SANCTIONS — 1991

SEPT. — NOV

'Sanctions power' forced NP change

(280) CT 4/9/91

Own Correspondent

BLOEMFONTEIN. — International sanctions had forced the NP to change its apartheid policies to those of power-sharing and negotiation, Justice Minister Mr Kobie Coetsee said yesterday.

He said it was a big moment for the government when the US repealed the Comprehensive Anti-Apartheid Act (CAAA) in July.

Mr Coetsee's address to the opening of the NP Free State congress was the first public acknowledgement by a senior government minister that the government had buckled under the pressure of economic sanctions and that its change of direction two years ago was not solely due to "seeing the light".

He said less than two years ago South Africa was in a political and economic cul de sac and all agricultural produce had to be marketed and sold internationally under bogus "front names".

These sanctions-busting methods were common in every aspect of the economy, but South Africa was being crippled as a result of sanctions.

There were severe limitations on overflying and landing rights for South Africa.

While the ANC and the PAC had free admission to almost all countries and their governments, South African officials were merely permitted in some instances to slip into countries abroad and peek through the back door.

Then at the end of 1989 the NP, with President F W de Klerk at the helm, realised that as a party and a government their options were extremely limited. Stagnation and rot stared them in the face, Mr Coetsee said.

It was at this point that the NP decided it had to change direction and start moving into a new South Africa. It meant that policies it had devised had to be reformed, changed and in some cases discarded.

Sanctions made us change — Coetsee

(280)

B/Day 4/9/91.

BILLY PADDOCK

BLOEMFONTEIN — International sanctions had forced the NP and government to change their apartheid policies to those of power-sharing and negotiation, Justice Minister Kobie Coetsee said yesterday.

He said at the opening of the NP Free State congress that it was a big moment for government when the US repealed the Comprehensive Anti-Apartheid Act (CAAA) in July. But this did not just happen by itself.

"We worked to have that law lifted. We were absolutely convinced that this Act had to fall so that the SA government could also gain access to the facilities of the IMF," he said.

Coetsee's address was the first public acknowledgement by a senior government Minister that government had buckled under the pressure of economic sanctions and that its change of direction was not solely due to "seeing the light".

He said less than two years ago SA was in a political and economic cul-de-sac and all agricultural produce had to be marketed and sold internationally under bogus "front names".

There were severe limitations on overflying and landing rights for SA.

While the ANC and the PAC had free admission to almost all countries and their governments, SA officials were merely permitted in some instances to slip into countries abroad and peek through the back door.

Sanctions-busting methods were common in every aspect of the economy, but SA was being crippled as a result of the economic sanctions.

Then, at the end of 1989, the NP realised that as a party and a government its options were extremely limited.

Stagnation and rot stared them in the face, Coetsee said.

The NP had a policy of power-sharing but no one internally, even those the NP was supposed to be sharing power with, wanted to buy the product because so many other parties were excluded and they were being called sell-outs. Government's policies were totally unmarketable internationally as well, Coetsee said.

It was at this point the NP decided it had to change direction and start moving into a new SA. It meant that policies it had devised had to be reformed, changed and in some cases discarded.

Moreover this had to be done with the full co-operation of all South Africans.

Now interesting new vistas were beckoning. "As Dr John Vorster said, 'new doors were opening to us'," he said.

He said he was proud that his department was involved in meeting the terms of two of the major preconditions that had to be met for the CAAA's repeal — the reform of security legislation and the release of political prisoners.

Danish group eyes SA market

SEAN VAN ZYL

GLOBAL trade group East Asiatic Company (EAC) was preparing to move into the SA consumer distribution market on expectations that Danish trade sanctions against SA would fall away soon, sources said this week. B/Day

A trade delegation from Denmark, due to arrive in SA later this month, is expected to make recommendations that could see the Scandinavian country's freeze on trade with SA falling away by the end of October. 5/9/91

EAC (SA) MD Niels Horn said a senior executive of the Danish parent company's management committee arrived in SA last weekend to discuss the group's expansion plans.

However, the advent of sanctions prevented EAC from expanding its interests further, he said.

EAC's only interest in SA at present is EAC Graphics, which markets printing equipment and supplies.

However, the international group, with sales of about 17,8-billion Danish kroner last year, had a diversified global trading network marketing world-brand products from computers to canned meat.

Horn said EAC had built a strong trading network in African countries such as Kenya, Nigeria, Malawi and Tanzania. 280

The Danish company would look at establishing a similar trade agency in SA to export and market local products through its network. 702

In addition, he said EAC might import world-brand products already secured by the group.

Although he would not be specific, Horn indictated EAC could inject "millions of rands" into SA through the expansion project.

Consortium's offer permitted

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Banks warned on bonds for SA

(280)

CT 5/9/91

Own Correspondent

LONDON. — Two of the biggest borrowers in the international bond market, both Canadian, have warned banks that they risk losing their business should they participate in a planned Eurobond issue for South Africa.

But one major bank affected, Germany's Deutsche Bank, confirmed yesterday that while this "could have an impact on the issue of the bonds, exploratory discussions with the SA government were continuing".

A Deutsche Bank spokesman said from Frankfurt yesterday that the bank's announcement that discussions with SA were continuing was made in the full knowledge of the position of the two Canadian borrowers.

Province of Ontaria and Ontario Hydro both have a policy of excluding from their bond syndicates any bank "which has participated in underwriting new loans to SA", the Financial Times reported yesterday.

Loans in sight and sanctions seen to be easing

280

ARG 7/9/91

PETER FABRICIUS
Weekend Argus Political Staff

COMMWEALTH sanctions against South Africa will begin easing after the Commonweaalth leaders meet in Harare next month.

This was predicted by President De Klerk last night. He said some of the remaining sanctions were under review "and a more positive approach from the Commonwealth has not been ruled out".

He was delivering the C R Swart Memorial lecture at the University of the Orange Free State in Bloemfontein.

And, in Durban, Minister of Finance Mr Barend du Plessis told the National Party's Natal congress that South Africa was beginning to secure foreign loans.

This meant that when the next economic upswing occurred — and the economy was already showing signs of improving — it would be sustained.

Mr Du Plessis said that since financial sanctions had been imposed against South Africa, economic upswings had all been abbreviated.

This was because upswings stimulated imports and strained the balance of payments, which would be cushioned if South Africa was able to secure enough foreign loans.

Mr De Klerk said in Boemfontein that South Africa's international position was beginning to change "dramatically", although it was not yet normal.

Real breakthroughs had been made against sanctions and other international restrictions, including:

- Some trade sanctions had already been lifted, especially those imposed by the European Community and the USA;
- Doors were opening in fields like tourism, culture, sport and science;
- Rights to fly over Africa had been granted; and
- Foreign investment was slowly becoming a reality.

The industrial countries now saw South Africa as the key and gateway to Africa, and the enormous potential of Southern Africa had caught their imaginations.

South Africa was normalising its relations with Africa.

