Chamber of Commerce and Industry signed a series of new cooperation agreements in Johannesburg.

The Soviet team was expected to sign agreements with Sacob and the Afrikaanse Handelsinsituit and sign a protocol with the SA Foreign Trade Organisation on Tuesday.

# blowing again,

NS

## Japanese deputy minister gives SA a hint

### PRETORIA CORRESPONDENT

JAPAN would like to consider the lifting of sanctions in a manner beneficial not only to South Africa, but also to the rest of Southern Africa.

Japan's deputy Foreign Affairs Minister, Muneko Suzuki, yesterday declined to give a direct answer to whether Japan would lift sanctions in the immediate future, but said his government was considering various factors, as well as "what should be done about this issue".

He added that the Japanese government would like to consider the matter in a manner

which would be beneficial to the whole of Southern Africa.

He was speaking at a press conference at the Union Buildings after meeting his South African counterpart, Leon Wessels.

Mr Suzuki's arrival in the country is the first visit by a Japanese Minister or government official since 1969.

Mr Suzuki met the leaders of Kenya, Tanzania, Zimbabwe and Zambia before landing at

Jan Smuts on Thursday.

During his meeting with Mr Wessels he expressed the concern of these African countries about further efforts by the South African Government regarding the freeing of political prisoners and ending violence.

Mr Wessels said he explained to Mr Suzuki the Government's views on violence and future constitutional steps to be taken and informed him about recent developments in South Africa.

The two deputy ministers also discussed issues surrounding bilateral relations between the two countries.



SA VIEW: Deputy Foreign Minister Leon Wessels.



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Any EC decision to lift sanctions would have to be unanimously agreed on by the 12 member states.

"The government goes in for a stage-by-stage phasing out of the embargo as the best way to

## Danish govt's defeat rules out lifting of EC embargo

support reform in South Africa," Mr Ellemann-Jensen told reporters after a Danish parliamentary committee meeting yesterday.

"We pressed the opposition to agree to our plan; some parties supported us, but it was impossible to gain majority support ... it is unwise for Denmark to be the only EC nation still opposing an easing of sanctions — it threatens our goodwill in the Community."

Denmark imposed a total

embargo on Pretoria in 1986, and played a strong role in pushing the EC into stopping trade the same year. In April the EC decided to lift its ban on imports from South Africa of gold coins, iron and steel. But Denmark's parliament refused to ratify the decision, effectively blocking the EC move.

The Danish opposition, led by the Social Democrats, feels it is premature to lift sanctions. It says it prefers to wait until

South Africa changes its constitution and frees all political prisoners.

German Economics Minister Juergen Moellmann said in Bonn yesterday he would visit South Africa next month.

Officials said Mr Moellmann, a member of the liberal Free Democratic Party, would be the first German Minister to visit South Africa for some years.

Mr Moellmann told a news conference he would visit South Africa from August 18 to 25, meeting Government officials, African National Congress president Nelson Mandela and Inkatha leader Chief Mangosuthu Buthelezi. — Sapa-Reuter.

components go to Europe  
Complete vehicles are also  
being exported, says Mr Ver-

ation into account, imports  
rose by 4,6% and exports by  
2%.

# Aussies want to rebuild bridges

21/7/91 (Sun Times)  
STimes

By TERRY BETTY

AUSTRALIAN business is  
eager to normalise  
economic relations with  
South Africa.

South African Chamber of  
Business (Sacob) director  
general Raymond Par-  
sons, says after visiting  
Australia: "Business rela-  
tionship between the two  
countries can now be  
looked at on their econom-  
ic merits."

## Violence

There is also a possibility of  
expanding trade, says Mr  
Parsons. Australia can  
reach sub-Saharan Africa  
through SA. Similarly, SA  
can reach the Far East  
through Australia — espe-  
cially when Japanese  
sanctions die.

In spite of sanctions being  
yesterday's debate, there  
will be no blank cheques  
for SA, warns Mr Parsons.  
"We will have to satisfy

stringent economic and  
political criteria."

For example, concern is ex-  
pressed about violence in  
the townships.

Mr Parsons had a 40-minute  
meeting with Australian  
Prime Minister Bob  
Hawke. He says it was "a  
friendly constructive ex-  
change of views".

The next Commonwealth  
Conference is to be held in  
October in Harare where  
the SA situation will be  
reviewed.

As a result of Mr Parsons'  
visit, Australian shadow  
minister for trade and  
trade negotiations Alex-  
ander Downer will visit  
SA in a few days to discuss  
bilateral trade and invest-  
ment opportunities.

Sacob's Australian equiv-  
alent, the Confederation of  
Australian Industry, will  
lead a business mission to  
SA next year.



SECRET FORDO

**Vlok: I will  
reconsider  
my  
position**

~~3041~~

~~254~~

~~118~~

280

ARG 22/7/91

**T**HE Minister of Police, Mr Adriaan Vlok, is "reconsidering" his position in the wake of calls for his resignation over the scandal involving the channeling of police funds to Inkatha.

On the SABC programme *Agenda* last night Mr Vlok said he would speak to the State President, Mr F W de Klerk, regarding his position.

"My standpoint is that if I am an obstacle on the road to negotiations and the future of this country, I will reconsider my position. I am reconsidering my position and will discuss it with the State President," Mr Vlok said.

The minister was responding to Weekly Mail editor Anton Harber's question: "Considering the damage that has been done to the police, the government, the security forces and the negotiation process, would it not be in the best interests of your cabinet to resign?"

During the heated debate, Mr Vlok said "each and every cent" of the money funded to Inkatha had been accounted for by senior Inkatha officials, who reported back to the police.

However, he claimed he had never spoken to Inkatha leader Chief Mangosuthu Buthelezi regarding the funds.

Mr Vlok insisted repetitively throughout the debate that taxpayers' money, spent on Inkatha, had not been wasted.

He revealed that the police had funnelled "not more than R1,5million" to Inkatha's union United Workers Union of SA (Uwusa).

"The figure which has been alleged in the Press — R5million — is way off the mark. Apart from the R250 000 spent on the two rallies, the police spent not more than R1,5million over a period of six years," Mr Vlok said.

Questioned by Mr Harber as to why two different reasons were given as to the aim of the funding to Inkatha — one by Durban security police chief Major Louis Botha and another by him — Mr Vlok said he admitted that there was a "spin-off" in that Inkatha benefited politically from the police funds.

"I admit there was an advantage for Inkatha, which was not yet a political party, but the main aim of the police funding was to fight sanctions," Mr Vlok said.

Clearly annoyed, Mr Harber said he disagreed, and that sanctions fighting was not the major factor in the funding.

"And why should it (financial assistance) come through the police? How do we know that the police did not pay the killers of David Webster? How do we know just how widely you were prepared to spend the money?" asked Mr Harber.

Mr Vlok "You are missing the point. The money was to help Inkatha to pay for the rally. It was costing them thousands to get the message (anti-sanctions) across, inside the country and abroad."

Asked why Major Botha, in documents made available to the Weekly Mail, had said that Chief Buthelezi had personally thanked him (Major

Botha), Mr Vlok said: "Maybe there was a misunderstanding."

"You are too suspicious of people, Mr Harber. The important point is that certain



**Mr Vlok . . insisted that taxpayers' money spent on Inkatha had not been wasted**

monies were deposited for Inkatha. I think you should put the question to Buthelezi (as to whether he knew of the funding or not)".

Mr Vlok on two occasions brought up the ANC's covert operation "Operation Vula" following questions Mr Harber put to him, saying that it was important to be fair and even-handed. The ANC had been indemnified, he added.

Mr Harber accused Mr Vlok of the abuse and theft of taxpayers' money and of conducting secrecy over the use of this money.

Mr Vlok said there were "good reasons" as to why the funding of Inkatha could not be done openly — and added that Inkatha was against sanctions and the police were helping them to get their message across.

He conceded that in the past, the police had been involved in party politics, but that now it had distanced itself from politics in the light of President de Klerk's reform speech on February 2 last year.

"But the rally funded by the police came two months later.

Were you defying the State President?" asked Mr Harber.

Mr Vlok again reiterated the point that the rally was aimed at spreading the anti-sanctions message and he was satisfied that the aim was reached.

Mr Harber said he had evidence that the police had funded other organisations apart from Inkatha.

Asked whether this was in fact the case (that other organisations were funded), Mr Vlok said "Not as far as my department is concerned."

Mr Vlok then asked Mr Harber to provide him with the information before it was published to enable him to investigate it. Mr Harber replied that he had been stopped by Mr Vlok from appearing on television when information to be published had become known to him (Vlok), further retorting "You also closed my newspaper." (Referring to the suspension of the Weekly Mail under emergency regulations).

Mr Vlok conceded that people had perceived the police to be partial, but insisted that the "era when police took part in party politics is over".

Police projects planned before the "new era" had even been cancelled in order to facilitate this new distanced approach.

"The State President feels strongly that taxpayers' money should not be wasted. The police will make sure it is used judiciously. There were good reasons, on that occa-

sion, it could not be done openly. We can not do it openly and I prefer it that way," he said.

Asked whether "any heads will roll" over the affair, Mr Vlok said the situation was being "carefully looked into" to see whether there were any laws or regulations broken.

He had placed his trust in the State President and his Cabinet to deal with the matter.

In a heated interview with newspaper journalists on television, Chief Buthelezi angrily denied that he or IFP officials were aware of the government aid.

In other dramatic developments yesterday, renewed calls were made for Mr Vlok's resignation, the Conservative Party called for the entire government to resign, IFP leader Chief Buthelezi referred to the disclosures as "bullsh", and Foreign Affairs Minister Mr Pik Botha justified the payments as part of a widespread sanctions-busting campaign.

In Ulundi, an emotional Chief Buthelezi — who was re-elected unanimously as IFP leader at the organisation's national conference — dismissed calls for his resignation by saying anyone who thought the country's future could be decided without his participation should have "their heads read".

Revelations of the government's clandestine funding of the IFP — one of the ANC's main rivals — coincided with renewed claims of a sophisticated police "dirty tricks" campaign to fuel township violence.

The weekly newspaper *New Nation* on Friday claimed that a special security force unit, 5 Recce, had used attackers from neighbouring countries such as Mozambique to carry out attacks, including the bloody Reef train massacres.

Amid fears that the negotiating process could be derailed because of the government's covert support of the IFP, the ANC announced that its national working committee (NWC) would meet today or tomorrow to discuss the repercussions of the scandal.

In Spain, ANC president Nelson Mandela said the IFP had been working with the government to destroy the ANC.

The violence in South Africa was not black on-black, but a prepared strategy, orchestrated by the security forces, between "this black organisation and the government. That's why they are paying them."

Mr Pik Botha yesterday issued a statement to justify the use of Foreign Affairs funds to sponsor IFP activities.

Following an earlier announcement that he had authorised R250 000 from the Foreign Affairs Special Account to sponsor two Inkatha rallies and Uwusa's anti-sanctions activities, the minister said the government's funding of sanctions-busting organisations had nothing to do with the support of a political goal or ideology.

It was aimed solely at the ending and the prevention of further sanctions.

Mr Botha said his department did, from time to time, in good faith support bona fide attempts by the private sector, academics and a variety of organisations to oppose sanctions.



# UK set to defy Danish ruling

Own Correspondent

LONDON. — Britain and its partners in the European Community could soon start implementing an EC decision to lift trade sanctions against South Africa, despite the fact that Denmark continues to block the move, informed Whitehall sources said yesterday.

The EC decision to lift the ban on the import of South Africa iron, steel and Krugerrands was approved in principle by all EC foreign ministers in April.

However, the decision was subject to the Danish parliament giving its approval.

An opposition socialist-dominated coalition, which has a majority on the sanctions issue, refused to accept the lifting of sanctions, thereby denying the EC the necessary unanimity.

This position was reiterated by the EC sub-committee in the Danish parliament on Friday.

## Spearhead

Meanwhile, Commonwealth countries are expected to be asked to contribute R18 million for the first stage of an ambitious plan, drawn up by academics, to prepare black South Africans for government.

Britain is said to be poised to spearhead the international campaign, in which hundreds of young black people will be trained for a variety of senior professional jobs.

Emphasis will be on producing enough skilled civil servants to play a leading role in running the post-apartheid South Africa.

## Keep working against apartheid, Spain told

MADRID — ANC president Nelson Mandela arrived for a visit on Saturday in which he said he would urge Spanish leaders to defend remaining sanctions against SA. *Day 22/7/91*

"We would like Spain to ensure sanctions continue until the South African regime dismembers all forms of apartheid to give the vote to all, irrespective of colour," he said at an airport news conference.

Mandela was accompanied by his wife, Winnie, and a 10-member ANC delegation.

During his visit he was to meet with King Juan Carlos, socialist Prime Minister Felipe Gonzalez and other national and regional leaders. *280* ~~SEA~~

On a side trip to Barcelona he planned to visit the site of the 1992 Summer Olympics four days before the International Olympic Committee (IOC) is expected to invite SA to participate in the Games.

He is due to leave Madrid tomorrow en route to Jamaica and Cuba. — Sapa-AP.



# EC could ignore Denmark's refusal to lift sanctions

LONDON — Britain and its EC partners could soon start implementing an EC decision to lift trade sanctions against SA, despite the fact that Denmark continued to block the move, informed Whitehall sources said yesterday.

The Danish parliament on Friday turned down a government proposal to lift sanctions against SA, which would have aligned it with other EC states on the issue.

The EC decision to lift the ban on imports of SA iron, steel and Krugerrands was approved in principle by all EC foreign ministers in April, subject to Danish parliamentary approval.

The Whitehall source said yesterday Danish Foreign Minister Uffe Ellemann-Jensen's view that Denmark was in danger of bringing itself into discredit was likely

6/Day 22/7/91  
KIN BENTLEY

to be proved correct, as other EC countries would simply ignore the Danish stand. However, an EC official quoted in Saturday's Financial Times said he did not expect member states to break sanctions.

PAUL ASH reports that the Australian and SA private sectors are not waiting for Australia to lift sanctions officially.

On Friday Sapa director-general Raymond Parsons said there was a strong desire in the Australian business community to normalise relations with SA.

Parsons, who recently returned from a visit to Australia, said the relationship between the two countries was being re-defined. The political changes in SA were perceived as irreversible in Australia and

the business relationship between the two countries could be re-evaluated. However, Australian businessmen were concerned about continuing violence, which was not conducive to business confidence.

Parsons said a "gateway" could be created for Australia through SA into sub-Saharan Africa and for SA through Australia into the Far East. (280)

□ Sapa-AP reports that in New York on Friday, Mayor David Dinkins said his city would not drop economic pressure against apartheid, despite US President George Bush's lifting of sanctions. (554)

□ In Pretoria on Friday, Japan's Deputy Foreign Minister Muneo Suzuki said his country would like to consider lifting sanctions in a manner beneficial to "black Africa", Sapa reports.

# Canadian trade group to visit SA

080 280 079  
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A 15-MEMBER Canadian private sector trade delegation will visit SA in mid-September despite protests by the Canadian federal government, it was reported at the weekend.

The Toronto Star said Canadian businesses were "rushing to strengthen their commercial ties with SA", despite the government's decision to retain sanctions against SA.

Canadian Exporters' Association (CEA) president James Taylor reportedly confirmed the delegation — representing telecommunications, computing, engineering and mass transport industries — would visit SA in September.

## Respond

He warned that Canadian firms were in danger of being "left out in the cold" following the removal of sanctions by the US and some other countries.

"All of our competitors have already been in there. Everyone is peeling away, whatever their government's policy, and Canadian firms have to respond," Taylor said.

In terms of sanctions imposed in 1985 the Canadian government may not promote trade with SA.

Taylor said this did not bar private Canadian interests from exploring business opportunities.

LINDEN BIRNS

Although the Canadian government was aware of the planned SA visit, it had not given the CEA its official blessing.

Canadian exports to SA last year totalled C\$161m, a 52% increase over 1989, says Statistics Canada.

The leading export items were sulphur, bulldozers and motor vehicle parts.

Taylor said he expected Canadian exports to increase to at least C\$500m a year if sanctions on high technology products was removed soon.

The announcement of the SA visit and proposed closer economic ties between Canada and SA have been met with dismay by the Canadian Council of Churches and the Inter-Church Coalition on Africa.

Canada's top five export items accounted for C\$124.1m of the C\$161m of exports.

They were wheat (C\$85m), sulphur (C\$22.3m), nickel products (C\$7.4m), potassium chloride for electroplating (C\$6.2m) and ash and residues with copper (C\$3.2m).

SA's exports to Canada last year came to C\$56m. The top five export items were: ferro-chromium for the steel-making process (C\$15.2m), platinum for aerospace parts (C\$13.4m), rhodium for electrical wire (C\$12.5m), aluminium alloys (C\$7.8m) and ferro-manganese for steel making (C\$7.8m).



# Pik denies and confirms cash aid

Star 23/7/91  
Political Staff

Last month Foreign Minister Pik Botha lambasted the Australian government for funding the ANC — and said "it was totally and utterly untrue" that the South African Government gave financial support to Inkatha.