Even during 1986, when the sanctions campaign was still gaining momentum, the preferential trade agreement with Zimbabwe was amended to allow easier access to South African markets for Zimbabwean products.

Limited customs tariff concessions were recently granted to Mozambique, which had signed a trade agreement with South Africa.

There were now formal South African trade representatives in Zimbabwe, Malawi, Lesotho, Swaziland, Mozambique, Namibia, Zaire, Ivory Coast, Madagascar, the Comores and Rwanda.

Good progress was being made in establishing trade representatives in other African countries and Namibia had joined the Southern African customs union.

Mr De Klerk said he and other cabinet ministers had made extended visits in Africa.

Everywhere the signs of normalisation were noticeable.

All this progress was particularly significant because the powers and forces pleading for international isolation had not stopped doing do.

- This is borne out by reports from London that the new Commonwealth secretary-general, Chief Emeka Anyaoku, wants anti-apartheid sanctions to remain in force until a new, democratic South Africa is a prospect.

Chief Anyaoku appeared to reject the view from sections of the Commonwealth that sanctions against South Africa should be lifted as a reward for reforms introduced by President De Klerk.

Chief Anyaoku said: "Apartheid will not be dead and buried until a new political dispensation gives the South African majority full voting and constitutional rights.

"Until this is achieved, or at least is clearly in sight, it would be inappropriate to remove all international pressure without which the universally welcomed process of change could certainly not have been initiated."

Chief Anyaoku said: "The Pretoria government cannot be a player and a referee for the transition process. The Commonwealth will remain ready to facilitate the negotiations."

Commonwealth set to review restrictions FW

(280) Star 7/9/89.

THE State President, Mr F W de Klerk, has hinted that he expects the Commonwealth to start easing sanctions against South Africa when its leaders meet in Harare next month.

Mr de Klerk said last night that some of the remaining sanctions against South Africa were under review "and a more positive approach from the Commonwealth has not been ruled out".

He was delivering the C R Swart memorial lecture at the University of the Orange Free State in Bloemfontein.

And in Durban, Finance Minister Barend du Plessis told the National Party's Natal congress that South Africa was starting to secure foreign loan capital.

This meant that when the next economic upswing occurred — and the economy was already showing signs of improvement — it would be sustained.

Mr de Klerk said in Bloemfontein that South Africa's international position was beginning to change dramatically. Although the country could not yet claim that its international relations were normal, good progress had been made.

Real breakthroughs had been made against sanctions and other international restrictions, including:

- Certain trade sanctions had already been lifted, especially those of the European Community and US.

PETER FABRICIUS
Political Correspondent

- In other fields, such as tourism, culture, sport and science, doors were starting to open.
- South Africa had acquired overflight rights in Africa.
- Foreign investment was slowly becoming a reality.

Industrial countries now saw South Africa as the key and the gateway to Africa, and the enormous potential of southern Africa had caught their imagination.

South Africa was busy normalising its relations with Africa.

Even during 1986, when the sanctions campaign was still gaining momentum, the preferential trade agreement with Zimbabwe was amended to allow easier access to South African markets for Zimbabwean products.

Limited customs tariff concessions were recently granted to Mozambique, which had signed a trade agreement with Pretoria.

There were now formal South African trade representatives in Zimbabwe, Malawi, Lesotho, Swaziland, Mozambique, Namibia, Zaire, Ivory Coast, Madagascar, the Comoros and Rwanda.

Good progress was being made in establishing trade representatives in other African countries. Namibia had joined the southern African customs union.

Mr de Klerk said he and other Cabinet Ministers had undertaken extended visits in Africa. Everywhere the signs of normalisation were noticeable. "There is a new feeling of hope throughout the continent, a hope based on expectations of a successful new South Africa."

All this progress was particularly significant because the forces pleading for international isolation had not stopped doing so.

SIMON BARBER's Washington Diary

S/Times 8/9/91 280

IN lifting the Comprehensive Anti-Apartheid Act's sanctions on July 10, President George Bush also promised to increase SA's 1992 aid allotment to $80-million (R228-million), from the current $30-million (R85-million), or $40-million (R114-million) if you count the funds that are at last starting to be spent on equipping ANC and Inkatha offices under the long stalled Transition to Democracy Project.

Bush further announced that he would like to see some of the new money spent on black housing, a formerly taboo idea now acceptable because of the repeal of the Group Areas Act and because ANC president Nelson Mandela has himself endorsed it.

Since then, neither the State Department nor the US Agency for International Development have given Congress, which holds the purse strings, the slightest clue to how they think the money should be spent, leading many to believe that the president's promise was little more than a rhetorical trope.

Without any guidance from the administration, let alone lobbying, it now seems entirely likely that the extra money will not be forthcoming.

In the course of negotiations last week between House and Senate staff members on the 1992 foreign aid bill, there were growing signs of consensus against any substantial increase over current levels.

THE majority Democrats are worried the new money will be taken out of the hide of other African countries, which they deem to be more deserving than "wealthy" South Africa. Meanwhile, the Republicans are not prepared to go to bat for something their president has not asked for specifically.

They are also peeved that the Democrats seem to be shying away from a proposal by one of the own, Senator Edward Kennedy, that would permit US funds to be channelled through entities supported by the South African government — the universities of the Western Cape and the Transkei, for example, or Jan Steyn's housing trust.

In addition, there is something of a logjam over language passed by the House that would bar any organisation affiliated to the SACP from receiving funds. Republicans by and large like the idea. Democrats, fearing that it might be applied to the ANC, want to see the thing either killed or severely watered down.

Ideological disputes aside, none of this augurs particularly well for Congressman Stephen Solarz's multi-billion dollar light-at-the-end-of-the-tunnel plan under which heroic quantities of aid — albeit raised on a multi-national basis — would be dangled as an incentive to speed the transition to a new, non-racial government.

Given current budget constraints, not to mention the likelihood that considerable new sums will have to be found to bail out the Soviet dis-Union, South Africa is simply not a priority case, even prospectively.

On the whole, this is an excellent state of affairs and the country should be grateful. It would be happier still if all foreign grants were to cease forthwith.

Reliance on such kindness is not only a symptom of failure, it is, as British economist PT Bauer has so long vainly pleaded, a cause of it. The reason is simple. Aid provides a cushion to protect bad governments against their folly.

Run decently and in such a way that attracts genuinely productive investment, South Africa should be perfectly capable of meeting the needs of its people.

EVERY scholarship foreign governments provide, every house they help pay for, every cent they pump into good works of various kinds, every developmental pseudo-bank they capitalise, every promise of future largesse they make is just one more disincentive against South Africans getting their own act together.

Insofar as it restrains Washington's urges to be caring and helpful, long live the budget deficit. May the great foundations like Ford and Rockefeller suffer cash crunches, too.

Sanctions were a success — bishops

MODDERPOORT. — Anglican bishops are to convene an urgent consultation how sanctions should be lifted so as to bring the maximum possible benefit to all South Africans.

They also want to discuss ways how sanctions could be promoted so as to bring about a statement issued yesterday, the churches' Synod of Bishops said. "We are anxious to promote new investment on a basis which empowers the economically disadvantaged and development."

In a statement issued yesterday, the bishops recommended to disinvestment by Archbishop Desmond Tutu, has been meeting at a Modderpoort in the Free State.

The synod includes bishops from Lesotho, Mozambique, Namibia, South Africa and Swaziland.

The statement, the bishops said it was their contribution to an ongoing discussion on sanctions, which Mr Kobie Coetsee, last week, that sanctions had forced the government to change its policy.

In their statement the bishops said: "We should like to explore the possibility of linking the lifting of sanctions to the achievement of clearly defined objectives.

"For instance, foreign investment is crucial to South Africa's future. It is highly unlikely that the climate or will be improved by the imposition of further sanctions.

"We feel that the imperative of ending the violence and instability in South Africa is the overwhelming priority. It is imperative that the government acts to stop the violence effectively to stop the urgently violence and Steps towards this end could be one of the objectives' planned to ensure the protection of recognition and

The conference discussed the violence and intimidation in the Free State. Motlatsi said "In past prosperity, the allocation of business and development has been controlled by interests and the main benefit by whites of growth have been claimed by whites.

"Huge sums of money have been wasted on maintenance of apartheid, particularly on the military and infrastructure. "We are anxious to promote larger initiatives which will empower the economic empowerment of black South Africans — Sapa.

Anglicans to review curbs

Sowetan 9/9/91

280

By ISMAIL LAGARDIEN
Political Correspondent

BLACKS must be the main beneficiaries of foreign investment, the Anglican Church's Synod of Bishops resolved yesterday.

In an about turn the synod, under the leadership of Archbishop Desmond Tutu, agreed that sanctions had served their purpose, and that the time had come to review the feasibility of continuing them.

In this regard, the synod has proposed that a consultative conference be held to discuss lifting sanctions and how best new investments in South Africa should be used.

The Anglican church has always been in favour of sanctions as a peaceful means of combating apartheid. The about turn came after the admission by Justice Minister Kobie Coetsee in Bloemfontein last week, when he said that economic sanctions had made Government abandon apartheid.

Instability

The synod, which met at Modderpoort in the Free State, resolved that foreign investment was crucial for the redevelopment of South African society.

However, the violence and instability in the country was the biggest obstacle for potential investors, and it was up to the Government to act swiftly to end the violence.

The synod agreed that a "consultation" was to be convened as a matter of urgency to investigate the channeling of new investment in new ways.

"In the past, the allocation of incoming investment has been controlled by business and Government interest, dominated by white South Africans, and the main beneficiaries of growth have been whites.

"We are anxious that sanctions should be lifted as soon as possible but we are aware that, for the vast majority of South Africans, the changes of the past 18 months have brought little if any tangible improvement to their daily lives.

"We decided that, in view of the complex issues involved, we would convene as a matter of urgency a consultation with appropriate experts representing diverse opinions," a spokesman for Tutu's office said.

Anglican bishops meet to discuss lifting of sanctions

(280)

Star 9/9/91

MODDERPOORT — Anglican bishops are to convene an urgent consultation in this Free State town to discuss "when and how sanctions should be lifted so as to bring the maximum possible benefit to all South Africans".

They also want to discuss "how best new investment could be channelled to ensure that it promotes reconstruction and development".

They added in a statement issued yesterday: "We are anxious to promote new investment on a basis which will further the economic empowerment of black South Africans."

The church's Synod of Bishops, headed by Archbishop Desmond Tutu, has been meeting at a church conference centre at Modderpoort.

The synod includes bishops from Lesotho, Mozambique, Namibia, South Africa and Swaziland.

In their statement, the bishops said it was their conviction that sanctions had been a success. They pointed to the recent admission by Minister of Justice Kobie Coetsee that sanctions had forced the Government to change.

Now, they continued: "We should like to explore the feasibility of linking the lifting of specific sanctions to the achievement of clearly defined objectives.

"For instance, foreign investment is crucial to South Africa's future but it is highly unlikely that it will be forthcoming in the current climate of violence and instability. It is imperative that the Government acts urgently and effectively to stop the violence. Steps towards this end could be one of the objectives considered ..."

Motivating their proposal to investigate the channelling of investment in new ways, they said: "In past periods of prosperity, the allocation of incoming investment has been controlled by business and government interests dominated by white South Africans, and the main beneficiaries of growth have been whites."

The bishops said in their statement that they were "anxious that sanctions should be lifted as soon as possible" but said they were aware that for the vast majority of South Africans, the changes of the past 18 months had brought little tangible improvement to their daily lives.

The bishops decided that in view of the complex issues involved, they would urgently convene a consultation with appropriate experts representing diverse opinions.

They said the purpose of this consultation would be:

- To examine the past impact of sanctions in persuading the South African Government to abandon apartheid.
- To seek advice on when and how sanctions should be lifted so as to bring the maximum possible benefit to all South Africans.
- To discuss how best new investment could be channelled to ensure that it promotes reconstruction and development.

The bishops noted that "some people hold sanctions solely responsible for unemployment, squatting, slums, poverty and all manner of social evils in South Africa."

However, in their view, apartheid had been the primary cause of these problems, all of which existed long before sanctions were imposed.

They said they would like to explore the feasibility of linking the lifting of specific sanctions to the achievement of clearly defined objectives.

For instance, they said, foreign investment was crucial to South Africa's future but it was unlikely that it would be forthcoming in the current climate of violence and instability.

It was imperative that the Government acts urgently and effectively to stop the violence. Steps towards this end could be one of the objectives considered, they said. — Sapa.

Officials fear violence could derail bid to scrap sanctions

(280) ARGT 11/9/91

OTTAWA. — Canada will likely press for an easing of sanctions against South Africa during a meeting of Commonwealth foreign ministers in New Delhi tomorrow and Friday, said a Canadian External Affairs Department official.

But officials are worried that violence could derail support for South Africa as it ends apartheid.

Canada's Minister of External Affairs, Mrs Barbara McDougall, is chairing the meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa, which groups ministers from Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe.

The meeting will review progress made towards dismantling apartheid and will likely make recommendations for further action, which could include lifting economic sanctions, to be considered by the Commonwealth heads of government meeting in Harare from October 16 to 22.

"My colleagues and I will review the Commonwealth's role in support of peaceful change in South Africa," Mrs McDougall said. "We will be looking at the range of measures, including sanctions, that are available to see such change accomplished as soon as possible."

The Canadian government feels 90 to 95 percent of the process of reform has been completed. — Sapa-Reuter.

P O BOX 4005
KWANOBUHLE TOWNSHIP
6242
UITENHAGE

Canada seeks sanctions lift

(280) Star 11/9/91

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But officials are worried that violence could derail support for South Africa as it ends apartheid.