"Not only is it totally untrue, I can prove that it is untrue," he told journalists at Jan Smuts Airport after the departure of Australian Foreign Minister Gareth Evans.

Only two days ago, Mr Botha confirmed he had authorised the channelling of State money to Inkatha.

Mr Botha is today deeply implicated in the scandal surrounding police secret funding for Inkatha and its



Pik Botha ... 'untrue, I can prove that it is untrue'

labour adjunct, Uwusa.

At the media conference on June 13, Mr Botha criticised the Australian government's R4.4 million grant to the ANC because he said it

would cause other political groups to feel left out and could result in violence.

"This creates a feeling of being left aside, pushed aside, it creates emotions, and emotions create violence," Mr Botha said.

He said Pretoria had told Canberra it was making a mistake in its partisan support of the ANC, which stoked tensions between the ANC, Inkatha, the PAC and other groups.

Mr Botha admitted at the weekend that he had authorised the passing on of R250 000 of State money — from a special Government anti-sanctions slush fund to Inkatha.

At the media conference at Jan Smuts Airport, Mr Botha said: "I sincerely be-

lieve that (Australia's) one-sidedness and partiality creates in other parties like Inkatha, the PAC and others, an impression that the Australian government is taking sides.

"And I believe the Australian government should not take sides.

"We would never dream of entering Australia and donating a specific sum of money to an individual party opposing another party because of the reasons that I've mentioned to you."

"There is in this country an Auditor-General, as there is in Australia, that goes through the books and the funds of every ... administration of this country, applying very strict financial control," Mr Botha said.

## Bush is embarrassed

Star 23/7/91  
By Hugh Robertson  
Washington Bureau

WASHINGTON — The Bush administration has been embarrassed by disclosures that the South African Government has secretly funded Inkatha, although its first official response was limited to a terse statement today calling on the Government to take action against those responsible.

What has caused the embarrassment is the fact that

the disclosure has come so soon after President Bush's lifting of sanctions and after public assurances from the White House and the State Department that they were convinced the South African Government was committed to negotiations "in good faith".

The Inkatha funding disclosure has also coincided with allegations of complicity in massacres and other acts of violence by members of the security forces.

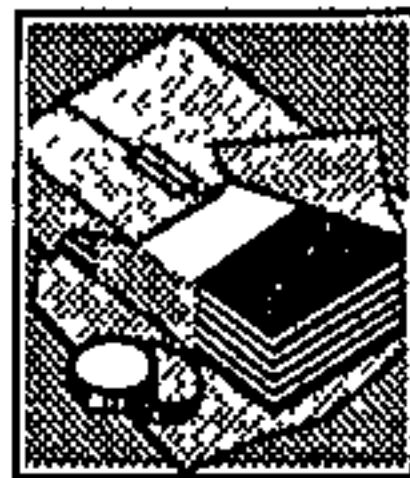
## What does the public think?

It is being billed as a national disgrace on a par with the Info Scandal — secret Government funding for Inkatha while F W de Klerk's administration insists it is dealing in good faith with Chief Mangosuthu Buthelezi's arch-rival, the ANC.

But what does the man in the street think?

● Should Minister Vlok quit?  
● Or is his statement that the payments were made to

The Star  
702  
secret  
cash poll



Inkatha as part of an anti-sanctions drive an acceptable explanation?

The Star and Radio 702's Eyewitness News have commissioned Media Market Research to find out what the public thinks of the secret funding row.

Don't miss The Star and Radio 702 Eyewitness News for the results tomorrow.

## Setback dealt to foreign investment

blooy 23/7/91  
MATTHEW CURTIN

THE news that government had secretly funded Inkatha would set back — if not reverse — prospects of international investment in SA, American Chamber of Commerce (Amcham) executive director Wayne Mitchell said yesterday.

US investors would "sit tight", he said.

Despondency had replaced the euphoria which followed termination of the Comprehensive Anti-Apartheid Act 10 days ago.

Mitchell said SA's government was credited with scrapping apartheid, but the links between the Law and Order Ministry and Inkatha showed there were still "hidden agendas" at work. This would fuel the US pro-sanctions lobby's sentiment that sanctions had been lifted too soon.

Mitchell said Amcham had hoped to see US companies "engaging with SA business organisations within the year". Although that was still possible, the climate had changed dramatically.

Afrikaanse Handelsinstituut executive director Joe Poolman said yesterday that while he was surprised and disappointed by the revelations, their effect would be felt more keenly inside SA than out.

The action government had taken to dismantle apartheid outweighed any damage caused by evidence of police financing of Inkatha. Sanctions had been lifted because government had met specific conditions.

However, Poolman warned that foreign governments might be more wary of lifting sanctions denying SA access to international finance.



## Anti-boycott body 'got no Govt cash'

An international organisation that has campaigned against sanctions since 1986 said yesterday that it had never accepted, nor been offered, funding from the South African Government. 23/1/91

reveal the identity of the IFF's donors. (280) (281)

However, he said the South African Government had never funded the IFF.

Duncan Sellers, international chairman of the Washington-based International Freedom Foundation, said he could not

Mr Sellers said the organisation had also never accepted anonymous donations. — Staff Reporter.

## 'Assistance given to many'

CAPE TOWN -- Both overt and covert assistance had been supplied on request to a wide spectrum of persons and institutions in South Africa in an attempt to combat sanctions effectively, Law and Order Minister Adriaan Vlok said yesterday.

Mass gatherings by an organisation such as Inkatha would have made a significant contribution to the fight against sanctions, he said.

However, he had never discussed financial support for Inkatha with Chief Buthelezi.

The funds Inkatha had received

had not come from the Special Account of the South African Police, but from funds earmarked by the Government for combating sanctions.

The financial support to Inkatha for gatherings in November 1989 and March 1990 had related to an anti-violence and anti-sanctions campaign.

"This funding was not aimed at promoting partiality or political activism of any group ... but was for visual anti-sanctions banners, advertisements, transport, hire of stadiums, and other facilities." — Sapa.



# Critical West is watching De Klerk

Sowetan 24/7/91

THE Cabinet is meeting today under critical Western eyes (or in some cases, perhaps baleful glares) to finalise its response to the Inkatha slush-funds scandal.

Sympathetic Western governments, especially those which have campaigned for the lifting of sanctions against South Africa, are "annoyed and embarrassed" by this weekend's revelation that the South African Government has secretly funded Inkatha and its affiliate trade union to the tune of at least R1.5 million.

Although much damage has already been done to relations, the Cabinet's decision about how to handle the crisis will be crucial in restoring some confidence, Western embassy sources have said.

## Sanctions

The United States government, particularly, is smarting because the disclosures have followed so soon after United States Assistant Secretary of State Herman Cohen's assertion that he could find no proof of South African Government partiality in the ANC/Inkatha struggle.

He delivered this virtual clean bill of health in defence of the United States administration's very recent decision to lift the sanctions contained in the Comprehensive Anti-Apartheid Act - against opposition from the black caucus and others in Congress.

Publicly the American government is putting a brave face on it, with an official statement from the State Department that the affair will not affect the decision to lift the CAAA.

Privately, however, American diplomatic sources disclose that the slush-fund scandal has embarrassed and annoyed them.

It has cast doubt on the United States embassy's - and through them the United States administra-

## FOCUS

**Sympathetic Western governments are annoyed and embarrassed by the South African Government's secret funding of Inkatha and expect bold action from President FW de Klerk to solve the problem - and salve their wounded pride.**

tion's - political judgment that reform in South Africa is irreversible and that the Government is not in any way behind the violence.

They confirmed impressions from congressional sources in Washington that the controversy would probably delay the lifting of further American sanctions, beyond the CAAA.

"I certainly think you can forget about the Gramm Amendment being lifted for a while," one source said.

The Gramm Amendment is a crucial piece of legislation which effectively prohibits the United States government from approving International Monetary Fund loans to this country.

This could deal a serious blow to the South African Government's plans to stimulate the economy.

Although IMF loans are only available to tide over balance of payments deficits - which South Africa does not currently have - the South African Government was hoping to secure access to loans as a backup before embarking on the next economic upswing.

It could then resort to this loan facility if - or more likely when - the upswing almost inevitably prompted increased imports - and

pressure on the balance of payments surplus.

United States sources also forecast that although the scandal would not affect the lifting of the CAAA, it could retard the actual resumption of United States/South Africa commerce which the lifting makes legally possible.

Like other Western governments, the United States is eagerly waiting to see what the Cabinet has decided to do about the slush fund scandal at its special "bush indaba" this week.

"It needs to be something which shows they understand they have a real credibility problem," one source said.

"Nothing they have done so far suggests they appreciate the scale of the problem.

## Credibility

"They don't seem to realise that they are now being seen as an unreliable negotiating partner."

One senior diplomat of another embassy was more blunt, saying that De Klerk would have to fire at least Law and Order Minister Adriaan Vlok to restore domestic and international credibility.

He said that if he did not take bold action De Klerk was in danger of losing his invaluable reputation as a man of integrity.

"There are a lot of people in his administration who follow him against their own inner feelings and people who are actively working against him.

"If he does not take bold action, he will become part of the problem."

One diplomat said that the problem was not so much that the Government had funded Inkatha but that the funding had been channelled through the police - with all its reputation for collusion with Inkatha.

That is what gave the affair its "bad smell"

Although British diplomatic sources are remaining traditionally tight - and stiff - lipped about the affair, political observers agree they have good reason to be extremely unamused.

Not only has Britain been the South African Government's staunchest champion abroad and led the charge against sanctions, it has also identified more closely than most with Inkatha.

It was not too many weeks ago that former British Prime Minister Margaret Thatcher and then British ambassador Sir Robin Renwick were conspicuously hosted by Inkatha leader Chief Mangosuthu Buthelezi at a banquet in Ulundi.

The German embassy has also been reluctant to say much on the record. The official line conveyed by ambassador Dr Immo Stabreit is that the German government is "concerned" that the affair might be an impediment to negotiations - "our central concern."

"We will be watching the SA Cabinet's response very closely."

Most Western diplomats agree that if the affair has been bad for the South African Government, it has been disastrous for Inkatha and Buthelezi.

Apart from dashing his credibility as an independent force in negotiations, it may also strangle his foreign funding - at just the time when the South African Government will be obliged to be scrupulous about not "bankrolling him".

United States diplomatic sources say the scandal may have jeopardised Inkatha's chances of getting any of the R28 million set aside by the United States government for aid to black South African political parties.

"Can we afford to be seen to be funding Inkatha when the SA Government is doing so?" they asked. - *Political Staff.*

# Foreign reluctance 'will fuel violence'

THE reluctance of foreign investors to invest in SA was increasing the risk of violence and support for a centrally controlled economy, Urban Foundation CE Sam van Collier said in Johannesburg yesterday.

Speaking at the launch of the National Black Distributors' Association, Van Collier said SA was trapped in a pattern of low economic growth.

"Developing countries need access to foreign capital to grow. For a mix of political and economic reasons, SA has not had access to overseas capital in recent years and this, more than anything, has stifled the economy," Van Collier said.

While the political constraints on economic growth were fast disappearing, the economic constraints were not.

"Because of violence and uncertainty about future economic policies in particular, foreign investors are, by and large, not prepared to risk investing in SA at present.

"The longer the economy continues to perform poorly because of (their) unwillingness, the greater the chances that violence will increase and the greater the pressure on extra-parliamentary political leaders to talk in terms of a substantial role by government in any future economic policy under a new constitution," Van Collier said.

Until SA could break out of this circle, the economy would continue to perform

poorly and unemployment and poverty would increase.

Van Collier said the impact of a new constitution on the SA business environment would depend, first of all, on the political climate within which the constitution was born.

"Because of the diverse nature of the SA population, there has always been an inherent potential for enormous conflict in our society. SA's traditional response has been for one group to prevent all other groups from participating in the political arena.

## Co-operation

"That has now changed and the political arena is being opened to all. It is thus to be expected that we must go through a period of intense political competition as different groups at all levels in our society seek to gain control of power and resources," he said.

However, there were important opportunities in an open political environment for conflicting groups to recognise their interdependence and establish pockets of co-operation.

It was encouraging that support for the extreme positions of a centrally planned and controlled economic system on the one hand or a totally free market system on the other, appeared to be on the decline.

13/Day 24/7/91

THEO RAWANA



# Invitation to 1992 Games approved

280 1000  
Star 24/7/91

By Edward Owen  
Star Foreign Service

MADRID — On the last day of Nelson Mandela's official visit to Spain, it was confirmed that South Africa will be receiving an official invitation this week to next year's Olympic Games in Barcelona.

However, a spokesman for the organisers said there were still some technical details to overcome.

The ANC leader had earlier visited Barcelona and met delegates from the International Olympic Committee as well as officials.

Yesterday Mr. Mandela received honorary degrees from the universities of Seville and Madrid at a ceremony in El Escorial, the mountainside town near Madrid from where Philip II ruled the Spanish empire in the 17th century.

In an impromptu speech, Mr. Mandela claimed that the South African authorities wanted to destroy the ANC and accused the US and Europe of betraying SA's majority by lifting sanctions too soon.

He blamed Europe and the US for being too soft on President de Klerk and easing up on sanctions too early.

He accused Mr de Klerk of repeating earlier actions carried out against Swapo when Namibia was under South African administration.

He said Mr de Klerk had "let loose death squads to prevent Swapo from taking over as a single political organisation" and was now doing the same to prevent the ANC from taking power.

Mr. Mandela and his wife Winnie then had lunch with King Juan Carlos and Queen Sofia before holding a reception for friends and then flying off to Cuba.

● Picture — Page 5

The Inkathagate scandal has embarrassed the Government's allies, says

Peter Fabricius

# Slush fund muddies the

Star 24/7/91.



**S**YMPATHETIC Western governments, especially those which have campaigned for the lifting of sanctions against South Africa, are "annoyed and embarrassed" by this weekend's revelation that the South African Government has secretly funded Inkatha and its affiliate trade union, the United Workers' Union of South Africa, to the tune of at least R1,5 million.

Although much damage has already been done to relations, the South African Cabinet's decision about how to handle the crisis will be crucial in restoring some confidence, Western embassy sources have said.

The United States government particularly is smarting because the disclosures have followed so soon after Assistant Secretary of State Herman Cohen's assertion that he could find no proof of South African Government participation in the African National Congress/Inkatha struggle.

He delivered this virtual clean bill of health in defence of the US Administration's very recent decision to lift the sanctions contained in the Comprehensive Anti-Apart-

heid Act (CAAA) — against opposition from the Black Caucus and others in Congress.

Publicly the American government is putting a brave face on it, with an official statement from the State Department that the affair will not affect the decision to lift the CAAA.

Privately, however, American diplomatic sources disclose that the slush fund scandal has embarrassed and annoyed them.

It has cast doubt on the US embassy's — and through them the US Administration's — political judgment that reform in South Africa is irreversible and that the Government is not in any way behind the violence.

They confirmed impressions from congressional sources in Washington that the controversy would probably delay the lifting of further American sanctions, beyond the CAAA.

"I certainly think you can forget about the Gramm Amendment being lifted for a while," one source said.

The Gramm Amendment is a crucial piece of legislation which effectively prohibits the US Ad-

ministration from approving International Monetary Fund loans to South Africa.

This could deal a serious blow to the Government's plans to stimulate the economy.

Although IMF loans are only available to tide over balance of payments deficits — which South Africa does not currently have — the Government was hoping to secure access to loans as a back-up before embarking on the next economic upswing.

It could then resort to this loan facility if — or more likely when — the upswing almost inevitably prompted increased imports — and pressure on the balance of payments surplus.

US sources also forecast that although the scandal would not affect the lifting of the CAAA, it could retard the actual resumption of US/SA commerce which the lifting makes legally possible.

Like other Western governments, the US is eagerly waiting to see what the Cabinet has decided to do about the slush fund scandal at its special "bush indaba" this week.

"It needs to be something which

shows they understand they have a real credibility problem," one source said.

"Nothing they have done so far suggests they appreciate the scale of the problem.

"They don't seem to realise they are now being seen as unreliable in a negotiating partner.

Another said that if Mr de Klerk did not take bold action he was in danger of losing his invaluable reputation as a man of integrity.

"There are a lot of people in his administration who follow him against their own inner feelings, and people who are actively working against him.

"If he does not take bold action, he will become part of the problem," the diplomat said.

Another diplomat said the problem was not so much that the Government had funded Inkatha but that the funding had been channelled through the police — with all its reputation for collusion with Inkatha.

That is what gave the affair its "bad smell".

Although British diplomatic sources are treating the affair

with circumspection, political observers agree they have good reason to be extremely unamused.

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It was not too many weeks ago that former British Prime Minister Margaret Thatcher and then British ambassador Sir Robin Renwick were conspicuously hosted by Inkatha leader Chief Mangosuthu Buthelezi at a banquet in Umtata.

The German embassy has also been reluctant to say much on the record.

The official line conveyed by Ambassador Dr Immo Stabreit is that the German government is "concerned" that the affair might be an impediment to negotiations — "our central concern".

"We will be watching the Cabinet's response very closely."

Most Western diplomats agree that if the affair has been bad for

the Government, it has been disastrous for Inkatha and Chief Buthelezi.

Apart from dashing his credibility as an independent force in negotiations, it may also strangle his foreign funding — at just the time when the Government will be obliged to be scrupulous about not bankrolling him.

US diplomatic sources say the scandal may have jeopardised Inkatha's chances of getting any of

the \$10 million (about R28,5 million) set aside by the US government for aid to black South African political parties.

"Can we afford to be seen to be funding Inkatha when the South African Government is doing so?" they asked.

The German and British governments — both of which channel some money to Inkatha or its af-

filiates — are unwilling to speculate about the continuation of this funding in the light of the revelations.

"But if I had to hazard a guess, I think the air is going to get thin around Chief Buthelezi," one senior diplomat remarked wryly □

Waters



8 (day 24/7/91)  
**Anglo chief  
on sanctions**

**HARARE** — Zimbabwe and its southern African allies could expect to benefit from the lifting of economic sanctions against SA, Anglo American Corporation chairman Julian Ogilvie Thompson said yesterday. (280)

Addressing senior Anglo managers, Ogilvie Thompson described the partial lifting of sanctions against SA as "good news" for the region.

Ogilvie Thompson, who is on a week-long visit to Zimbabwe to see Anglo operations, expressed hope of increased trade between southern African states and Pretoria.

It was in SA's long-term interest to have an economically strong and vibrant Zimbabwe, he said.

He cautioned the ANC against continued armed struggle, saying it was "open to doubt whether the ANC can be an effective and constructive participant in the process of evolutionary change as long as it insists on remaining a liberation movement and on preserving its ties with the SA Communist Party." — Sapa.

# Keep sanctions, says Mandela

280

ARG 25/7/91

'Heart of apartheid has not yet stopped beating'

KINGSTON (Jamaica). — ANC President Mr Nelson Mandela told a joint session of Jamaica's parliament that apartheid was incapable of "presiding over its own liquidation" and begged the world to keep economic sanctions on South Africa.

He said yesterday that the African National Congress wanted an interim government of national unity.

Jamaica's parliament has committed itself to "maintain economic sanctions on South Africa in keeping with national legislation and United Nations resolutions".

Although South African President Mr F W de Klerk abolished all major apartheid laws, Mr Mandela said apartheid's structures were designed to uphold and defend oppression, racism and exploitation and "cannot suddenly turn into avenues to freedom".

He said the changes in South Africa represent victories, but while it would be dishonest to discount the positive value of those changes, it would be misleading to read meaning into them that was unwarranted.

"Apartheid may be mortally wounded, but its heart has not yet stopped beating," he said.

Yesterday, an honorary doctor of laws degree was conferred upon Mr Mandela at the University of the West Indies.

— Sapa-AP.



**POWERFUL SALUTE:** Mr Nelson Mandela, flanked by his wife Winnie and Jamaican Prime Minister Mr Michael Manley, salute the welcoming crowd in Kingston.



# SOWETAI

## Sanctions on way out - Parsons

280

Sowetan 25/7/91

THE first signs that sanctions will be a relic of the past are showing as the trade winds are beginning to blow again in South Africa.

One of the cracks in the Australian sanctions wall against trade with South Africa is expected to appear this week, according to predictions by the director-general of the South African Chamber of Business, Mr Raymond Parsons.

The other focal point will be the International Monetary Fund's planned visit to the country at the weekend.

After his two-week visit to Australia, where he held talks with his counterparts and political leaders, Parsons disclosed that the Australian Shadow Minister of Trade, Mr Alexandra Downer, was due in South Africa today for talks on the prospects for bilateral trade and investment opportunities.

It is expected that Downer will meet various business leaders, includ-



By JOSHUA RABOROKO

ing the National African Federated Chamber of Commerce and Industry and possibly the Foundation of African Business and Consumer Services.

According to him the Australian Prime Minister, Mr Bob Hawke, is also likely to visit the country after the Commonwealth leaders' meeting in Harare in October.

### Desire

Parsons said there was a strong desire on the part of the Australian business community to normalise economic relationships with South Africa.

There was also a sound possibility that

each country would be used by the other as key gateways into new expanding overseas markets.

Australian businessmen would use this country as a trade springboard into the rest of the continent.

"Whatever happens at the Commonwealth conference, there is a growing belief in Australian business circles that sanctions are on their way out and will soon be gone," Parsons said.

However, he said, there would be no miracles or blank cheques - "we will have to satisfy stringent economic and political criteria".

There was deep concern by Australians about the continuing violence in South African townships, he added. Apart from the human cost involved, the level of violence was not conducive to business confidence.

"But the trade winds between Australia and our country are blowing again and businessmen should look forward to new opportunities," he said.

# EC to make new statement on SA

Own Correspondent

LONDON. — European Community foreign ministers, who meet in Brussels on Monday, are expected to issue a statement on South Africa following the Inkatha "slush-fund" disclosures.

And suggestions that the Danes would be put under pressure at the meeting to lift their veto and enable the EC to implement last April's decision to lift trade sanctions against South Africa appeared yesterday to have been scuttled by the latest developments.

But a British Foreign Office spokesman confirmed yesterday that should the question of sanctions against South Africa arise, Foreign Secretary Mr Douglas Hurd would continue to press for trade sanctions to be lifted "as soon as possible".



## This must stop, says Chalker

Star 26/9/91

(280)

The British government yesterday strongly urged President de Klerk to nullify the main threats to South Africa's future, which it said were coming from the extreme Left and Right within the country.

Police funding of political parties in South Africa must stop, British Overseas Development Minister Lynda Chalker said in Cambridge.

Whitehall sources last

night said the British government did not want to interfere or tell Mr de Klerk what to do.

Britain's primary concern was that all parties continued the process towards peaceful constitutional negotiations.

● The European Community is likely to delay significant discussion on the lifting of sanctions following disclosures in South Africa of secret payments to Inkatha, ac-

cording to sources in Britain. It will also take pressure off Denmark to withdraw its veto against lifting EC sanctions. The scandal has also put paid to Britain's hopes of settling the sanctions issue once and for all at the Commonwealth conference in October. The British Foreign Office regards it as the worst crisis to hit SA since reform began. — Star Bureau-Sapa.

# Funds row chases away investors

Star 27/7/91

280

SVEN LUNSCHÉ

FOREIGNERS who flooded the local stock and capital markets after the scrapping of American trade sanctions moved just as swiftly to shed their local holdings when news of the "Inkathagate" scandal broke.

After the scrapping of US sanctions three weeks ago, share prices on the Johannesburg Stock Exchange soared as US investors, in particular, sought to balance their portfolio with a few quality South African mining and industrial counters.

This week shares gave up most of these gains. Analysts said that many shares had been overpriced as a result of the recent surge and the market was waiting for a signal to begin a corrective selling wave.

## Gold shares hard hit

"Inkathagate" was that signal. The JSE overall index fell by 130 points, or 3,7 percent, last week to close at 3 411 yesterday, but gold shares were hardest hit.

The all-gold index plunged by 8,9 percent, although the situation was exacerbated by a \$6 drop in the gold price over the week to a close of \$364,75 in London yesterday.

Industrial share prices fell by 2,2 percent on average.

A good indicator of foreign investor perception of the local economy is the financial rand exchange rate. In the wake of the lifting of US sanctions the financial strengthened from 30,3 US cents to 32,7c. It fell back in the past five days to close at 30,9c yesterday.

The scandal has also put a question mark over the issue of new South African loans on overseas capital markets.

Reports indicate that overseas bankers will be wary of underwriting any South African issue, unless President F W de Klerk acts decisively to repair the damage.

Uncertainty is particularly strong on South Africa's long-awaited first loan issue on overseas markets since the 1985 debt moratorium which was expected over the next few weeks but could now be delayed.

## Ammunition

Economists also fear the scandal could give anti-apartheid campaigners in the US the ammunition to block expected moves by US President Bush to repeal the Gramm Amendment.

The Amendment compels the US to veto International Monetary Fund loans to South Africa.

There has been speculation that President Bush would campaign for the scrapping of the amendment after the G called for renewed South African access to international capital markets at its London summit.

South African Chamber of Business executive director Raymond Parsons said the chamber would respond to the scandal once Mr de Klerk had issued his statement next Tuesday.

## More army bombshells to come

— Basson

Star 27/7/91  
PAT DEVEREAUX

FORMER Defence Force major Nico Basson, who recently initiated the "Soldiers of Peace" organisation, yesterday claimed that he knew of about 40 people in the system who wanted to come out with what they know, but they're hesitating because they're scared.

Mr Basson backed renegade former SADF members Felix Ndimene and Carlitos Joao Maria's claims that they were abducted from Mozambique and forced to join the SADF.

The two men also allege that soldiers were implicated in train massacres and other "black-on-black" violence blamed on the so-called "third force".

## Training

Mr Basson said the army recruited people, especially youths, outside the country trained them in game reserves.

They were then sent to start paramilitary units, protect hostels and start violence. Youths were also trained to destabilise communities.

He said there were people within the system who now wanted change and the SADF could expect more bombshells from ex-soldiers.

• See Page 2.



## Sunday Profile

CONOR CRUISE O'BRIEN was last seen in South Africa five years ago — engaged in outraged debate with furious students over his breaking of the academic boycott.

He had just been prevented by left-wing students from lecturing on the UCT campus and one of the lecture halls had been trashed. The incidents led to a crisis in SA universities and unleashed a heated debate over academic freedom.

But it was a relaxed and expansive Dr O'Brien, former United Nations diplomat, academic and journalist, that I met this week in a Johannesburg hotel. Different, but by no means contrite.

This time, he was quick to point out, he was not in South Africa as a boycott buster, but as a journalist on assignment for the Times of London and the Atlantic Monthly.

Despite the row over his last visit, Dr O'Brien said this week he would do it again if he was invited to lecture at UCT — if somewhat differently.

"I would only accept if the administration were to assure me that they would not permit my classes to be disrupted by violence," he said.

"And anyone that did attempt it would be punished and not just slapped over the wrist."

In the earlier incident, four students were reprimanded by the UCT administration and one was fined R250.

To ask for these guarantees would be unusual, he said, but he learnt the hard way that South Africa was not in a normal situation. He would still refuse to ask permission of any political party.

# Boycott-breaking O'Brien is back — unrepentant about his clash with UCT

However, he doubted he would be invited to lecture at UCT under the present administration. A commission of inquiry to investigate the disruption of his lectures "put the blame on me for the breaking up of my classes by a mob", he said.

Dr O'Brien used the word "mob" frequently and with visible distaste.

The UCT Commission found that the Irish academic had a "mercurial and volatile temperament which found itself unable to regulate academic detachment under conditions of excitement and emotional stress".

He said: "It was very damaging to me internationally. The administration in effect capitulated to the militant students

"The administrations of these two respected universities (UCT and Wits) have sold the pass — sold out, if you like."

Born in Dublin in 1917, Conor Cruise O'Brien read modern literature and modern history at Trinity College and entered the Irish diplomatic service.

In 1961 he resigned an appointment as United Nations special representative to Katanga which he had taken up at the request of the then secretary general, Dag Hammarskjöld, during the turmoil of the province's secession from the newly independent Congo.

This was followed by a spell as vice-chancellor of the University of Ghana, four years at New York University and eight years in Irish politics in parliament he was first in opposition and then in government.

After his defeat in the 1977

election, he became editor in chief of the Observer the following year, later returning to academic life as visiting professor at Dartmouth in New Hampshire.

Dr O'Brien still believes the academic boycott was wrong — "now it looks ridiculous", he said. Five years ago he outraged left-wing students by dismissing the boycott as "Mickey Mouse stuff".

"The so-called academic boycott was just a way of fingering certain people who refused to toe some part of the ANC line."

Dr O'Brien said he was singled out because he stated quite categorically, if "imprudently", that his visit to SA was a statement to bust the boycott.

Dr O'Brien has always reluctantly approved of economic sanctions and approved of the

sports boycott, but never felt an academic boycott should be part of the same package to isolate SA.

"The reason is that, in general, the intellectual community in the world opposed apartheid, including South African academics — particularly in liberal universities. To punish them in order to bring pressure on Pretoria was inherently ridiculous. Pretoria only laughed."

"It was like kicking the cat because you were afraid of the tiger."

It was important for the future of the country that universities be free to teach and not be "overawed by mobs into parroting slogans from outside the so-called ivory tower."

If this did not happen, the university would cease to be a university and become a place of political indoctrination.

Dr O'Brien is an avid follower of South African current affairs. "I find the question of control over the security forces very worrying," he said.

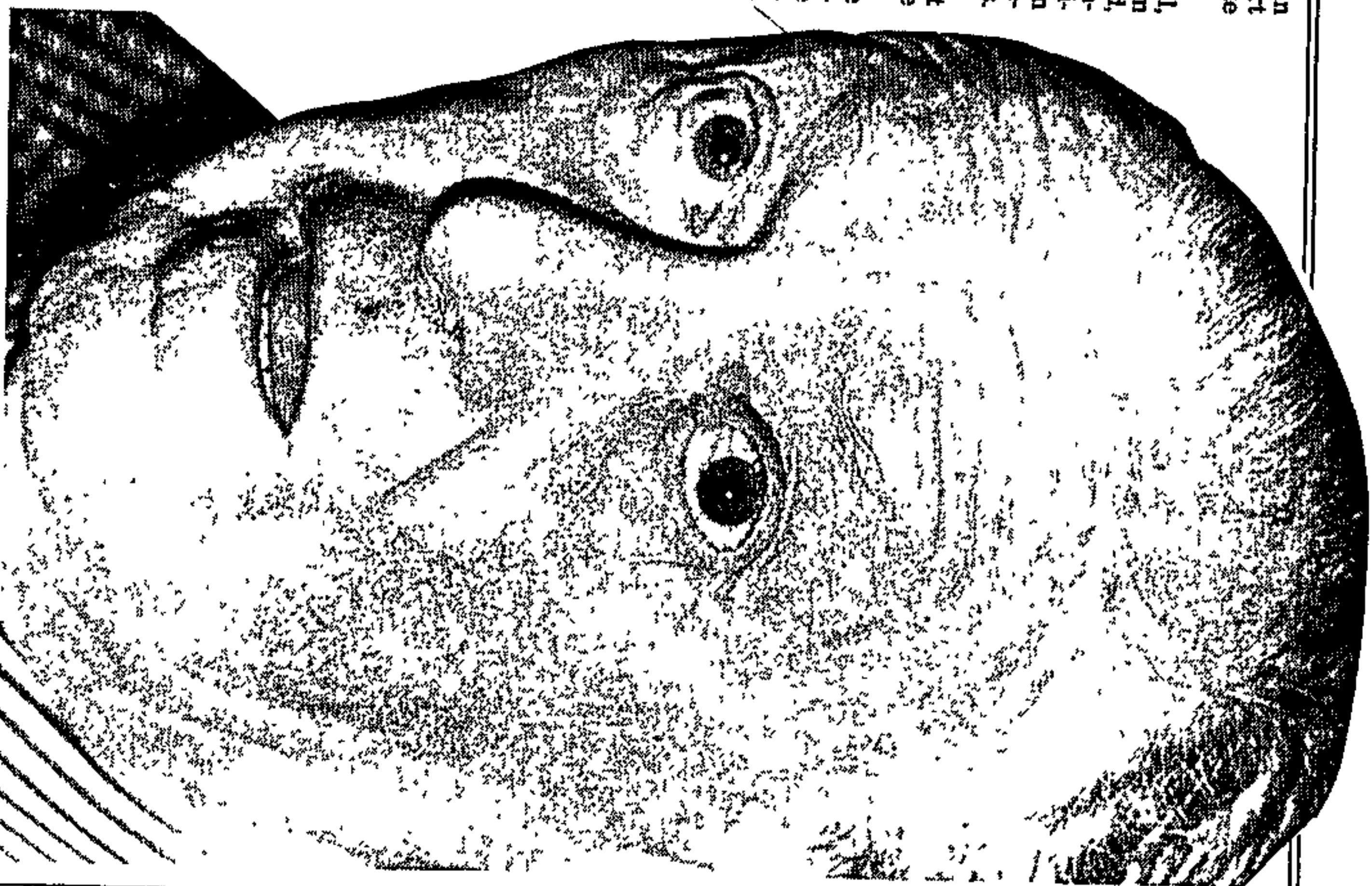
"What concerns me is that the government has been funding, through the police, a political party which is also a paramilitary organisation and which is carrying on something like a mini civil war in Natal."

"A paramilitary movement closely associated with the security forces is a pathological condition."

He hoped President De Klerk would announce a commission of inquiry into the events and believed that ministers Vlok, Malan and Botha should resign.