Canada's Minister of External Affairs, Barbara McDougall, is chairing the meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa, which groups Ministers from Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe.

The Ministers' two-day meeting would review progress made towards dismantling apartheid and would likely make recommendations for further action — which could include lifting economic sanctions — to be considered by the Commonwealth heads of government meeting in Harare from October 16 to 22, the official said.

"My colleagues and I will review the Commonwealth's role in support of peaceful change in South Africa," Mrs McDougall said in a press release.

"We will be looking at the range of measures, including sanctions, that are available to see such change accomplished as soon as possible."

Canada supports the phasing out of sanctions against Pretoria in order to give recognition to the progress made in reforming the political system.

The Canadian government feels that most of the process of reform has been completed with the abolition of apartheid, the review of security legislation, the return of exiles and the release of political prisoners.

"We think it is important and we would like to see this recognised," the official said.

But there is a wide divergence among the Commonwealth Ministers over how much progress has been made when it comes to lifting the so-called "people sanctions", such as restrictions on visas. — Sapa-Reuter.

Ease isolation of SA — Obasanjo

Star 11/9/91 (280)

By Dale Lautenbach
Star Africa Service

WINDHOEK — General Olusegun Obasanjo, the former Nigerian head of state who arrived in South Africa last night, has called for "informal people-to-people and business contacts" with South Africans to remove the isolation created by apartheid.

Concluding a two-day Africa Leadership Forum conference in Windhoek, General Obasanjo said only the people of South Africa themselves should determine the moment when the death of apartheid might be proclaimed.

"But the local and international environment must encourage progression, rather that retrogression, of the process.

"Government-to-government and formal, official contacts may be slow in the early stages of the process. Informal people-to-people contact and business contacts must be encouraged as (they) could hasten the removal of the walls of isolation built by apartheid, and promote formal, official contacts without slowing down the process."

The general was reflecting the deliberations of the conference in his concluding summary after more than 60 delegates from Nigeria, South Africa, Namibia, Zambia, Zimbabwe, Lesotho, as well as a number of international academics, had debated the topic of "Challenges of post-apartheid South Africa to southern Africa in particular, and Africa in general".

Once the people of South Africa had declared apartheid dead, it would be up to the rest of Africa and the international community to ratify and reinforce the proclamation, said General Obasanjo.

A number of speakers, among them Bob Tucker, chairman of the Old Mutual-Nedcor Scenario Team, had cautioned against high expectations of a post-apartheid South Africa.

"In social and economic terms, South Africa is weak and unwell," said General Obasanjo. However, it was still the strongest economy in the region "and neighbouring countries look up to the new South Africa as a pre-eminent nation and economy within southern Africa.

"The perception and reality of an uncaring and dominating South Africa as an oasis in the midst of a desert of poverty and poor economies in the subregion will be inimical to national security and stability and regional development and co-operation."

On the question of security in the region and whether a post-apartheid South Africa would signal an end to internal conflicts, cross-border raids, destabilisation and "dirty tricks", General Obasanjo called for southern Africa to "learn the lessons of the supremacy of economic power over military power"

In conclusion, he said the goal was not the end of apartheid, but rather the evolution of a nonracial, democratic society.

● The dream ... and the reality — Page 14

The

Sanctions lifted

(280) ARGT 12/9/91

US state of Oregon removes curbs on investment in S A

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — Oregon's state legislature unanimously lifted sanctions against South Africa today, opening the way for the state and its $12,5-billion (R36,25-billion) retirement fund to invest in companies that do business in South Africa.

It was the first of the 27 states and 88 cities which have sanctions in place to abandon such restrictions, but for the time being the state's action is not expected to be followed by many other local authorities.

This is because Oregon was the only state to include a "sunset clause" in its sanctions, which meant that once South Africa had complied with certain preconditions the state treasurer was obliged to lift sanctions.

Other state and city sanctions are not tied to clearly defined criteria which would determine when they should be lifted and a survey conducted after President Bush lifted federal sanctions two months ago indicated that only Oregon was contemplating an early change in policy.

Another reason why Oregon is expected to be an exception to the general trend is because the state's legislature meets only every second year and it wished to take timely action now to ensure that it was not caught out by events before its next meeting in 1993.

In a statement today, the Oregon state treasurer, Mr Tony Meeker, said the Oregon Anti-Apartheid Act of 1987 required divestment by the state in all companies that did business in South Africa before February 15 1992. At the time 9,3 percent of the state's investment portfolio was affected. By the end of last year, this had dropped to 2,9 percent, with a market value of $302 million (R87,5 million).

"Gradual investments in companies doing business in South Africa will take place as Oregon's 24 individual money managers reach their prudent decisions," Mr Meeker said. "No substantial or immediate realignment of portfolio investments is anticipated by the sunset of the Oregon Anti-Apartheid Act."

He said that after conducting a 60-day fact-finding review, he had concluded that "the power of democracy has been unleashed in South Africa and it will not be reversed.

FLOWERY DI: Princess Diana leaves London's Queen Elizabeth Conference Centre after opening the 9th Congress of the European Society for Child and Adolescent Psychiatry.

Don't fear good cry, says Diana

LONDON. — Princess Diana has spoken out against traditional British reserve, saying people should let their emotions out and not be afraid of a good cry.

"As far as I know, crying has yet to kill someone. It does not harm people you're with — nor any bystanders — but there seems to be a curious conspiracy in adults to suppress this emotion," she told a meeting of psychiatrists.

She said people bottled up feelings for fear of appearing childish. But parents had a duty to understand their own emotions so as to be a better guide to their children.

The princess, 30, has two sons, aged nine and six.

"I am not advocating a general wailing and gnashing of teeth or sackcloth and ashes. But emotional outbursts might be less dramatic or violent if a little steam was occasionally vented harmlessly," she told the European Society of Child and Adolescent Psychiatry.

Before her marriage to the heir to the British throne, Princess Diana was berated by the Press for weeping publicly as her fiance Prince Charles flew out on a foreign trip. — Sapa-Reuter.

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Hugh Roberton reports on the US sanctions debate

Star 12/9/91

280

Lame excuse could hurt SA

WHATEVER the reasons might have been for President de Klerk's rejection last week of ANC president Nelson Mandela's appeal for action to ensure the release of political prisoners in Bophuthatswana, it is hard to believe that they could have outweighed the consequences that his intransigence may hold for South Africa's relations with the US.

Mr de Klerk has spurned reasoning, diplomacy, humanitarian appeals and warnings of retribution on this issue, and the only explanation the world has been offered for his stance is the limp claim that his Government has no jurisdiction in Bophuthatswana.

In Washington that sounds about as convincing as a bank manager claiming he has no influence over his clients. Every mentally competent South African knows, as do most informed Americans, that whether or not Pretoria has jurisdiction over Bophuthatswana, it undoubtedly has the influence necessary to accomplish what Mr Mandela, President Bush, the US Senate and many well-disposed people around the world have asked it to.