— *Edythe Bulbring*

NO REGRETS... Irish diplomat and journalist Conor Cruise O'Brien, who says he is willing to speak at UCT again. Picture: DAVID SANDISON



# Inkatha scandal shrugged off

SVEN LUNSCHÉ

JOHANNESBURG. — The Inkatha scandal should not alter the timetable for lifting Australian sanctions, Australian opposition politician Mr Alexander Downer, the shadow Minister for Trade and Trade Negotiations, said at a Press conference hosted by the South African Chamber of Business.

He said the scandal was a domestic political matter.

He said that the Australian government's policy on sanctions would be determined by the meeting of Commonwealth nations in Harare in October.

He added, however, that Australia exerted a significant influence at Commonwealth meetings and would play a major role in guiding group policy.

"I do not think the scandal will have any bearing on the timing of the end to sanctions."

He said there was no popular support for sanctions in Australia, but rejected the notion that they were implemented to give Australia a trade advantage.

"Lifting sanctions will undoubtedly increase competitive pressure on some of our mineral exporters, but that has never been the real reason for sanctions," he said.

He said the Australian opposition parties — the Liberal Party and the National Party — saw no need to "strangle the local economy and contribute to political instability" through sanctions.

Mr Downer, who's visit will be followed by an Australian trade mission later this year, added: "South Africa will be a very valuable ally in our campaign to break down the subsidies and barriers of the European Community's agricultural policies."



## OAU to talk on sanctions against SA

ARG 29/7/91

LAGOS — African leaders meet in Nigeria today to discuss how to respond to changing attitudes towards South Africa as it moves to end apartheid.

The meeting of the Organisation of African Unity's ad hoc committee on Southern Africa will focus on the relaxation of sanctions against South Africa.

Political analysts said the leaders would probably try to balance the OAU's support for sanctions with the reality of the weakening international will to isolate South Africa.

It will be the committee's first meeting since an OAU summit in June instructed it to work out policy towards Pretoria.

Officials of South African anti-apartheid groups, including the ANC, are due to attend.

Sapa-Reuter

CF 2917191

## Crucial summit for OAU debate on SA sanctions

LONDON — President Robert Mugabe yesterday arrived in Abuja, Nigeria for a crucial OAU summit to review Africa's future relations with Pretoria. Zimbabwe's domestic news agency reported

The meeting of the OAU ad hoc committee on South Africa follows the US lifting of sanctions against South Africa.

The US decision has been criticised as premature by the ANC and the United Nations main anti-apartheid body

The sanctions issue appears to have put Africa in a serious political dilemma with confusion in many countries as to the final mechanism for ending apartheid in South Africa. Ziana said

Divisions are beginning to emerge despite years of Africa's vigorous campaigns to isolate Pretoria

At the same time South Africa has mounted an aggressive diplomatic campaign to open up relations with African countries.

What happens in Abuja this week will depend largely on the position of the frontline states and the liberation movements, Ziana reported

While the ANC is in favour of a phased programme, the PAC is against any concessions

It is not yet clear how the ANC's phased programme will be interpreted in Abuja, Ziana added

The ANC is expected to clarify its position to frontline state leaders in pre-summit consultations before presenting it to the full ad hoc committee

● Pakistan will continue to maintain sanctions against South Africa, Ziana reports quoting a Pakistan statement issued on Saturday — Sapa





Cosatu leaders, from left, vice-president Chris Dlamini, general secretary Jay Naidoo and newly elected president John Gomo, address a news briefing after the federation's congress in Johannesburg at the weekend. Picture VERA VON LIERES

## Union group keeps stance on sanctions

(29) ALAN FINE (158)

THE International Confederation of Free Trade Unions (ICFTU) planned to use the Inkatha funding scandal in its continuing efforts to oppose the lifting of anti-apartheid sanctions, assistant general secretary Enzo Friso said at the weekend. *B/day*

Speaking during the Cosatu conference at which he is representing the 100-million strong organisation, Friso conceded that his organisation would have to adjust its sanctions strategy to take account of the weakening of international pressure against government. 29/7/91

But he emphasised the ICFTU would continue to support sanctions for so long as the country's major union federations wished it, and added the ICFTU's view was that sanctions should continue until a democratically elected government had been installed.

Friso added that ICFTU aid to SA's labour movement would continue for so long as it was needed.

# OAU urges world to retain sanctions

Star 30/7/91. (280) (280)

ABUJA (Nigeria) — The Organisation of African Unity (OAU) called on the international community yesterday to maintain sanctions against South Africa, saying their relaxation by some countries was premature.

"We believe that time is not ripe for the lifting of sanctions against the apartheid regime of South Africa," the OAU's ad hoc committee on southern Africa said after meeting here.

The committee said it regretted that some nations had already eased sanctions, adding that the move was "premature and capable of undermining the current process of change".

It urged them to keep the remaining sanctions in place.

The OAU chairman, Nigerian President Ibrahim Babangida,

earlier said the European Community, the United States and Japan, which have relaxed economic sanctions, should now devote greater energy to persuading President de Klerk to move rapidly towards democratisation.

"They must use ... the leverage which their lifting sanctions has conferred on them to persuade the De Klerk administration to take fundamental steps in support of change," he said at the start of the meeting.

The talks were attended by seven African presidents, the Namibian Prime Minister and Ministers of six other nations, as well as representatives of the African National Congress and Pan Africanist Congress

It was the committee's first meeting since an OAU summit in June instructed it to work out

a policy towards South Africa.

The communique said recent revelations of South African Government secret funding of the Inkatha movement had created a crisis threatening the process of change in the country.

The African leaders urged Pretoria to take steps to restore the confidence of South Africans and the international community in its commitment to the dismantling of apartheid.

"We urge the South African Government to remove all obstacles to negotiations and speed the process of creating a non-racial democratic South Africa where everyone will have the right to vote," the communique said.

The OAU also asked black anti-apartheid groups to join ranks in the struggle to end white rule. — Sapa-Reuter.



# Sweet end to 'sugar war' over SA quota

Star 30/7/91

By Hugh Robertson  
Star Bureau

WASHINGTON — South Africa has regained its quota for exporting sugar to the United States after negotiations with US officials and is expected to begin shipping its first consignment soon.

The quota was confiscated in 1986 when sanctions were imposed and was transferred to the Philippines, which has put up a spirited battle to retain the annual 50 000 metric ton export bonanza.

US officials say the quota will revert to South Africa with effect from October 1, which

means that ships bearing sugar from South African ports will be entitled to offload in US harbours from that date. Loading is expected to commence in Durban before the end of August.

After lengthy argument between South Africa and the Philippines — the so-called "sugar war" — US government lawyers concluded that the granting of the quota to the Philippines was a temporary measure and that under international law it had to be returned to South Africa upon the cessation of sanctions.

Loss of the quota will be a damaging blow to the Philippines.

# R80bn spent on oil-boycott busting

Political Staff

SOUTH AFRICA may have paid as much as R80 billion extra since 1979 to circumvent the oil boycott.

Although the size of South Africa's stockpiled oil is not known and R1 billion worth is being sold to increase social spending, the government will be able to raise several billion more as it reduces its stockpile to the 30-to-90 days most Western countries keep in reserve.

It can also be assumed that flamboyant

Italian millionaire Dr Marino Chiavelli had acted as a middleman in supplying oil to South Africa, the editor of Executive, Mr Kevin Davie, said in the latest issue of the magazine, which was published yesterday.

He said the Amsterdam-based Shipping Research Bureau estimated that the oil embargo had cost South Africa R80 billion since January 1979.

"This estimate, which the bureau says is conservative, includes the expenditure on the search for crude oil (it claims Soekor

has spent R900 million on oil exploration) premiums paid to middlemen and traders the development and construction of Sasol, subsidies on Sasol's output and under utilised oil refineries, the Mossel Bay project and facilities and opportunity cost for the strategic oil stockpile."

South Africa's oil secrets were largely an open secret overseas, but publication in South Africa was controlled by the Petroleum Products' Act which stipulates that only what the minister said could be published.



# Japanese 'wait and see' on sanctions

ET 31/7/91 (280)

TOKYO. — Japan will not lift economic sanctions against South Africa until more countries do so, a Foreign Ministry official said yesterday.

"Before making our decision, we want to see how other countries respond," the official said.

Japan will co-ordinate its decision with other countries, including the European Community, he said.

Last month, Japan responded to South Africa's reforming of apartheid legislation by lifting sanctions on tourism.

It left in place economic measures, including a ban on import of South African iron and steel, a ban on investment and "voluntary restraints" on trade.

Tokyo would lift these

## Paso backs sanctions

JOHANNESBURG. — The Pan Africanist Students Organisation (Paso) yesterday called for the maintenance of sanctions until a democratic constitution has been drawn up.

Concluding its two-day congress, Paso also announced its transformation from an affiliate of the Pan Africanist Congress into a "component structure".

The congress resolved that "sanctions must remain until a democratically elected Constituent Assembly is in place and a new legitimate, democratic Constitution is drawn up for our country", Paso said yesterday. — Sapa

curbs by today, following the July 10 US decision to scrap its sanctions, Japanese newspapers said. Washington lifted a five-year embargo that barred trade with South Africa in a wide variety of goods, and banned investment, and direct air links.

Switzerland and Israel

followed the US move.

Japan is one of Pretoria's largest trading partners, despite the sanctions. In the fiscal year that ended in March, Japanese exports to South Africa totalled R3,2 billion, down 6,1% from a year earlier, official figures show. — Sapa-Reuter



# ANC, IFP join in bid to raise cash

Sowetan 31/7/91

**BY POLITICAL CORRESPONDENT**

being planned with one eye on political reform in South Africa and another

Clarkson said. However, before investors can come to South Africa, BI believes that "companies will need to answer to some very difficult questions."

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Sibongile Sithole who will represent Orlando West Extension during the Hair Line Miss Soweto 91 pageant at the Standard Bank Arena in Johannesburg on Friday. Sibongile will be among 30 other finalists contesting the prestigious title. Music during the contest will be provided by Dr Vic and the Rasta Rebels.

THE ANC and the Inkatha Freedom Party (IFP) will join Government in an initiative that could see large-scale European investment in South Africa in the near future.

Mr Thabo Mbeki of the ANC, the IFP's Chief Mangosuthu Buthelezi and the Minister of Constitutional Development, Dr Gerrit Viljoen will at a one-day conference in Frankfurt, Germany, on October 8, declare "the New South Africa Open for Business."

### Reform

The conference is arranged by the London-based Business International (BI) in collaboration with Standard Bank of South Africa.

Business International publicised the conference in the powerful British magazine *The Economist*, and the organisation's Ms Tracy Clarkson yesterday confirmed that it was being held in an attempt to find answers to some of the pertinent questions in the South African political scenario. The conference is also



## Schwarz warns against trying for quick buck

(280)

SIMON BARBER

WASHINGTON — SA exporters could do enormous harm to the country if they rushed into US markets seeking "a quick buck" from the end of sanctions, ambassador Harry Schwarz cautioned yesterday.

"There has got to be a very organised re-entry into the commercial world here so that we don't build up fears" about SA exports taking US jobs or being "dumped" at below market prices, Schwarz said.

Such fears, he noted, could be used by sanctions advocates to stir up new obstacles to SA trade.

SA business should therefore act in a "modest and reasonable manner" to establish a long-term US market for products.

US Congressmen from steel-producing states have already introduced a resolution calling on the administration to restore the effective quota on SA steel imports that was in effect when the Comprehensive Anti-Apartheid Act (CAAA) was passed in 1986.

The measure's author, Indiana Congressman Pete Visclosky, has warned: "SA has the capacity to export 500 000 tons of steel a year to the US, which would translate into the loss of 1 500 American jobs."

SA was party to the "voluntary restraint agreement" (VRA) on basic mill-form steel imports in effect between the US and 20 exporting countries between 1984 and 1989. Of those, SA was the sixth largest exporter to the US. *Blom 3/17/91*

The VRA was extended until March next year, but SA, whose basic steel was embargoed by the CAAA, was not party to the extension, and could theoretically now exceed the old limits.

However, the US steel market is very soft at present, and Schwarz has personally reassured Visclosky and his colleagues that SA has no intention of dumping 500 000 tons on the US market, and is negotiating with the Commerce Department to ensure a "smooth re-entry".

Like wise, the ambassador has urged the SA Sugar Association (Sasa) to accept that SA's US sugar import quota will be restored from October 1, the start of the 1992

□ To Page 2

## Schwarz

*Blom 3/17/91*

(280)

□ From Page 1

fiscal year, and not to press for restoration of the balance of the current year's quota.

Under the CAAA, SA's quota — 2.3% of overall annual US imports — was given to the Philippines.

Sasa's Washington representative Mark Ginsburg had been pushing to get the quota back with immediate effect, arguing that the residue of the 1991 allotment could be worth upwards of \$4m to SA growers.

But Schwarz believes waiting for October and the start of the fiscal year is a useful gesture of goodwill to US producers, who are already suffering the effects of domestic over-production.

Filipino President Corazon Aquino agrees that SA should get back its quota.

GERALD R. LY reports from Pretoria that Sasa welcomed the news that the

US market would reopen on October 1.

International marketing director David Hardy said the industry could comfortably accommodate the additional export opportunities.

He declined to speculate on what the 2.3% quota would mean in additional foreign exchange earnings.

However, a big plus was that because of the high producer price in the US, the US paid almost double — about \$0.22/lb for imports, compared with the present world market price of around \$0.10/lb.

In the season to end-March this year, SA exported just over 700 000 tons of sugar worth R555m.

Total production this year was slightly above 2-million tons, and domestic sales just over 1.3-million tons.

# End to sanctions raises spirits

Finance Staff ~~Star~~ 31/7/91

The lifting of federal sanctions against South Africa by the US at mid-year, followed by key countries like Japan and Switzerland, has raised spirits in an otherwise rather depressed environment, says Southern Life chief economist Mike Daly.

In his latest Economic Comment, he says that apart from dramatic gains on the Johannesburg Stock Exchange, driven largely by foreign sentiment regarding the re-entry of South Africa into the world trade and finance mainstream, together with improved business confidence, the economy remains mired in the late stages of a mild downturn.

Mr Daly foresees that 1991 will also be the weakest year of growth in the industrialised

countries since the recession of 1981-1982.

"For South Africa the benefit of higher foreign-currency earnings for its resource-based exports will only be felt next year, even though the 13 percent fall in the rand against the dollar from February until mid-July will boost earnings of the entire mining sector," he says.

He expects export growth this year will be at best minimal.

"In the first quarter, export volumes, including gold, fell sharply by nearly four percent on a year-on-year basis, which could indicate the trend for the year as a whole."

Regarding the implications for the strength of the coming upswing, Mr Daly says: "It is worth remembering that the previous four economic up-

swing phases were preceded and accompanied by a strong rise in the dollar price of gold."

He believes it unlikely that the economy will benefit from a gold price windfall this year.

National accounts figures for the first quarter show that real consumer spending remains quite strong.

Mr Daly suggests the consumer may yet emerge from the recession relatively unscathed.

"Fixed-investment spending has been weak, as might be expected, and destocking is still occurring across most sectors."

"The significant absolute and relative salary and wage gains made by blacks in recent years is a major contributor to this ongoing growth in real consumer spending power," he says.

Local short-term interest

rates are, however, at historically high levels for a recession and the key policy requirement for further cuts in the Bank rate, namely a lower inflation rate, has been working in reverse.

He predicts that, at most, one more cut in interest rates will occur this year, though during the course of next year perhaps three more cuts will occur, in line with a lower inflation rate.

The inflation rate, far from falling, as was expected earlier in the year, is rising and has higher to go before year-end.

Mr Daly expects that in 1991 the average inflation rate will be close to 15 percent.

"This is a tragic setback in relation to last year's average of 14.3 percent, and after so lengthy a period of high positive real interest rates," he says.



# Trade bonanza on the horizon

260

1/8/91

The South Africa Foundation finds evidence of growing international interest in closer trade ties with this country, but forecasts that the brakes will be held on potential new investment until financiers feel assured about the shape of future economic policies, reports **MICHAEL CHESTER.**

**S**OUTH AFRICA must face the blunt reality that most overseas financiers will hold the brakes on investment until they see the shape of the economic policies in the post-apartheid era.