It is possible that Mr de Klerk has assumed, rightly in a very limited context, that there is no chance of sanctions being reimposed and that the US Senate's intrusion on the internal affairs of another country can thus be dismissed with impunity.

If this is so, he is naively misguided. The debate on South Africa has reached a turning point in the US, eloquently summed up by Congressman Stephen Solarz when he said sanctions were "yesterday's issue" and added: "The real question now is where do we go from here?"

The alternative he put forward, and which is now under active consideration in both houses here is a massive aid package for South Africa, large enough to finance an "historic turning point" in the country's development. It requires no imagination to realise that there will be no such package if the US Senate's concerns about political prisoners are not addressed.

Furthermore, the Senate is soon to review legislation to greatly increase the US contribution to the IMF. Sanctions prohibiting IMF loans to South Africa are still in place and the coming debate would thus provide an easy opportunity for the painless introduction of tighter restrictions to pre-empt any move by President Bush to unilaterally lift the IMF restriction — something he could do under the existing Gramm Amendment.

Right now the US is tenuously disposed to Mr Solarz's vision, but ahead lies the monumental task of helping to build democracy and free enterprise on the ruins of the Soviet empire, and just as Mr Mandela has to learn that foreign investment and foreign aid are scarce and likely to become scarcer, so does Mr de Klerk. — Star Bureau, Washington. □

Oregon is first to scrap SA sanctions

Star 12/9/91

By Hugh Roberton
Star Bureau

280

WASHINGTON — Oregon's state legislature today unanimously scrapped measures forbidding investment in South Africa.

This has opened the way for the state and its $12,5 billion (about R30 billion) retirement fund to invest in companies that do business in South Africa.

It was the first of the 27 states and 88 cities that have sanctions in place to abandon such restrictions. But for the time being its action is not expected to be followed by many other local authorities.

This is because Oregon was the only state to include a "sunset clause" in its sanctions, which meant that once South Africa had complied with certain preconditions the state treasurer was obliged to lift sanctions.

Other state and city sanctions are not tied to clearly defined criteria which would determine when they should be lifted.

A survey conducted after President Bush lifted federal sanctions two months ago indicated that only Oregon was contemplating an early change in policy.

Another reason why Oregon is expected to be an exception to the general trend is that the state's legislature meets only every second year and it wished to take timely action now, to ensure that it was not caught out by events before its next meeting in 1993.

In a statement today, Oregon state treasurer Tony Meeker said the Oregon Anti-Apartheid Act of 1987 required divestment by the state, before February 15 1992, in all companies doing business in South Africa.

In 1987, 9,3 percent of the state's investment portfolio was affected. By the end of last year, this had dropped to 2,9 percent, with a market value of $302 million (about R760 million).

"Gradual investments in companies doing business in South Africa will take place as Oregon's 24 individual money managers reach their prudent decisions," Mr Meeker said. "No substantial or immediate realignment of portfolio investments is anticipated by the sunset of the Oregon Anti-Apartheid Act."

He said that after conducting a 60-day fact-finding review, he had concluded that "the power of democracy has been unleashed in South Africa and it will not be reversed.

"Under these dynamic circumstances, prudent investment in companies doing business in South Africa may, in fact, hasten to build a strong economic backbone at a time when it is sorely needed."

The state had sought facts from the White House, the State Department, the ANC's representative in the US, the Lawyers' Committee for Civil Rights Under Law, TransAfrica, and the American Committee on Africa.

Star 13/9/91 (280)

Amgold share conversion

Amgold is to hold a meeting on October 3 to convert 6 million issued and unissued S ordinary shares into ordinary shares in view of the lifting of America's Comprehensive Anti-Apartheid Act.

Amgold says in a circular to members the shares were created before the rights issue of November 1990 in response to the CAAA and to provide shares, both for the rights issue and to have a certain number of shares in reserve.

The S ordinaries carry the same voting and dividend rights as do the ordinaries but they have a preferential right to one cent a share in the event of a winding up of the company.

The lifting of the CAAA means that it is no longer necessary to continue with the special ordinaries, the company says.

The meeting will also decide on the power of directors to issue and allot the authorised but unissued capital.— Sapa.

Entertainment's no fun under VAT

W/Mail 13/9/ – 19/9/91

Value Added Tax on a cinema ticket is not too complicated but what do you do when you entertain business guests on a company credit card? **DAVID CLEGG** looks at the logistics of VAT on entertainment

VALUE Added Tax on entertainment expenditure is one of the most awkward provisions of the new tax system.

A VAT input credit is denied on "goods or services supplied for the purposes of entertainment". The definition of entertainment includes food (whether in the form of unprepared food or meals), refreshments, accommodation, entertainment and hospitality of all kinds. The only exceptions to the rule are:

- The entertainment applies to an employee (of that company) away from home on business overnight.
- The charge for entertainment forms part of a composite fee for some other service, such as meals on South African Airways or at a seminar.
- The entertainment is supplied by Local Authorities at public amenities and by other enterprises which regularly supply entertainment.

There are a range of difficulties in the area of entertainment, especially those relating to normal business entertainment.

Firstly, it does not matter how genuine the business entertainment may be — there is no VAT credit.

Secondly, not only direct entertainment costs, but also indirect costs may be disqualified from credit.

For example, not only does the sugar, tea and milk for "morning tea" not qualify for credit, neither does the cost of cups, saucers, spoons or teapots.

Accounting systems, therefore, need to be able to highlight these non-qualifying categories so that they are not accidentally included in tax credit claims in returns.

In identifying direct entertainment expenditure on which VAT credits can be claimed, the following points need to be borne in mind:

- Where an employee is away overnight, he may well entertain out of town clients or associates. Although the entertainment costs relating to him are creditable, those relating to his dinner or lunch guest will not be. Correctly apportioning a tax invoice relating to these costs will be impossible, unless a clear record is kept. The tax invoice provided by a restaurant or hotel cannot be expected to split this out and the employee must make an appropriate division at the time, before submitting the documents to his accounting department. Many restaurants will not regularly issue tax invoices, and out-of-town employees should remember always to ask for such an invoice to be posted to them within the 21 days provided, on paying the normal bill. It is unlikely many restaurants will prepare an invoice immediately.
- When an organisation hosts a meeting of personnel from around the country and puts on a lunch, theatre evening or other entertainment, it must remember that only the expenses relating to the visiting employees are creditable, not those for the local employees also attending the same functions.
- An "employee away from home overnight" is one's own employee. The credit will not apply to employees from other group companies who may be attending the meeting or conference.

Say, for example, the group management company sends someone to assist your company in a project for two weeks and you pay the hotel bill and other entertainment expenses. No credit can be claimed. So it makes sense for head office to pay its own accommodation and entertainment expenses, claim credit and charge a management fee relating to the overall services which will, in turn, be subject to VAT and a tax credit in your hands. Significant sums can be saved in this way.

Accommodation forms part of "entertainment" expenses. Just as in the preceding example, paying the hotel and other expenses of a visiting consultant may make good business sense, but is not VAT effective.