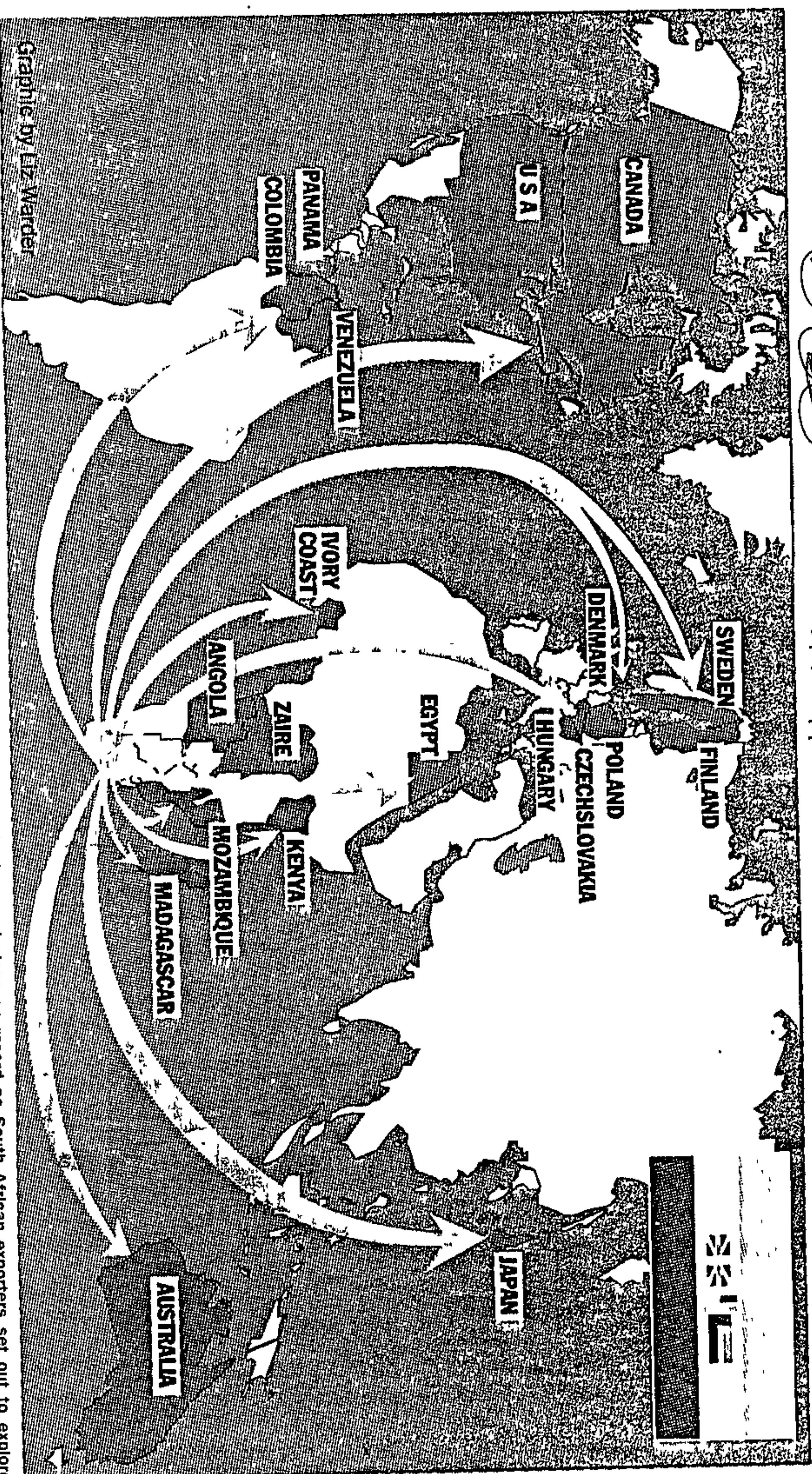
That is the message heavily underlined by South Africa Foundation executive director Kurt von Schirring on return from an extensive tour of Eastern and Western Europe to sound out business and political leaders about the two-way trade and investment outlook.

Foreign investors, he says, have been heartened by signals from Nelson Mandela of a softening in ANC hardline socialist stances on economic policy, but seemed likely to remain cautious about investment decisions until the risk of nationalisation was completely wiped off the political agenda.

"There's still uneasiness about possible Communist Party influence at negotiations on a new constitution and economic strategies in general," he said.

"Trade union leaders, as well as the new generation of political leaders in Eastern Europe, are astonished that discredited communist ideologies could be even considered as an option in the new South Africa — especially when the whole world has seen proof of the inevitable economic devastations caused by Marxist policies."

"Most potential foreign investors will have reservations



Graphic by Liz Warden

Reaching out . . . the SA Foreign Trade Organisation has planned its busiest programme of overseas business missions on record as South African exporters set out to explore world-wide markets as sanctions barriers come down. No fewer than nine trade missions will be probing markets from North America to the Far East in the next six months.

about major decisions until they see evidence of a commitment to free-market principles."

If the risk of Marxism were removed, however, the prospects for robust two-way investment and trade flows between South Africa and Eastern

Europe were excellent — with the constraints of the severe shortages of foreign exchange in the former Soviet satellites.

"There is enormous interest in South Africa, particularly in Poland, Czechoslovakia and Hungary, which feel they have an affinity with South Africa in the way each country is planning to open a new chapter in international relations as they break out of isolation."

Just as South African exporters were keen to increase direct trade and use Eastern Europe as a springboard to adjoining markets — in particular the European Community nations — so Eastern European exporters saw South Africa as a significant market on its own, and also a springboard into Africa as a whole.

Mr von Schirring believes South African business should keep an especially sharp watch for opportunities to launch joint business ventures in Eastern Europe as State-owned industries laid out privatisation plans

"Moving in to buy a slice of such industries could be an ideal way to find a foothold at bargain basement prices," he said. "There could also be important spin-offs in exchanges of technology and marketing know-how."

"What promises to give an edge to businessmen in South Africa when deals are negotiated is that most Eastern European countries are suspicious of domination by their wealthier neighbours in Western Europe and are anxious to secure a new economic independence from further aid."

"There's a formidable list of business sectors where closer ties could be forged."

He is also convinced that moves by Austria to abolish all remaining sanctions now look imminent, providing South African businessmen with more chances to create new trade conduits into Europe.

"Much now depends on an end to violence in our townships, an image of stability — and more evidence that the ANC is moving further away from a Marxist approach to long-term economic strategies."

Eastern Europe is also one of the hunting grounds selected by the South African Foreign Trade Organisation to go searching for more export business in the next few months.

Satto has laid out its most crowded programmes of international trade missions on record as exporters come in from the cold with sanctions barriers coming down. No fewer than nine regions will be explored by trade missions in the next six months.

One that has inspired special interest is Eastern Europe — in particular Hungary, Poland and Czechoslovakia. A mission will go there next month.

The dynamism of the world-wide programme is shown in the accompanying map of export targets.

The Satto team reports that South African companies of all sizes have booked places to investigate new international business opportunities — not only in merchandise exports, but also in investment, technology transfers, banking, transport and tourism. □



## Sanctions pointless, says Kenya dean

POTCHEFSTROOM. — There is no point in African countries continuing with sanctions against South Africa, the academic dean of the University College in Nairobi, Kenya, Dr Godfrey Nguru, said here yesterday.

He was addressing a conference titled "A Future South Africa in the African Context", organised by Potchefstroom University's Institute of Reformed Studies.

"For Africa to continue with sanctions at this time is like holding an empty shell," Dr Nguru said, referring to the recent decision by US President George Bush and the European Economic Community to lift certain sanctions.

"The material impact of sanctions from African countries is minimal," he added.

He also praised President F. W. de Klerk for having given a "major boost" to the dismantling of apartheid with his reform programme. — Sapa



# Do not lift curbs - Paso

THE Pan Africanist Students Organisation has called for sanctions to be maintained until a new constitution is drawn up. *Sowetan 11/8/91*

At the end of its annual congress, Paso also said it has transformed itself from an affiliate of the PAC into an extension of the organisation.

"Congress democratically resolved that Paso is no more an affiliate but a component structure of the PAC. This simply means that Paso is an extension of PAC's department of education."

Paso also said it was against class boycotts. "This (is) as nothing else but the perpetration of the same strategies and tactics of our enemy to retard the mental development of an African child so as to produce cheap labour." - *Sapa*.

City Council committee which will consider any financial involvement.

The project is expected to be completed by 1995.

## **No regrets (280) over funds, Star 2/8/91 says alliance**

Although unaware it had received funding from the Government, the Federal Independent Democratic Alliance (Fida) said yesterday it had no objections to the use of Government money to help fight "genocidal" sanctions.

"Fida's only regret is that the Government did not see fit to inform the party of its funding as Fida would not have been ashamed to accept it," the organisation's executive committee said in a statement in Johannesburg yesterday.

The party's financial statements and other related documentation were investigated thoroughly by the British Embassy and by an unnamed senior South African journalist. "They could find no evidence of Government funding."

"The executive committee of Fida has learnt with surprise that it had also been funded by the Government," the statement added.

"We can only conclude that such funds could only have been given to it through anonymous donors."

"However, the executive committee wishes to state that it had or has no objections to the Government's use of funds to help fight genocidal sanctions," it said. — Sapa.

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# Ramaphosa: businessmen must stay

Star 2/8/91

280

By Kaizer Nyatumba  
Political Staff

The ANC's economic policy, to be finalised within the next six months, will be "fair and just" and the business community will be happy with it, according to ANC general-secretary Cyril Ramaphosa.

Addressing the South Africa-Britain Trade Association in Johannesburg yesterday, Mr Ramaphosa said the ANC did not want local and international businessmen to pull out of the country at a time when they were most needed, and the organisation would keep this in mind.

He said economic success in the country could be attained if companies committed themselves to the future.

Companies which were now planning to pull out of the country were guilty of "economic treachery".

These companies were leaving at a time when they should be applying pressure on Pretoria to change.

Mr Ramaphosa said this view did not contradict his organisation's

calls for the maintenance of sanctions.

The ANC, he said, while it called for the maintenance of sanctions to put pressure on Pretoria, also realised that those foreign companies already operating in the country could play an important role in getting the Government to change.

Mr Ramaphosa said the ANC looked forward to the time when South Africa's present trading partners, of which Britain was the second biggest, would invest in a democratic South Africa.

There would be an investment code which would make it easy for foreign companies to invest here.

He said South Africa's economic future was "clearly intertwined" with that of southern Africa and that an ANC government would play an important role in the region.

Mr Ramaphosa also called on the international community to maintain sanctions and reimpose those which had already been lifted.

Sanctions, he said, should be used to get the Government to agree to an interim government and a constituent assembly.

# Slush money 'used to indoctrinate UK MPs'

By Bronwyn Wilkinson

A member of the British House of Lords, in Johannesburg as a guest of the ANC, said yesterday that he believed Government slush funds were used to drive the anti-sanctions movement among British MPs.

Lord Hatch, who was banned from South Africa in 1959 and allowed to return only last year, was speaking at a press conference at the ANC's Johannesburg offices.

He said he believed the Government had used slush funds to indoctrinate British MPs

who took an active stand against sanctions.

"I want to know how many British MPs have benefited from the practice of inviting people here, giving them free tickets, in order to put the National Party's case to them."

He also said of the Inkatha funding scandal: "It is one thing for a political organisation to get funds, but totally different for a party inside the political process to fund another party."

He believed the only reason the Government had funded Inkatha was to set up a National Party-Inkatha alliance.



stew 2/8/91

# US unions slam funding

By Hugh Robertson  
Star Bureau

WASHINGTON — In one of the boldest and clearest declarations it has made of its relationship with South African trade unions, the largest trade union federation in the United States today condemned the Government's secret funding of Inkatha and Uwusa and called for the retention of all remaining sanctions.

The American Federation of Labour and Council of Industrial Organisations (AFL-CIO) said in a statement today that the reasons for its refusal to have dealings with Uwusa in the past "are now confirmed by the revelation of its clandestine asso-

ciation with the Government" and it accused the SA Government of trying to undermine democratic development.

The AFL-CIO, which has given millions of dollars of assistance to South African unions in recent years, called on the Government to "reveal the full extent of its covert manipulations intended to destabilise organisations and pervert negotiations to its own end".

It criticised President Bush for lifting sanctions and said its opposition to his policy on sanctions was reinforced by the secret funding scandal.

"Certainly, all remaining sanctions, including those of the International Monetary Fund, should remain in place."

# Tutu: I won't call for end to sanctions yet

CT 2/8/91 (288)



Staff Reporter

ARCHBISHOP Desmond Tutu said yesterday that he had hoped to call soon for sanctions to be lifted — but would not do so if President F W de Klerk did not take adequate steps to stop violence and demonstrate that he was someone to be trusted.

Archbishop Tutu said this at a luncheon meeting at the City Hall — chaired by Mr Gordon Oliver, the Mayor — to protest against the government's funding of Inkatha.

Several organisations, including Cosatu, the ANC, the PAC, the Muslim Judicial Council, the Jews for Justice, Wosa, the Democratic Party and the SA Communist Party, were present.

Archbishop Tutu said that after allegations were made about hit squads and the bias and partiality of the security forces, people were hoping against hope that the



**CONFERRING.**... From the left, Mr Trevor Manuel, Mr Willie Hofmeyr, and the Mayor, Mr Gordon Oliver, a yesterday's meeting.

boat of negotiations would remain on course.

"And then Inkathagate happened. Many of use were filled with very considerable foreboding and a sense of déjà vu — we have been this way before with the Info Scandal.

"We were fearful that

negotiations would be seriously undermined Mr De Klerk's integrity, which so many of us lauded and believed in, was on the line."

The archbishop said he had not been impressed with President De Klerk's "fiddling while our Rome burnt" while our Rome burnt" Mr Trevor Manuel,

ANC executive committee member, said Mr De Klerk had failed to rise to the occasion when he "stated blandly, against all truth" on Tuesday that the police and SADF were not involved in violence

Mr Jasper Walsh, Democratic Party MP, said that for the negotiating process to continue the government should "come clean" and root out all perpetrators of evil. They also had to satisfy the majority that they could be trusted as a negotiating partner.

An extended public accounts committee comprising representatives of all major political parties should be set up, he said.

The DP believed that to restore faith and get the negotiating process back on track it was necessary to establish an all-party government of national unity, Mr Walsh said.

**SANCTIONS CALL**... Archbishop Desmond Tutu addresses a protest meeting yesterday. He said he would have called for the lifting of all sanctions if it had not been for the Inkatha scandal.



# America is looking to Mr. Fixit to point way for SA

STimes

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CONGRESSMAN Stephen Solarz, the razor-sharp New York Democrat, is re-emerging as Capitol Hill's most important voice on southern Africa.

Late last year he put together a compromise on US covert funding to Unita that may well have played a critical role in ending the Angolan civil war. For several months he has been moving centre stage to build a productive consensus on South Africa.

The time has come, he believes, to move US policy beyond the sterile debate over sanctions. In its place he proposes to construct a credible light at the end of South Africa's constitutional tunnel while at the same time offering further assistance to help South Africans get there.

The light, if he has his way, will be a pledge by the US and its industrialised allies to unwrap a long-term, multi-billion-dollar package of development assistance, trade benefits and investment incentives as soon as a new government is elected and proves itself committed to economic liberalisation

## THE SUNDAY MORNING ASSESSMENT By Simon Barber in Washington

and growth of the private sector.

The interim encouragement will include the creation of a South African development bank and expanded assistance for black education on all levels, as well as the financing and construction of low-cost housing through private-sector trusts such as those run by the Urban Foundation's Dr Jan Steyn and Get Ahead's Dr Ntsho Motlana.

Broad outlines of the plan, elements of which — housing assistance included — are already part of the foreign aid bill working its way through Congress, are contained in a letter to President Bush that Mr. Solarz has drafted for signature by colleagues, both Democrat and Republican. Though the US administration is

familiar with — and supports — much of its contents, the letter is still in the draft stage and has yet to be sent. This is in large measure because the ANC has yet to signal its approval.

Congressional staff members deputised by House Africa Subcommittee chairman Mervyn Dymally are due in South Africa this weekend to brief the movement and seek its go-ahead.

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Mr Solarz makes no bones about his impatience with the ANC on this score. He discussed the plan with ANC president Nelson Mandela at the Aspen Institute conference in Cape Town last April and Mr Mandela liked what he heard.

Subsequently, both Mr Thabo Mbeki and Mr Chris Hani have also given their private blessing. Yet, somehow, the organisation's formal approval has not been forthcoming.

"I think it is a sad commentary," Mr

Solarz said last week, "that in spite of the fact that this idea has been floating around for several months now... that even at this late date, with the House about to go into recess for a whole month, it seems to be impossible... to get the ANC to make a clear statement about what they believe is in their best interests."

This is not a new role for Mr Solarz. He created it for himself in the 70s and early 80s when he was chairman of the House Africa Subcommittee. He was the first legislator to make a serious stab at imposing sanctions on South Africa. He was also the originator of what is currently a \$30-million-a-year (R87-million) aid programme for "the victims of apartheid".

In American political terms, Africa is a subject for tribunes, not consuls. It offers plenty of ammunition with which to attack higher authority, but no real access to that authority. The seriously ambitious avoid the content and its issues, and Mr Solarz

went off to deal with Asia, a region that matters.

Now he is back.

His reasons appear to be threefold. First, he genuinely does want to make a difference. Second, as his bitter exchange with TransAfrica's Mr Randall Robinson in the Africa subcommittee last week demonstrated, he sees a vacuum of leadership and ideas on South Africa. Third, and perhaps most important, he recognises that the collapse of apartheid offers a historic opportunity for both his party and himself.