- The accommodation and entertainment expenses incurred by partners of a professional practice away from home overnight are not, under existing law, subject to credit because they are not "employees". Although a partnership is deemed to be an enterprise entity separate from its members, this does not extend to deeming an employment relationship to exist. It is possible the law may be amended.

● David Clegg is a partner of Ernst & Young

Where you'll be paying Vat

W/Mail 13/9/ – 19/9/91 (280)

Food	Maize meal and brown bread are zero-rated**.
Transport	Public transport by bus, taxi or train is exempt*.
Medical	Payments to state and provincial hospitals and clinics are exempt Payment to medical practitioners and for medical services provided by the private sector subject to VAT. Medical aid schemes exempt from VAT.
Education	Registered educational institutions are exempt*, including private schools
Insurance	Life insurance is exempt*, but short term insurance is taxed
Property	There is no tax when the transaction is between two individuals. However, tax is payable when a registered vendor is involved. Transitional relief will be granted
Accommodation	Residential rentals are exempt* but not hotel or boarding house rentals
Entertainment	Entrance fees to theatres, cinemas, zoos, circuses, sports grounds are taxable
Professional	The fees charged by accountants and lawyers are taxed provided annual income exceeds R150 000.
Construction	A service by an enterprise regisered for VAT is taxable But these registered vendors may claim tax credits, therefore reducing costs if savings are passed on to the consumer
Welfare Services	Non-exempt, that is they can claim back tax paid on goods and services they buy If they charge even a nominal amount for their services this is subject to VAT
Legal Gambling	Horse racing betting is taxable
Rates	Water, electricity and refuse collection is taxable.
Postal Services	Telephone accounts and postage will be taxed
Precious Coins	Coins obtained as collector's items are taxable but Krugerrands and other legal tender are zero-rated**
Second-hand goods	Not taxable if sold by private individual. Taxable if sold by a dealer.
Imports	Imports from the "independent" homelands, Transkei, Bophuthatswana, Venda and Ciskei, are not taxable if the import is to be used to make a taxable supply It is taxable if it is to be used to make non-taxable supplies, for example, exempt goods Imports from other countries are taxable. A service by a non-resident to a South African resident is taxable if the imported service is used to make non-taxable supplies For example, the service of a foreign reinsurer to a local life insurer is taxable but a similar service rendered to a short-term insurer, service is not taxable
Exports	Zero-rated** to countries other than TBVC states.
Subscription fees	Membership fees of clubs or associations are taxable
Fringe benefits	Non-taxable services, for example low interest loans, are subject to VAT, but provision of taxable services, such as foreign travel, is not taxed. Although employer bears the cost, it may passed on to the employee
Death	Coffins, wreaths, undertakers, and burial sites are taxable
Unions	Union dues and employee organisation contributions such as federations are now exempt*
Mortgage bonds	Not subject to VAT

*** EXEMPT:**	Consumer pays no VAT but enterprise selling exempt goods can't claim tax credits on goods and services it buys
**** ZERO-RATED:**	Consumer pays no tax and enterprise selling exempt goods can claim tax credits on goods and services it buys

ANC: India may ease some sanctions

(280) CT 14/9/91

NEW DELHI. — Representatives of the African National Congress yesterday made it clear they would not object to the lifting of India's bans on sports and cultural events and on people-to-people contacts.

The ANC representatives, who spoke on condition they were not identified, briefed the foreign ministers of nine Commonwealth nations who began a two-day meeting in New Delhi yesterday to consider easing sanctions to encourage South Africa's gradual dismantling of apartheid.

Although the ANC delegation — led by executive committee member Mr Alfred Nzo — acknowledged that "much has happened in South Africa", they said "there is still a little way to go before the Commonwealth should remove all pressure".

Canadian External Affairs Minister Mrs Barbara McDougall, who led the meeting of former British colonies, urged an approach "that will give credit where it is due and sustain the pressure for further change".

The Commonwealth Committee of Foreign Ministers on Southern Africa is to draw up recommendations for a Commonwealth summit meeting next month in Zimbabwe.

The ANC representatives said the Commonwealth was seeking a balance between keeping up pressure on Pretoria and removing enough sanctions to encourage the changes under way.

"It's a dilemma for the ANC and for all of us," said one official.

● British Foreign Secretary Mr Douglas Hurd was in Zimbabwe yesterday, one month ahead of a Commonwealth summit, in a bid to coordinate thinking on South Africa with President Robert Mugabe, a member of his delegation said:

"Mr Hurd hopes to discuss how Mr Mugabe will frame the debate on South Africa and if the Commonwealth summit can finally, this year, reach a position on South Africa which all members find agreeable," he said. — Sapa-AP-UPI

Ministers call off SA bans

S/Times 15/9/91

By RAHUL BEDI
New Delhi

280

THE Committee of Foreign Ministers on Southern Africa last night recommended the lifting of "people-to-people" sanctions against South Africa.

At the meeting in New Delhi, it announced that the ban on specific sporting events was also to be lifted.

But the arms embargo and economic sanctions will remain in place as it was felt that sufficient progress had not been made in demolishing apartheid.

The committee said some sanctions were needed to ensure a successful outcome to unfolding events in South Africa.

The committee said it had reached "broad consensus" with the ANC delegation at the conference that the South African situation should be effectively, but practically, dealt with.

The committee, established in 1987 in Vancouver, includes foreign ministers from Canada, Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe.

It wants an eventual lifting of consular and visa restrictions, cultural and scientific boycotts, restrictions on tourism promotion and the ban on direct air links.

● British Foreign Secretary Douglas Hurd has told President Robert Mugabe he will not be allowed to turn next month's Commonwealth summit in Harare into another "big scrap about sanctions".

Before leaving Harare on Friday after a 24-hour visit, Mr Hurd said: "Sanctions are disintegrating fast, in particular restrictions on trade transactions between South Africa and the countries of Africa."

'Accord may end sanctions, action'

Star 16/9/91

By Esmaré van der Merwe
Political Reporter

(280)

In the spirit of give-and-take engendered by Saturday's Peace Accord, ANC president Nelson Mandela signalled the ANC's willingness to compromise on two of its key bargaining chips: mass action and sanctions.

At an international media conference, Mr Mandela announced that the ANC would not resort to mass action campaigns if the accord worked, and would drop its insistence on the maintenance of sanctions once mutual trust had been established between the ANC and the Government on the creation of a non-racial unitary state with a one person, one vote system.

Mr Mandela was asked whether the accord's provision that no political party would seek to compel or force any person to withhold his or her labour meant the ANC would not longer embark on mass action.

"If the accord works well, there will be no question of any mass action. But if we (the signatories) fail to honour our obligation and observe the terms of the Accord, and make no headway through persuasion, the only other power we (the ANC) can use is the power we have. Mass action is part of the power we will use if the power of negotiation and persuasion fails."

Support

Later Mr Mandela was asked whether the ANC would support the lifting of sanctions to comply with the Accord's provision that all political parties would facilitate the rapid removal of obstacles to development and economic growth.

He said the ANC had introduced sanctions to achieve the abolition of apartheid and the extension of the vote to all South Africans.

Apartheid laws had been scrapped but inequality still existed. As long as discrimination remained in the State's provision of health care, education and housing, sanctions would remain.

"I don't have the vote because of the colour of my skin. There is no reason why we should call for the lifting of sanctions."

However, the ANC was prepared to consider calling for the lifting of sanctions once its suspicion had been removed about the Government's sincerity to eradicate apartheid and to build a non-racial unitary state with an equal vote.

"It is possible that on the basis of that alone we can consider the lifting of sanctions before our objectives have been reached. But unfortunately, in our discussions with the Government, we have found the road very bumpy."

He expressed optimism that the differences between the ANC and the Government could be resolved soon.

Government sources said several clauses in the accord implied opposition to sanctions, and a contradiction of the ANC's official policy.

ANC culture ban reversal hailed

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CT 16/9/91

JOHANNESBURG. — South African show business impresarios and cultural and sporting figures have hailed the ANC's decision to reverse its hard-line approach on contacts with the Commonwealth of Nations.

They called it a significant breakthrough for multilateral communications.

Mr Gora Kadodia, who was one of several South Africans to pioneer cultural ties with India, welcomed the move as a positive acknowledgement.

He is bringing to South Africa Aamir and Salman Khan, among a company of leading stage and screen artists, for the Chamakte Sitare concerts this month.

The president of the 1860 Indian Settlers' Association, Mr Krish Gokal, said he wished to express his association's gratitude to the ANC for easing the sanctions.

He was also thankful to the ANC for facilitating what he termed a new era of sports and cultural contact that would launch South Africa into international participation in these arenas.

The ANC's decision was conveyed to the Commonwealth's Conference of Foreign Ministers meeting in New Delhi this week.

However, the entry of Indian visitors would still require the approval of the Minister of Education and Culture in the House of Delegates, Dr Kisten Rajoo, in terms of his standpoint preceding the Mangeshkar show. — Sapa

Commonwealth to ease curbs

Sowetan 16/9/91 (280)

ISMAIL LAGARDIEN
Political Correspondent

SANCTIONS are crumbling and South Africa could see a gradual process of international re-investment, as well as slow re-integration into the world community.

This is the message from New Delhi, in India, where the Commonwealth Committee of Foreign Ministers (CFM), met at the weekend to review the progress that has been made in South Africa, as well as to consider easing sanctions.

According to weekend reports, senior representatives of the ANC who attended the meeting have said they would not object to the lifting of selected sanctions against the country - especially cultural and sporting sanctions.

But the sources, who spoke on conditions of anonymity, warned that while it was a fact that a lot has changed in the country under the present government, a blanket lifting of sanctions would be premature.

Opening the weekend conference, the Canadian Minister of External Affairs Ms Barbara McDougall said efforts of the CFM, in the form of sanctions, had taken their toll on the South African government.

Commonwealth eases sanctions

B/Day 16/9/91 (280)

NEW DELHI — Commonwealth foreign ministers on Saturday recommended lifting travel restrictions on South Africans as a first step in a programme to phase out anti-apartheid sanctions.

The removal of economic and financial sanctions, however, was linked to further moves toward multiracial democracy, said the ministers, outlining conditions for ending SA's isolation.

"Now there is a programme for the first time for the removal of sanctions," said Canada's Barbara McDougall, chairing the meeting of nine foreign ministers.

At the end of a two-day meeting, the ministers recommended lifting consular and visa restrictions on South Africans, ending the ban on cultural and scientific contacts, allowing South African tourism promotion and establishing air links.

The recommendations will be taken up at a summit of the 48-nation Commonwealth in Zimbabwe next month.

"We regard the financial sanctions as the ones with the most bite. We are still holding off on those until we see more momentum," McDougall said at a news conference.

"I believe an important and delicate balance has been struck" between main-

☐ To Page 2

Commonwealth

B/Day 16/9/91 (280)

☐ From Page 1

taining pressure on the Pretoria government and rewarding it for repealing key laws of apartheid, she said. "That is the right blend of signals to be sent."

The ministers pegged a relaxation of financial sanctions, including loans from international funds, to an agreement on the text of a new constitution.

Renewed trade and investment was conditional on the adoption of a mechanism enabling "all parties to participate fully and effectively in negotiations"

The arms embargo should not be lifted until the last traces of apartheid had disappeared and a new government was in place, said the concluding statement

McDougall said she expected the summit to endorse the recommendations, but events were moving so swiftly that the heads of government might amend the pace.

The committee said its programme was in recognition of SA's actions since it last met in February, but it expressed concern over mounting violence in SA.

The statement also said reports of secret government financing to Inkatha "had eroded confidence in the government's good faith". — Sapa-AP.

Move to end 'people sanctions' welcomed

CT 17/9/91 **Political Correspondent** (280)

THE government yesterday welcomed the proposals by the Commonwealth Foreign Ministers' Conference in New Delhi at the weekend that "people sanctions" against South Africa be lifted.

The foreign ministers decided that recent reforms by Pretoria should be rewarded via the lifting of punitive measures in culture, sport and science — the so-called "people sanctions".

The New Delhi proposal, which stopped short of calling for the easing of economic and financial sanctions, will now be considered at the full Commonwealth Summit in Harare in October.

SA Foreign Minister Mr Pik Botha said last night that the Commonwealth statement on SA was more positive than had been the case in the past, but he added: "They are still badly in need of first-hand information on developments in SA."

Aussies set to lift sanctions

(280) ARG 17/9/91

CANBERRA. — Australia is set to lift its first phase of sanctions against South Africa, a spokesman for the Foreign Minister, Mr Gareth Evans, said today, while businessmen plan a visit to probe trade opportunities.

Australia included among the first phase of sanctions cultural and scientific exchanges, direct air links and travel restrictions that forced South Africans to apply for visas to Australia from another country.

"It would be recommended at the Commonwealth heads-of-government meeting in Harare in October that all the first phase of sanctions be lifted," the spokesman said.