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The Democrats have become the party of isolation and racial divisiveness. As a result, American voters have refused to award them the presidency for any more than four of the past 23 years. Helping heal the political running sore that is South Africa could do something to restore the party's image while confirming Mr

Solarz as its pre-eminent statesman. Having backed President Bush on Operation Desert Storm, Mr Solarz not only has enormous standing with Mr Bush himself, but is also where most of his party know they have to be if they are to be more successful in national politics. It was therefore perhaps a little rash of the ANC's US representative, Mrs Lindiwe Mabuzza, to berate him publicly last week and then to storm off, declaring "that man is really getting on my nerves". One gets the sense that even if the ANC does not officially sign on and its American lobbyists continue to be obstructive, the initiative will probably proceed anyway.

Last week, Mr Solarz told Mr Robinson he saw no reason to fall in lock-step behind the ANC. "I assume," he said acidly, "you also make your own judgments. Obviously, the views of the ANC are important and ought to be taken into consideration. But sometimes they're right and sometimes they're wrong."



## Danes edge towards lifting sanctions

81 Den 5/8/91 280  
COPENHAGEN — Denmark will fall in line with its EC partners by lifting sanctions against Pretoria in October if all SA's political prisoners are released by then.

Foreign Minister Uffe Ellemann-Jensen announced the decision after a parliamentary committee meeting at which government accepted an opposition timetable for lifting the embargo.

Denmark's 11 EC partners voted in April to lift a ban on imports of SA gold coins, iron and steel.

The EC vote was not unanimous because Copenhagen's minority government was unable to win a parliamentary majority in favour of dropping sanctions unless Pretoria carried out further reforms.

Friday's agreement was reached at a meeting of the foreign affairs committee, one of several parliamentary groups which effectively steer foreign policy because of the government's weakness in parliament.

It was agreed that in October, when parliament started its autumn session, Denmark would let the EC lift its trade ban provided parliament was satisfied all SA's political prisoners had been released.

Denmark would lift some of its own trade sanctions at the same time, and others once Pretoria had shown that constitutional reforms were under way.

Opposition politicians say SA's admission that it made secret payments to Inkatha vindicated their refusal to let sanctions be lifted sooner. — Sapa-Reuter.





Australian shadow minister for trade and trade negotiations Alexander Downer and South African director-general Raymond Parsons at a news conference yesterday. Picture: CATHERINE ROSS

## Lift sanctions, says visiting Aussie MP

BRENT VON MELVILLE

280

A HIGH-RANKING MP in the Australian opposition party has called for the immediate lifting of sanctions and reduction of tariff and non-tariff protection against SA exports.

Australian shadow minister for trade and trade negotiations Alexander Downer said yesterday that sanctions had proved ineffective in that the poor of SA had borne the brunt. Sanctions had ceased to serve any useful function.

Downer was speaking after a 10-day visit to SA hosted by Sacob.

He said discussions with the business community (including Deputy Reserve Bank Governor Jaap Meijer) had indicated a strong commitment to dismantle the "nonsense" of apartheid.

"What is equally surprising is the goodwill which black South Africans show towards reform." *B/day 6/8/91*

On his return he would make representations to the Australian government to allow SA access to its markets with negligible tariffs by the year 2000. He added that the EC should also allow SA fair access to its domestic markets. Access was particularly important for the agricultural market.

Downer added that talks with black business groups had indicated an enthusiasm for exchanges with Australian business groups as a means of developing black business skills.

He said Australia had placed too much emphasis on trade union trading and "political assistance".

This had led to too little emphasis being placed on training a new generation of black businessmen and women. It was important to train wealth creators.

He warned, however, that Australian investors were still wary of SA because of the high incidence of 1950s-style socialist rhetoric.

# Time for Australia to lift sanctions, says MP

Star 6/8/91 280

By Derek Tommey

Australia's shadow Trade Minister, Alexander Downer, has made a strong call for the ending of sanctions against South Africa.

He said in Johannesburg yesterday it would take some time for trade links to be restored as some trading structures had become rusty through little use.

Australian businessmen also had little knowledge of current trade opportunities here.

He believed that the Australian Government would be paying attention to what he said.

"A constructive visit by a member of the opposition will persuade the Australian community generally that we bring a commonsense view to relations between SA and Australia.

"This will have an impact on a Government which is trailing badly in the opinion polls and has only 18 months to go before the next election.

An indication of the Australia Government's change in attitude was that it had approved the sending of a trade mission to

South Africa in November by the Confederation of Australian Industry

Explaining why he believed sanctions should be ended now, Mr Downer said that they had been aimed at breaking down apartheid and ensuring that the country was on an irreversible course to a democratic government.

"I believe that the formal institutions of apartheid have been broken down." But, he added, it was striking to a foreigner that the country still had a long way to go before things that would be regarded as normal overseas, such as equality of opportunity, were actually established in this country.

## Irreversible

Nevertheless, he believed that the process of reform was irreversible.

"We have always regarded sanctions in principle as something that may have been necessary. But they were designed to damage the South African economy and the living standards of people in this country

Inevitably, they had damaged the living standards of the unskilled, of people just coming on to the labour market and of those who were the most disadvantaged in this society.

"People say this suffering is the price that black South Africans have been prepared to pay for achieving freedom. But now the path to freedom has opened up for them and I believe that it cannot be blocked.

"Therefore South Africa should have the opportunity to recover its prosperity and to reduce the enormous levels of unemployment, particularly among blacks".

He added that if South Africa moved to democracy in a state of economic disarray then the capitalist system would not last. "And if that happens no more need to be done than prepare for South Africa's funeral".

The future of sub-Saharan Africa could hinge on the success or failure of political reform in South Africa and its economic development.

If South Africa achieved success in these matters it would be the engine room for sub-Sa-

haran African economies.

It would offer the one chance for completely revitalising African economies.

With South Africa becoming the locomotive of the continent's economic growth, he said he would like Australian firms to invest here as it would provide a jumping off point for the rest of the continent.

This would happen if reform was successful.

## Investors wary

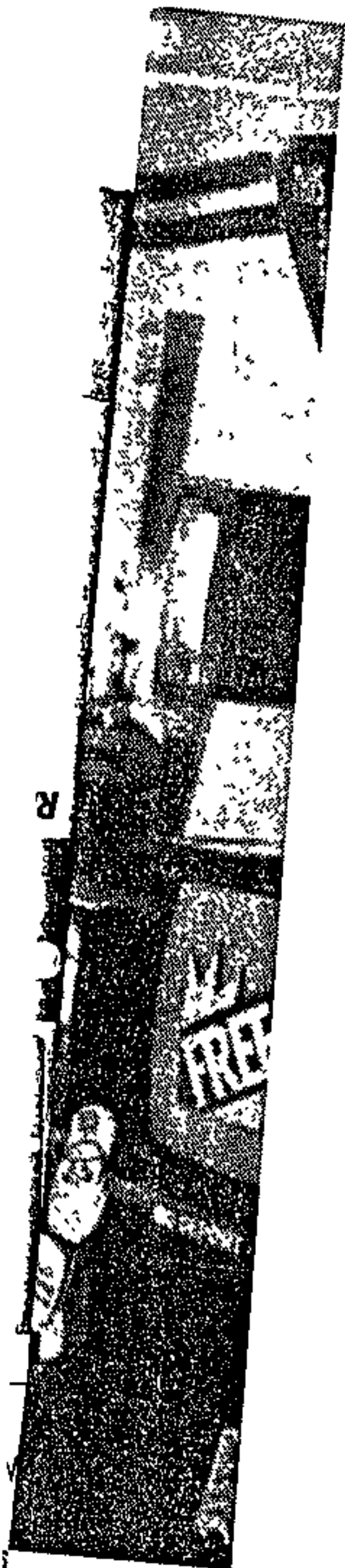
Foreign investors were still wary of South Africa because of the high incidence of 1950s style socialist rhetoric. Changes globally over the past decade meant this rhetoric was all the more damaging because Western investors associated it with economic collapse.

"All leaders in South Africa need to embark on a confidence-building crusade".

It would also be appropriate and desirable for the new South Africa to re-join the Commonwealth and work with Australia in rebuilding the Commonwealth, he concluded.



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# White squatters: Charges withdrawn

The Argus **ARGUS** Correspondent 7/8/91

PRETORIA. — Charges of trespassing have been withdrawn against the chairman of the University of Pretoria branch of the Conservative Party and 15 others Tuks rightwingers.

State Prosecutor Mr K Chauke withdrew the case in the Pretoria District Court against the chairman of the CP at Pretoria University Mr Paul Eek, 19, Mr Carel Boshoff, 27, the son of Professor Carel Boshoff; Ms Mada Robbertze, 21, secretary of the executive committee of CP-Tuks; Mr Daniel de Beer, 22, ex-chairman of CP-Tuks, and Mr Otto Gerner, 19, vice-chairman of the Afrikaner Studentefront on the campus, and 11 others.

None of the students had pleaded and no charges had been put to them.

Their appearance was a sequel to an incident on June 16 when they allegedly set up squatter shacks on an open plot in Sunnyside to provide shelter for homeless whites. (280)

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# SA sanctions must end, Kaunda tells his party

Star 7/8/77

LUSAKA — President Kenneth Kaunda of Zambia has called for the lifting of sanctions against South Africa, saying things were changing fast in that country.

Speaking last night at the extraordinary United National Independence Party (Unip) congress, President Kaunda said South Africa had changed remarkably and dramatically.

"What is happening in South Africa now is not just a token symbol, but reality," he said.

The Zambian leader, who has made it known before that he favoured lifting the sanctions against Pretoria, made public his assertions

that maintaining the trade embargo was a futile exercise.

He emphasised: "We believe all possible pressures of lifting sanctions and escalating contacts with South Africa must be applied fully to start off the key dialogue on a new non-racial constitution for that country."

A liberated South Africa would be a decisive asset to the African continent and a powerful force for good, President Kaunda said.

He appealed to the ANC and other parties in South Africa to close ranks and negotiate for a new constitution to bring about peace to the region. — Sapa.



# Keep sanctions, says Mugabe

**HARARE** President Robert Mugabe yesterday called for sanctions against SA to be retained, a call which conflicts directly with the position taken by Frontline states chairman and Zambian President Kenneth Kaunda.

Kaunda yesterday said sanctions should be lifted and contacts with SA resumed "to start off the key dialogue on a new non-racial constitution for that country".

Mugabe and Kaunda have previously been thought by diplomatic observers to be at odds over Mugabe's more militant attitude towards SA, but yesterday's was the first blatant public divergence of views.

Kaunda has reportedly

**MICHAEL HARTNACK**

been hesitating for the past year over the opening of a SA trade mission in Lusaka. In 1980 the SA trade mission in Harare assumed the functions of the former SA diplomatic mission to Rhodesia, but Mugabe forbids ministerial level contacts with Pretoria.

Meanwhile, Mugabe yesterday committed Zimbabwe to maintaining pressure for sanctions until the end of white rule in SA, slamming the door on immediate prospects of economic co-operation with Pretoria.

In his most uncompromising statement since President F W de Klerk began the reform process last year, Mugabe said the con-

fidence he had begun to develop in De Klerk had been eroded by the Inkatha funding scandal.

In his speech to representatives of African socialist parties Mugabe also defended socialist concepts which he said represented an African tradition interrupted by imperialism and colonialism.

He attacked the Mozambican rebel movement Renamo for attempting to take advantage of Zimbabwe's compliance with the Rome ceasefire agreement, under which Zimbabwean troops were withdrawn to designated areas.

Zimbabwe would continue to support the peace process despite Renamo attacks, he said.

# Kaunda, Mugabe in clash over SA

From MICHAEL HARTNACK

**HARARE.** — President Robert Mugabe of Zimbabwe and President Kenneth Kaunda of Zambia clashed yesterday over sanctions against South Africa.

President Mugabe's statement on sanctions was in direct conflict with one reportedly made the previous evening by President Kaunda in an address to Zambia's ruling United National Independence Party.

According to Ziana, the official Zimbabwean news agency, President Kaunda, who is chairman of the frontline states, called for sanctions to be lifted and for the ban on contact with South Africa to end "to start off the key dialogue on a new non-racial constitution for that country".

"What is happening in South Africa now is not just token symbols but realities," President Kaunda was quoted as saying.

The Zambian leader has reportedly been hesitating for the past year over the opening of a South African trade mission in Lusaka. The South African trade mission in Harare assumed in 1980 the functions of the former South African diplomatic mission to Rhodesia, but President



**CAMPAIGN TRAIL . . .** President Kaunda canvassing for votes yesterday before the UNIP congress. Picture AP

Mugabe forbids ministerial-level contacts with Pretoria.

Yesterday's disagreement was the first blatant public divergence of views on South Africa between the two presidents.

In his speech to a conference of African socialist parties, President Mugabe said

Zimbabwe must continue to insist on sanctions against South Africa until the advent of an "administration that does not owe its existence to apartheid".

It was his most categorical commitment to indefinite boycotts since February 1990.

The Zimbabwean leader said "the confidence we had begun to develop in President De Klerk has been severely shaken" by "recent revelations of the South African government machinations in fostering division, violence and banditry among the black people".

Mr Mugabe said that although Zimbabwe welcomed reforms that had taken place in South Africa, it was still governed by a regime elected under apartheid laws.

In June, Zimbabwe asked South Africa to update its 1964 "most favoured nation" trade treaty, arousing expectations of a drastic policy change.

In his address, Mr Mugabe defended socialism, saying it was "a fundamental tenet of African society" that had been interrupted by imperialism and colonialism.

He warned that strikes and divisive nationalism such as those at present breaking out in Eastern Europe could bring chaos to Africa.



# Strings in US aid for SA

WASHINGTON - What ever might be said against the United States Congress, it remains one of the most sensitive barometers of public opinion in the US.

So when it takes a position on South Africa, it tends to reflect what most Americans feel and think.

Congress as a whole took a position of passive indifference when President Bush lifted sanctions last month, and if any confirmation were needed that this reflected public sentiment on the issue, it came, surprisingly, from Mr. Randall Robinson, probably the most zealous of the many anti-apartheid activists at work in America.

At the end of a long denunciation of those in Congress who he claimed were responsible for letting Bush get away with

**By HUGH ROBERTON**

such a malevolent deed, he noted that their lack of concern for South Africa was part of a broad and deepening pattern.

It was indeed. But lest a roar of hoor-hoos should rise from the legions who oppose sanctions, an emerging paradox of huge importance to all South Africans needs to be aired. ~~South Africa~~ <sup>8/8/91</sup>

## Sanctions

It is that sanctions, or the threat of them, may yet prove to be the most potent guarantee of democratic government and a free enterprise economy which could be hoped for by those in the white minority who fear black majority rule.

Let me explain. A move is under way in Congress to create a multibillion

dollar aid programme for South Africa which would be big enough to finance an historic turning point in the country's development. The money would only become available once a new and freely elected government is in place.

The ANC, and Randall Robinson, have reservations about it - and perhaps with some reason. No US Congress is going to finance a government in South Africa which plans the sort of radical social engineering so dear to the hearts of unrepentant Stalinists and Marxists (and, for that matter, advocates of apartheid) ~~which~~ <sup>which</sup>

And no US Congress is going to pour money down a drain of Marxist experimentation and nationalisation. Above all, it is unthinkable that a US

Congress in the post-Cold War era would bankroll a government which abrogated the rule of law, tampered with the constitution, denied people their rights and generally misbehaved on the unimpeachable scale of successive apartheid regimes.

In short, the multibillion dollar aid programme, a Marshall Plan for South Africa, would have strings attached.

<sup>280</sup> **Naive** ~~Naive~~

"Neocolonialism," shout some in the ANC, "where is the liberation we have fought for?" "American imperialism," shout the US civil rights activists, "such strings are unacceptable."

But just as fascism had a tough time after the collapse of the Third Reich and the end of World War

2, it would be naive of South African Marxists to expect an unchanged world after the collapse of the Soviet empire and the end of the Cold War. And perhaps this week's discussion on the US aid proposal is just what was needed to concentrate

their minds on certain inevitabilities in the new South Africa.

One is that the country will not survive without massive foreign investment and foreign aid. Another is that, in the new world order, such investment and aid can only come from the Western democracies and, as even the Soviet Union has discovered, this will entail conditions and obligations.

While a degree of state intervention in the economy almost certainly would be accepted as a

means of mending the mutilations of apartheid, there would be firm and unambiguous limits.

Transgression of those limits, moreover, could be dealt with by much the same pressures which the ANC and Randall Robin-

son were able to invoke against the South African regime in 1986 and it would be surprising if US conservatives - and perhaps even some liberals - did not try to build precisely such a mechanism into the aid package.

*Star 8/8/91*

**Sanctions stay, vows Mugabe**

280

Zimbabwe will insist on sanctions on South Africa until there is an "administration that does not owe its existence to apartheid", President Robert Mugabe said yesterday in his most categorical commitment to indefinite boycotts since President de Klerk started negotiations to end apartheid in February last year.



# Hong Kong lifts gold coin, steel ban

HONG Kong will lift its ban on imports of Krugerrands and SA iron and steel today.

The decision, announced by the territory's government yesterday, follows decisions by the EC and the US to lift SA sanctions.

An SA Foreign Affairs spokesman welcomed the decision, TIM COHEN reports.

A Department of Trade and Industry spokesman said it meant barriers were removed but SA exporters should not expect to regain their former positions without stiff competition. "We will have to compete to regain market share."

SA's major steel producers said the move would go a long way towards renewing access to Far East markets.

The steel and gold industries welcomed the news, but analysts said there would be no bonanza in sales of SA gold coins.

BRENT VON MELVILLE  
and MATTHEW CURTIN

Iscor and Highveld Steel & Vanadium said Hong Kong had been a very lucrative export market before 1986. One industry source said Hong Kong was a crucial access point to Pacific Rim countries, and represented the third largest market after Tokyo and Taipei.

Iscor deputy MD Nols Olivier said Iscor planned to work these markets at the earliest opportunity. Iscor would use its existing marketing networks for this purpose, affording it a wider choice of outlets worldwide for its steel products, and particularly for its value-added lines.

Highveld chairman Leslie Boyd welcomed the announcement but said the

To Page 2

## Hong Kong

company did not disclose export levels.

Market analysts estimated that SA steel exports would amount to about 50% of total production this year, up from about 37% last year. They estimated that of total exports of about 4-million tons, about one-third would go to Pacific Rim countries such as Taiwan, Korea and Taiwan.

Anglo American gold and uranium division public affairs manager James Duncan said. "We welcome any move that eliminates barriers to the trade in gold products of any kind, particularly those with a track record such as that of the Krugerrand."

A Chamber of Mines spokesman said it was too early to speculate on the effect the move would have on Far Eastern demand for Krugerrands, but that the news was welcome. Outgoing chamber president

Clive Knobbs said in June that the chamber was preparing to relaunch the gold coin overseas.

The lifting of the ban comes six weeks after a similar move in the US, where Krugerrand imports had been banned since October 1985.

Worldwide demand for official gold coins has slumped from 191 tons in 1981 and 348 tons in 1986 to only 117 tons in 1990. SA production fell from 112 tons 10 years ago, to 24 tons in 1985 and 13 tons last year.

The Kruggerand was the most highly prized gold coin, trading regularly at a 40% premium to the gold price, before it was hit by sanctions in 1985. Since then demand locally and overseas has fallen to such an extent the coin has all but lost its premium to the gold price.

From Page 1

280 (25) #

## France looks set to reopen business links

By James Tomlins  
Star Foreign Service

Star 9/8/91

PARIS — The government last night announced a major political shift towards South Africa, interpreted here as the effective end of French sanctions.

Foreign Trade Minister Dominique Strauss-Kahn will visit South Africa from September 19 to 25.

It is to be the first bilateral visit by a French Minister since 1975.

Mr Strauss-Kahn's visit has the blessing of Prime Minister Edith Cresson, who brought him into her government when she was appointed three months ago.

Mrs Cresson is known to take a pragmatic view over foreign relations, and clearly has decided it is about time France resumed trade ties with South Africa.

Industry Minister Roger



# SA gets double diplomatic boost

ET 10/8/91 (280)  
Political Correspondent

SOUTH AFRICA yesterday received a double diplomatic boost with the news that relations with Argentina would "soon" be upgraded to ambassadorial level, and that a French government minister will visit this country for the first time in 16 years.

It is reliably understood that the first Argentine ambassador to South Africa in over six years will be the Puma fly-half, Mr Hugo Porta, who has been on three South American rugby tours of South Africa.

Pretoria Foreign Affairs sources said yesterday that no decision had been taken on who would be South Africa's new ambassador to Argentina.

However, one source said that the upgrading in relations between the two countries from vice-consul to ambassador would take place "soon".

The announcement follows just days after ANC president Mr Nelson Mandela's return from a South American visit and the invitation Uruguay extended to President F W de Klerk to visit that country.

Meanwhile, the announcement in Paris that the French Minister of Foreign Trade, Mr Dominique Strauss-Kahn, will visit South Africa in September has been seen in political circles as signalling the collapse of French sanctions against Pretoria.

## French visit won't end bans

Blomay

12/8/71

TIM COHEN

(28)

(280)

FRENCH Foreign Trade Minister Dominique Strauss-Kahn would visit SA next month, but France had no intention of flouting the EC's ban on SA iron, steel and coal imports, a French embassy spokesman said.

Strauss-Kahn will visit SA from September 19 to 23.

According to weekend reports, Strauss-Kahn's visit was being interpreted as the effective end of French sanctions against SA. However, the embassy spokesman said it did not mean France would by-pass the Danish parliament's decision to block European foreign ministers' suspension of certain import bans.



## OPINION

The US aid package for SA will have important strings attached, says Hugh Robertson

# Some very welcome sanctions

Stew 12/8/77

(280) (381)

**W**HATEVER might be said against the United States Congress, it remains one of the most sensitive barometers of public opinion in the US and so when it takes a position on South Africa, it tends to reflect what most Americans feel and think.

Congress as a whole took a position of passive indifference when President Bush lifted sanctions last month, and if any confirmation were needed that this reflected public sentiment on the issue, it came, surprisingly, from Randall Robinson, probably the most zealous of the many anti-apartheid activists at work in America.

At the end of a long denunciation of those in Congress who he claimed were responsible for letting Mr Bush get away with such a malevolent deed, he noted that their lack of concern for South Africa was part of a broad and deepening pattern.

It was indeed But lest a roar of "hoor-hoos" should rise from the legions who oppose sanctions, an emerging paradox of huge importance to all South Africans needs to be aired.

It is that sanctions, or the threat of them, may yet prove to be the most potent guarantee of democratic government and a free enterprise economy which could be hoped for by those in the white minority who fear black majority rule.

Let me explain. A move is under way in Congress to create a multi-billion dollar aid programme for South Africa which would be big enough to finance an historic turning point in the country's development. The money would only become available once a new and freely elected government is in place.

The ANC, and Randall Robinson, have reservations about it — and perhaps with some reason. No

US Congress is going to finance a government in South Africa which plans the sort of radical social engineering so dear to the hearts of unrepentant Stalinists and Marxists (and, for that matter, advocates of apartheid).

And no US Congress is going to pour money down a drain of Marxist experimentation and nationalisation. Above all, it is unthinkable that a US Congress in the post-Cold War era would bankroll a government which abrogated the rule of law, tampered with the constitution, denied people their rights and generally misbehaved on the unimhibited scale of successive apartheid regimes.

In short, the multi-billion-dollar aid programme, a Marshall Plan for South Africa, would have strings attached. "Neocolonialism," shout some in the ANC, "where is the liberation we have fought for?" "American imperialism," shout

the US civil rights activists, "such strings are unacceptable".

But just as Fascism had a tough time of it after the collapse of the Third Reich and the end of World War 2, it would be naive of South African Marxists to expect an unchanged world after the collapse of the Soviet empire and the end of the Cold War. And perhaps this week's discussion on the US aid proposal is just what was needed to concentrate their minds on certain inevitabilities in the new South Africa.

One is that the country will not survive without huge foreign investment and foreign aid. Another is that in the new world order, such investment and aid can only come from the Western democracies and, as even the Soviet Union has discovered, this will entail conditions and obligations.

While a degree of state intervention in the economy almost certainly would be accepted as a

means of mending the mutilations of apartheid, there would be firm and unambiguous limits.

Transgression of those limits, moreover, could be dealt with by much the same pressures which the ANC and Randall Robinson were able to invoke against the South African regime in 1986 and it would be surprising if US conservatives — and perhaps even some liberals — did not try to build precisely such a mechanism into the aid package.

But we get back to the problem of indifference. At the best of times foreign aid is an unpopular cause in Congress.

The US has lowering problems of its own and the Cold War financing of corrupt and incompetent Marxist dictatorships tried the benevolence of the American people to the limit.

If indifference over the future of South Africa persists, the chance of enough people in Congress supporting a really big aid package

would vastly diminish.

There is an ironic twist to the fact that the very indifference to sanctions in the US Congress which gave comfort to many in South Africa may yet jeopardise an historic opportunity to secure democracy and free enterprise.

And there is a corresponding irony in the fact that by having to give an answer — soon — on the aid offer, the ANC will have to contemplate the prospect of running the country under many of the constraints which it has worked so hard to impose upon the present regime.

But if it has no plans to abrogate the rule of law, change the constitution unilaterally, deny people their rights or run the country as if Marxism were still a viable ideology, it should have nothing to fear and all in the country could band together to combat the insidious threat of indifference to our future. □

## OAU to push for sanctions

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21 13191  
MBABANE. — The Organisation of African Unity (OAU) will press for continued sanctions against South Africa until all the racist laws and principles are done away with in practice, says OAU secretary-general Dr Salim Ahmed Salim.

During a three-day official visit to Swaziland at the weekend Dr Salim also said the OAU understood Swaziland's heavy economic dependence on neighbouring SA.

He said his talks with government leaders would concern political changes. — Sapa



(280) ALG 19/8/91

# We were wrong on sanctions

**A**STRONG case may be argued that Australia has been three times wrong in maintaining sanctions against South Africa, writes Tony Kleu, a South African exile in Australia and supporter of sanctions for 23 years.

In a remarkable recantation of his previous views, given half a page in the Sydney Morning Herald, Mr Kleu concedes Australia may be wrong in holding back industrial regeneration vital to South Africa's future stability, that Australia had turned its back on benefits that would flow from the resumption of trade; and that in slavishly tying their decisions to the wishes of the ANC alone, they were allying themselves with a party which might be destroyed by its success in forcing change.

"Just 25 years ago Australia itself was determined to be whiter than white in another context," writes Mr Kleu. "It was also one of the last Western democracies to embrace sanctions in the '60s. Now it seems that we will be last again: and we'll be just as wrong."

Australian Foreign Minister, Senator Gareth Evans, in accepting the ANC as the sole authentic representative of South Africa (and effectively dismissing as irrelevant all other forums and pressure groups) had shown himself to be extremely poorly briefed, Mr Kleu said. The election of a fully representative constituent assembly, as he demanded, might not happen for two years as yet.

"But millions of South Africans need jobs, better education and better housing right now. Years of blindingly stupid and vicious social engineering have left them educationally and economically disadvantaged, living in Third World conditions alongside a small, affluent and highly skilled white society

by BRUCE HEILBUTH Senior, condensed from an article in the Sydney Morning Herald by Tony Kleu, a South African emigrant to Australia and advocate of sanctions for 23 years.

trained to operate an infrastructure more like that of a Western industrialised nation.

Rubbing shoulders with the most sophisticated group in Africa had left the masses with extremely high aspirations, the meeting of which would carry an extremely high price.

The cost "boggled the mind," writes Mr Kleu, adding that South Africa would clearly have to generate the wealth itself, with the help of as much foreign investment and expertise as it could get.

Australia was uniquely placed to help. The two countries were remarkably similar in their dependence on primary industry, the range of technologies employed and the kind of expertise required.

"In this country we already have a core of South African businessmen, immigrants over 20 years, who could help build closer ties."

The ANC's diversity was ultimately its weakness. A wide range of cultures and races could be represented by the ANC for only as long as there was a common enemy and a common purpose. As soon as the main objective, the downfall of apartheid, was achieved, divergent expectations and concerns would be expressed by some groups overlooked in the clamour. (Aside from the Coloured and Indian groups, there were nine main black African cultural groups, some of which were antipathetic towards each other).

"When push turns to shove, even the various black tribes may be expected to seek some entrenchment of privilege over tracts of land. It is exactly this prob-

lem which will bedevil any constitutional talks. How does one recognise or preserve racial or cultural rights in a non-racial constitution?

"The ANC's leadership has shown an alarming lack of organisation and purpose since the ban on it was lifted. Consensus is sought on almost every issue, while hard decisions have been delayed to avoid off-fending factions. The concept 'they are my people' would be fine if all the people were heading in one direction. But the ANC is not.

"And Nelson Mandela, noble as his sacrifice has been, has shown himself to be blindly loyal to a woman who has alienated most whites and many blacks. Her critics have tended to be sidelined, while sycophants have prospered. (The idea of Winnie Mandela as the power behind the ailing and malleable Mandela beggars the imagination. Nancy Regan would seem like Mother Theresa by comparison).

"None of this is to deny the valuable role the ANC has played as a rallying point. But questions must be asked about its ability and willingness to take hard decisions and right decisions. It follows that Australia should be viewing the organisation with healthy scepticism.

"As for fears that white South Africa may try to backtrack, a resigned and bemused acceptance of change is abroad. The vast majority of whites realise, however reluctantly, that to renege at this stage would trigger an almighty conflagration.

For the moment, South Africa can best be served by speeding the development of the economy and so increasing the chance that the aspirations of all its people may be met.

Sanctions must be lifted, regardless of idealism and fancy rhetoric.

## Nafcoc prepares for 'after sanctions'

NAFCOC's 27th annual conference at Sun City this week will lay the groundwork for the business organisation's post-sanctions role in trade with other countries, says executive director Mofasi Lekota. *B 10/2/91*

The conference, with the theme "The New SA: Opportunities for Black Economic Empowerment", will be officially opened this morning by ANC secretary-general Cyril

~~THEO~~ THEO RAWANA (280)

Ramaphosa. It ends on Wednesday.

Lekota says: "An important issue will be co-operation with other southern African countries in trade and development and formulation of strategies to increase the asset base of our members and the GDPs of the country and the region." Nafcoc recognised the post-sanctions, urgent need for foreign investment.



# Sanctions hold Compaq back

280

May 21/8/91

ROBERT LAING

TEXAS-based multinational Compaq Computer Corp will not open a local subsidiary until US city sanctions are lifted.

Compaq, the world's second largest PC-maker after IBM, entered SA yesterday by appointing five dealers which will be supported by its European headquarters in Germany.

As reported yesterday, the five SA companies authorised by Compaq to sell its PCs were Causeway Communications, Centre Group, Extas Computers, Netlink and Prolan.

Compaq is the first major US corporation to enter SA since the Comprehensive Anti-Apartheid Act (CAAA) was lifted on July 11.

Despite the abolition of the CAAA, US companies like Xerox and Lotus have continued to distance themselves from SA because of municipal sanctions enforced by New York, Los Angeles and other major US cities.

Compaq GM Stephen Harris said at the firm's launch in Johannesburg: "We are comfortable that there will not be a political backlash against us in the US because we are not making any equity investment in SA."

Harris said he envisioned city sanctions would be lifted soon, freeing the way for direct investment in SA.

"It is fair to conclude that we will

set up a Compaq SA subsidiary in time, Harris said.

"We spent 20 man-weeks speaking to key industry representatives to decide how to enter the SA market.

"The answer we came back with was clear — to use the same approach as we do worldwide," Harris said.

Compaq supplies 3 700 resellers which are supported by its 18 international subsidiary companies.

Its subsidiaries are formed to be as close to new markets as possible.

Harris said Compaq would encourage competition between the five resellers and would let them set their own prices.

About 50 employees of the five companies had been trained in the past week, enabling the local dealers to maintain and service Compaq's products.

The dealers would not be allowed to appoint sub-suppliers and Compaq intended to end grey-market supply by cancelling its contracts with any US or UK dealers it found were selling to SA illegally, Harris said.

Compaq was formed in 1982 by Texas Instruments engineers Rod Canon, Bill Murto and Jim Harris.

America's top firms are still shying away from SA, says **Hugh Robertson**

## US investors hedge their bets

Star 22/8/91

A survey of more than 40 company executives, business consultants, bankers and government officials has pinpointed the reasons why United States companies continue to be wary about investing in South Africa six weeks after the lifting of sanctions — and why some which still have direct investments in the country feel that they may yet withdraw after withstanding more than a decade of pressure to disinvest.

The survey was conducted by the Investor Responsibility Research Centre, an independent and non-profit corporation which provides impartial analysis on business and public policy issues for 400 of the top institutional investors in the US. The results are contained in a report, "US Business in Post-sanctions South Africa: The Road Ahead", which is to be published shortly.

A grim prognosis in the report is that even if South Africa were to fulfil all the requirements of US investors, the country would face stiff competition for investment, especially from Eastern Europe, China and South America.

Uncertainty about South Africa's political and economic future predictably has emerged as one of the two major deterrents to new US investment.

"The US business community has questions not only about what South Africa's new political system will be, but also how its economy will be managed. US companies want to be sure that they will have room to operate, that their assets won't be nationalised and that the new government will lay out a set of rules they can play by that will not be subject to constant change," the report says.

It finds that the other major deterrent to investment is the web of county, city and state sanctions now enforced throughout the US. "Those laws have been a far greater deterrent to US companies than federal sanctions," the report

says, adding: "Several state and local entities have already made it clear that they think President Bush acted too soon in lifting sanctions, and say they won't follow suit until there has been more reform in South Africa."

Violence also features prominently as a reason why US firms are wary about investing, and the report comments: "Several representatives of US companies that still have direct investment in South Africa point to the violence as the one thing that could force them out of the country after weathering more than a decade of disinvestment pressure."

But even if all these problems were removed, including all local sanctions in the US, "it is not at all clear that at a time when foreign investments funds are limited, South Africa is where US companies will choose to invest."

"Many companies are focusing their foreign investment resources on the emerging markets of Eastern Europe, China, Latin America and the new streamlined version of Western Europe that will debut in 1992, which all offer either far larger consumer markets or less domestic political risk."

The survey pinpointed some "significant bellwethers" which US business leaders believe could influence them to invest in South Africa, the most important being the signing of OPIC and IMF agreements. Such agreements would be "an important signal to firms that the US government is willing to place its faith in South Africa's future".

In a segment devoted to market opportunities in the country, the report says: "It is widely agreed that the emerging black consumer market will provide the best opportunities."

"Other promising areas are tourism and jewellery which are not capital intensive and entail less risk if the investment is lost."

— Star Foreign Service. □



## OPENING UP THE MIDDLE EAST

280

**Officially,** Islamic countries in the Middle East take a hard line against trade and investment links with SA; some do not even allow their citizens to visit SA. But this week, several officials and business leaders from the region flew into Jan Smuts to attend a symposium in Pretoria on doing business with SA.

Unofficially, of course, SA has long done deals with the Middle East. Though it is never acknowledged, SA imports most of its oil from the Gulf States and, in turn, sells arms and many other products to countries in the region. The day-long symposium is a step towards forging formal business ties that would be far more extensive and lucrative.

The symposium, arranged by the Department of Foreign Affairs and the SA Foreign Trade Organisation (Safto), was expected to attract more than 100 local business leaders. Foreign Affairs Director-General Neil van Heerden was scheduled to chair the gathering, while Sir Anthony Parsons, top Middle East consultant to the Thatcher government, and

Geoffrey Hancock, a UK specialist on Iran, Iraq and the Gulf, were set to speak.

The reason for the interest in the event and why it was to be closed to the press and a ban placed on advance publicity, was the presence of the representatives from Egypt, Saudi Arabia, Iran, Oman and other Middle East states. An official from Israel also was to attend.

With reforms proceeding and sanctions eroding, SA got its foot in the Middle East door after the Gulf War, when Safto formed its Gulf Business Development initiative and encouraged local companies to bid on the many reconstruction projects underway in Kuwait. Through that contact, Safto realised there were many other trade and investment opportunities in the region, says Martin Smith, Safto's manager for the southern hemisphere.

Bringing relations above ground will widen trade links enormously. "Total bilateral trade in this region is worth US\$227bn," Smith says. "SA exporters will find trade doors are opening up to them in these lucrative markets."

# Suzman criticises sanctions

(260)

Political Staff  
23/8/91

SANCTIONS had to bear part of the blame for the terrible violence in South Africa, veteran civil rights campaigner Mrs Helen Suzman said last night.

It was time for some of the neighbouring states and for the Organisation of African Unity "to come clean"

on the sanctions issue, she said in her presidential address to the South African Institute of Race Relations in Johannesburg.

"There is only one word to characterise the position of governments that trade briskly with South Africa while at the same time advocating trade and other sanctions against her, and that word is hypocrisy."



### **'Maintain sanctions'** (280)

■ The AFL-CIO this week called on US President George Bush to reconsider the lifting of economic sanctions against South Africa and said that all existing sanctions, including those of the International Monetary Fund, should be maintained. *Wim*

*23/8-29/8/91*  
The call of the international trade union federation follows recent disclosures of secret government funding to Inkatha and the United Workers' Union of South Africa.

# Uncertainty on future curbs cash flow US investors fear nationalisation

*Sowetan 26/8/91*

*280*

WASHINGTON - A survey of more than 40 company executives, business consultants, bankers and government officials has pinpointed the reasons why United States companies continue to be wary about investing in South Africa.

The survey comes six weeks after the lifting of sanctions and indicates why some organisations which still have direct investments in the country feel that they may yet withdraw after withstanding more than a decade of pressure to disinvest.

The survey was conducted by the Investor Responsibility Research Centre, an independent and non-profit corporation which provides impartial analysis on business and public policy issues for 400 of the top institutional investors in the US.

The results are contained in a report, "US Business in post-sanctions South Africa: The Road Ahead", which is to be published shortly.

A grim prognosis in the report is that even if South Africa were to fulfil all the requirements of US investors, the country would face stiff competition for scarce foreign investment, especially from eastern Europe, China and South America.

Uncertainty about South Africa's political and economic future predictably has emerged as one of the two major deterrents to new US investment.

"The US business community has questions not only about what South Africa's new political system will be, but also how its economy will be managed.

"US companies want to be sure that they will have room to operate, that their assets won't be nationalised and that the new government will lay out a set of rules they can play by that will not be subject to constant change," the report says.

It finds that the other major deterrent to investment is the web of county, city and state sanctions now enforced throughout the US.

"Those laws have been a far greater deterrent to US companies than federal sanctions," the report says, adding: "Several state and local entities have already

made it clear that they think President Bush acted too soon in lifting sanctions, and say they won't follow suit until there has been more reform in South Africa."

Violence also features prominently as a reason why US firms are wary about investing, and the report comments:

"Several representatives of US companies that still have direct investment in South Africa point to the violence as the one thing that could force them out of the country after weathering more than a decade of disinvestment pressure."

But even if all these problems were removed, including all local sanctions in the US, "it is not at all clear that at a time when foreign investments funds are limited, South Africa is where US companies will choose to invest.

"Many companies are focusing their foreign investment resources on the emerging markets of eastern Europe, China, Latin America and the new streamlined version of western Europe that will debut in 1992, which all offer either far larger consumer markets or less domestic political risk."

The survey pinpointed some "significant bellwethers" which US business leaders believe could influence them to invest in South Africa, the most important being the signing of OPIC and IMF agreements.

Such agreements would be "an important signal to firms that the US government is willing to place its faith in South Africa's future."

In a segment devoted to market opportunities in the country, the report says: "It is widely agreed that the emerging black consumer market will provide the best opportunities.

"Other promising areas are tourism and jewellery which, like the consumer products industry, are not capital intensive and entail less risk if the investment is lost.

"But US companies looking to re-enter the South African market will have to assess the cost and difficulty of re-establishing a market presence and whether it makes the most sense for them to do so through direct investment or non-equity ties." - *Sowetan Correspondent.*



# Sanctions lift hasty - PAC

280

*Sowetan* 24/8/91

UNWARRANTED euphoria at recent developments in South Africa had led to the premature lifting of some sanctions, Pan Africanist Congress president Clarence Makwetu said yesterday.

He was addressing a one-day Southern African Development Co-ordinating Conference summit in Arusha, Tanzania.

Zimbabwe's *Ziana* news agency reported Makwetu spoke on behalf of South Africa's liberation movements.

"When we in the liberation movement warn about unwarranted euphoria, we seek to forestall such setbacks as the recent premature lifting of sanctions," he told the 10 heads of state. - *Sapa*.

# States urged to start lifting local boycotts

Star 24/8/91

280

By Hugh Robertson  
Star Bureau

WASHINGTON — The 27 states in the US that enforce sanctions against South Africa have been urged by their national association to begin a phased withdrawal of restrictions as progress is made in negotiations.

This is the first move to ease a complex web of local sanctions which, according to a new survey of more than 40 leading US companies, have proved a far greater deterrent to trade and investment than the federal sanctions lifted by President Bush six weeks ago.

At this stage the move is restricted to a recommendation by the National Conference of State Legislatures — a body that represents all state authorities and co-ordinates policies and programmes. But it is the first time that a formal and coherent policy has been framed for the dismantling of local sanctions.

Until now individual states and cities have enforced a haphazard and varied set of restric-

tions and, unlike federal sanctions, they usually did not contain "sunset clauses" setting out conditions that would have to be met before they were rescinded.

The recommendation — agreed to by an overwhelming majority in a formal resolution at the NCSL's annual congress — is not specific. But it declares that "as official negotiations commence, including but not limited to the South African Government and the ANC, NCSL encourages the states to phase in socially responsible investments in South Africa".

The resolution adds: "The final phase in ending all state sanctions could occur with the establishment of a new constitution which includes full democratic participation and one person, one vote elections."

In apparent contradiction, the resolution also calls on states to maintain "a continuing level of efforts and actions" to bring about a rapid end to apartheid in South Africa, including calls for the disinvestment of state funds from companies that do business in South Africa.

But this clause of the resolution is regarded as "standard rhetoric" aimed at appeasing

some hardline states.

The resolution coincides with a major new study on US investment in South Africa which found that six weeks after the lifting of federal sanctions there had been little, if any, new investment in South Africa.

The survey, conducted by the Investment Responsibility Research Centre, a non-profit corporation that gives impartial advice on public policy to more than 400 US companies, found that local sanctions were a far greater deterrent to new investment and trade than the federal sanctions lifted by President Bush.

A report detailing the survey findings is to be published soon in tandem with a new report updating the maze of county, city and state sanctions, how they work, and the differences between them.

One of the IRRC findings that rings new alarm bells for SA is that many US companies that still have direct investments in South Africa may yet withdraw from the country — in spite of resisting a decade of pressure to get out — because of the continuing violence.



## US waits for 'signal' before sanctions lift

JOHANNESBURG. — United States sanctions will remain against South Africa until the US received a "signal" from South African leaders, including ANC president Nelson Mandela, two senior US senators said in Johannesburg today.

Senator Paul Simon, chairman of the US Senate Foreign Relations Sub-committee on Africa, and Senator Charles Robb, both of the Democratic Party, were speaking at Jan Smuts Airport at the end of a three-day visit. (280)

"I think the political reality is there will not be a change in the US law until we get that signal from both sides here," Senator Simon said.

He added the US wanted to keep some pressure on to move ahead. A/C 28/8/91

# Sanctions: US awaits a 'signal'

(280) CT 29/8/91

JOHANNESBURG. — US sanctions against South Africa will remain in place until the US receives a "signal" from ANC president Mr Nelson Mandela and other South African leaders, two senior US senators said here yesterday.

Senate Foreign Relations Sub-committee on Africa chairman Senator Paul Simon and Senator Charles Robb, both of the Democratic Party, were addressing a media conference at Jan Smuts Airport at the end of a three-day visit.

"I think the political reality is there will not be a change in the US law until we get that signal from both sides here," Senator Simon said.

"We candidly want to keep some pressure on to move ahead," he added.

Asked to elaborate on what kind of signal the US expected, he said: "I can't tell you the precise form, but if, for example, we were to receive a message from half-a-dozen key leaders, including say three key white leaders, including President (F W) de Klerk, and three key black leaders, including Mr Nelson Mandela, that would clearly be something that I think we would respond to."

## Optimism

The two senators met a wide range of political leaders during their trip, including Constitutional Development Minister Dr Gerrit Viljoen, Foreign Minister Mr Pik Botha, Inkatha Freedom Party leader Chief Mangosuthu Buthelezi, Dr Andries Treurnicht of the Conservative Party and Mr Mandela of the ANC.

While the senators were optimistic about the country's future, they warned that "violence is a barrier to the breakthrough you need", and welcomed next month's planned peace summit. — Sapa





Expected in SA ... Nobel literature prize winner Wole Soyinka (above) from Nigeria and German author Gunther Grass.



## Wits writers conference could end SA's isolation

By Brian Sokuthi

In a move that could lead to an end to South Africa's cultural isolation, world-renowned writers will take part in a historic conference at the University of the Witwatersrand in December.

At least 60 writers representing countries in Africa, Europe, America and Asia will take part in the event which will be hosted by the New Nation newspaper.

Guest writers will run workshops in other regions of the country.

The International Writers Conference, which begins on December 1, would be funded by foreign writer's organisations and local businessmen, New Nation editor Zwelakhe Sisulu said yesterday.

"It is now time for cultural activists to interact. With the changes taking place in the country New Nation had to redefine its role. We will now focus on culture and education and this conference is a series of many still to come."

Titled "Making Literature Reconstruction in South Afri-

ca", the conference aims to unite writers worldwide, including some of Africa's prominent writers like Chinua Achebe, Buchi Emecheta, Wole Soyinka, Ngugi WaThiongo and Yusuf Idris.

Other top delegates include Linton Kwesi Johnson from Britain, Augusto Boal from Brazil, Gunther Grass from Germany and Per Wastberg from Sweden.

Veteran South African author Nadine Gordimer, who on Tuesday won her fourth CNA Literary Award for her novel, "My Son's Story", is one of the organisers of the conference.

Others are Professor Njabulo Ndebele, head of the department of literature at Wits and president of the Congress of South African Writers (Cosaw), Sipho Sepamla, director of the Federation of United Black Artists (Fuba), Barbra Masekela from the ANC's cultural department, Professor Es'kia Mphahlele, retired head of the department of literature at Wits and Andries Oliphant, editor of Cosaw publications.



# 'Give US sign, or sanctions stay'

By Brian Sekutu

280

Sanctions will remain in place until Americans receive a clear signal from all major players in the South African peace process that they should be lifted.

This was the message from US senators Paul Simon and Charles Robb who yesterday ended their two-day trip to SA.

At Jan Smuts Airport the senators said they were optimistic about South Africa's future.

Asked to elaborate on the signals the US hoped to receive from South African leaders before lifting sanctions, Mr Simon said the American government would not be prescriptive on the major players in the peace process "but if we get a message from Mr de Klerk, Mr Mandela and other leaders that there is change, we will lift them".

The senators met various political leaders, including Conservative Party leader Dr Andries Treurnicht, during their visit.

Commenting on his meeting with Dr Treurnicht, Mr Simon said: "We had a chance to understand their perspective. What we did do is encourage everyone, including Dr Treurnicht, to participate in the negotiations.

"And Dr Treurnicht did not rule out participation. I think that was the encouraging part,"

Mr Simon said.

He was confident that no one either from the Right or the Left could scuttle the peace process.

Mr Simon hoped that the peace process would move forward expeditiously on a new constitution.

He said: "Right now South Africa has key sectorial leaders who are committed to working together for the future, leaders who are not ideologues. That may not always be the situation. Human life is fragile.

"An opportunity not seized when the time is right may be an opportunity that can never be seized."

He said his government shared with South African political leaders they had met a serious concern on the subject of violence.

"We come from a nation that also has too much violence. But at this key point in your history, violence is a barrier to the breakthrough you need."

The senators welcomed next month's planned peace summit on violence.

Mr Simon said confidence had to be restored in the security forces, who were accused by many leaders they met of fomenting violence.

The US senators said South Africa, like America, had a significant underclass whose needs had to be addressed "if our two nations are to achieve their economic potential".



American message . . . economic curbs will stay until there is a clear signal they should be lifted, senators Paul Simon (left) and Charles Robb said yesterday.

Picture: Jacob Rykliff



## Germans slammed on finance to SA govt

JOHANNESBURG. — The ANC yesterday slated moves by the German-based Deutsche Bank for a public bond issue to raise finance for the South African government as a contravention of financial sanctions against Pretoria which could stall the negotiation process. (288)

The ANC also appealed to the Deutsche Bank and all international financial institutions, particularly those in Europe not to subscribe to the bond issue.

It also called on the the anti-apartheid movement to do all that it could to put a stop to the bond issue until the negotiation process was completed and SA was truly on the road to freedom and democracy. et 30/8/91

"This premature public bond issue will take pressure away from the apartheid government at this critical time in the process towards a democratic society," an ANC statement said.

It said it was concerned that once a public bond issue had been made, it could not be easily withdrawn.

# Scandinavia and SA shake hands on trade

By Michael Chester

The South African Chamber of Business (Sacob) yesterday launched into a new programme to restore normal trade relations with Scandinavia — long a key bastion in the sanctions blockade intended to isolate South Africa until it scrapped apartheid.

Moves towards better economic links were taken with the establishment of a new Scandinavian-South African business association, to be known as Scansacom.

An inaugural conference in Oslo was told by Sacob director-general Raymond Parsons that, given international co-operation, southern Africa could be on the threshold of a new era in economic development.

South Africa, he said, was an obvious gateway to trade expansions in the region.

"Southern Africa has to be re-discovered by the outside world in the light of recent political and economic changes," he said.

"Foreign businessmen and overseas agencies need to adjust to new realities emerging in South Africa."

Political changes in the Soviet Union and among its East Europe satellites marked an end to communist interventionist policies in Africa, and in turn were blowing new "winds of change" over the subcontinent, Mr Parsons added.

## Benefits

The new prospect of co-operation between the major economic players in Africa (Nigeria, Egypt, Kenya and South Africa) could treble the economic growth of South Africa by the end of the 1990s — with benefits spreading to the rest of the continent.

Now that apartheid had been removed, the Development

Bank of Southern Africa was far better equipped to act as a catalyst to economic expansion in the region by the allocation of investments from overseas.

Investors in Scandinavia, Mr Parsons said, should also investigate the possibilities of forming business partnerships with budding black entrepreneurs.

"The increasing role of black businessmen should not be under-estimated in forging economic links across Southern Africa," said Mr Parsons.

"There is a considerable pool of black business skills available in South Africa to strengthen black economic empowerment through regional development."

Improvements in international trade relations were also highlighted in Johannesburg yesterday when Warren Clewlow, chairman and chief executive of Barlow Rand, addressed the South Africa/Britain Trade Association. However, there were new threats as well as new opportunities.