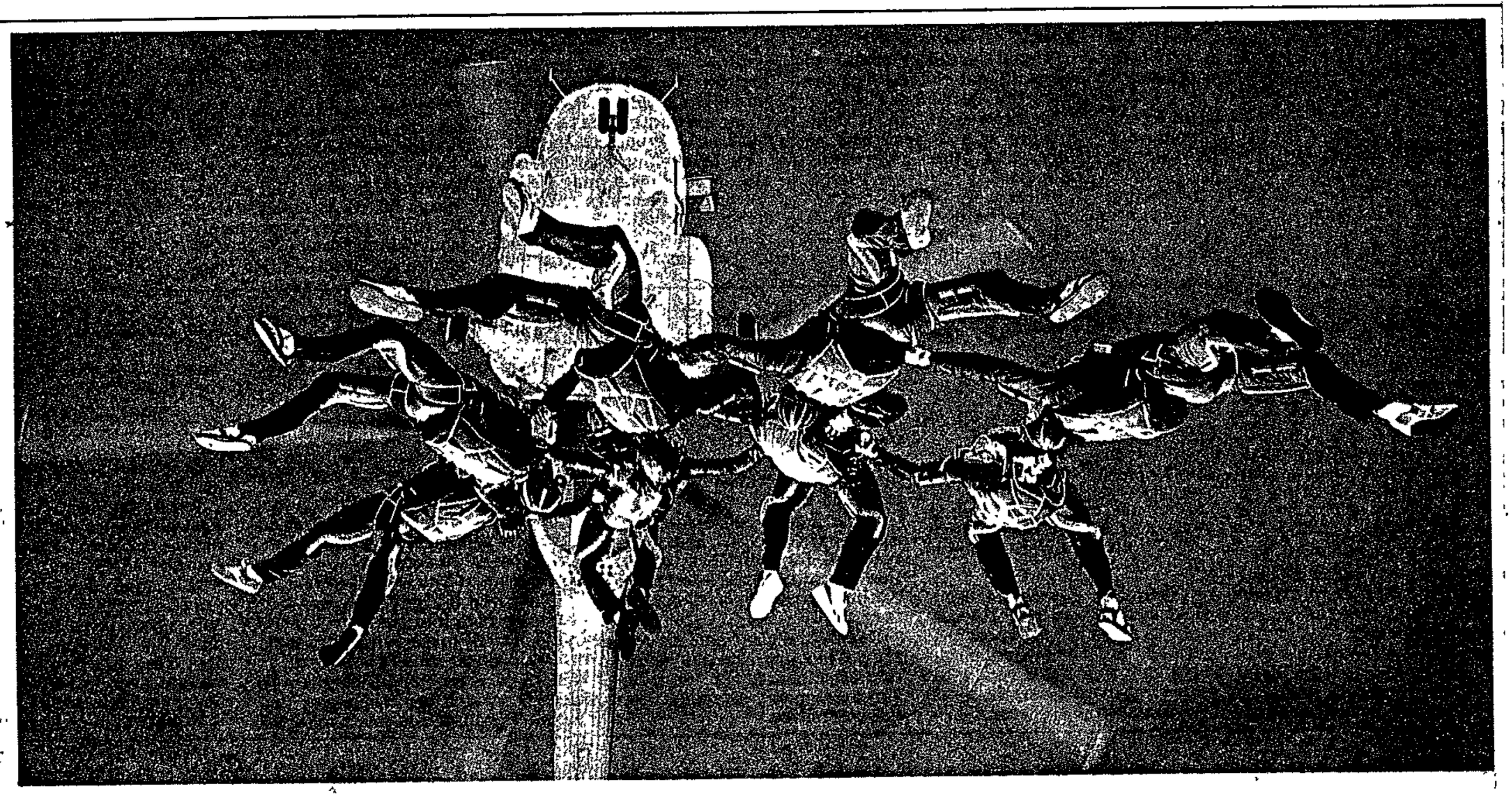
"The idea would be to lift the first phase at the meeting, but then there would be some conditions on the other phases after that."

The Australian government has been one of the strongest supporters of sanctions against South Africa.

Financial sanctions, including loans, the foreign ministry spokesman said, should be lifted only when agreement was reached on a new democratic constitution.

"Other economic sanctions, including trade and investment measures, should be lifted when transitional mechanisms have been agreed that will enable all parties to participate fully and effectively in negotiations," he said.

In Sydney today the executive director of the Confedera-



the spokesman said.

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"Other economic sanctions, including trade and investment measures, should be lifted when transitional mechanisms have been agreed that will enable all parties to participate fully and effectively in negotiations," he said.

In Sydney today the executive director of the Confederation of Australian Industry representing nearly 100 000 companies, Mr Chris Mackay, said a delegation would visit South Africa in November 22 for talks with business and political leaders.

The delegation of 10 would not be bringing "order books", because the object of the exercise was essentially long-term, he added.

But Australian trade unions were quick to criticise the visit, calling it premature.

The United Mineworkers Federation said it was sceptical about what seemed to be an opportunistic approach.

Existing trade between South Africa and Australia was worth an estimated R250 million a year.

"Australia and South Africa have a long history of excellent trade between them and I see no reason why that should not be recreated," Mr Mackay said.

The delegation planned to visit Johannesburg, Cape Town, Port Elizabeth, Durban and Pretoria during its 10-day visit.

Meanwhile, diplomats in Australia and South Africa were finalising arrangements yesterday for next month's visit by the Minister of Foreign Affairs, Mr Pik Botha.

Canberra sources said the visit, the first to Australia by a South African minister in nearly 20 years, was likely to take place early next month, although the exact dates were still to be decided.

Mr Botha's visit, understood to have been initiated by South Africa, will include talks on bilateral relations and perhaps Australian Prime Minister Bob Hawke's proposed visit to South Africa.

Mr Hawke has already made it clear that such a visit would depend on progress toward political reform in South Africa, but sources in Canberra indicated the stage was being set for a visit after the Commonwealth leaders meet in Harare. — Sapa-Reuter.

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Barring Inkatha from US business talks will hurt SA

B/Day 17/9/91.

SIMON BARBER in Washington

280

AMERICAN business and the ANC are due to meet at Notre Dame University early next month. Thabo Mbeki, who will head the ANC delegation, has reportedly joked that the businessmen will be there "to teach us about the free market". A more accurate rendering of Mbeki's metaphor would be that the teachers will be trying to find out whether the pupils are educable and worth their time and investment.

Aside from indications that the ANC may use the occasion to shift its ground on sanctions — by this stage a largely symbolic gesture — the conference preliminaries are not altogether encouraging.

In the wake of Inkathagate, and last weekend's peace accord notwithstanding, the ANC has indicated that Inkatha should not be invited. The organisers — who include Notre Dame's deputy provost, Father Oliver Williams, and members of the Industry Support Unit Inc, an advisory group set up by the old Sullivan Code companies — appear divided on how to respond.

Some believe US business can talk to Inkatha whenever it wishes while the time has come to have a serious discussion with SA's putative next government. Others contend that Inkatha must somehow be accommodated, either through a non-aligned representative like Oscar Dhlomo or as the result of a quiet agreement between the organisations themselves Inkatha itself seems to be gearing for a fight.

If their interest is securing US investment, it would behove both sides to come to an arrangement. Inkatha will only lose face if, having publicly banged its fists, the conference goes ahead without it, as almost certainly it will On the other hand, by exploiting this, the ANC will negate the purpose of the whole exercise· assuring US capital that the "new SA" will be a worthwhile bet.

The chairmen and senior executives of some of America's largest corporations are going to Notre Dame in search of the ANC's better angels. They will not find them if the movement maintains an intolerant and antagonistic stance towards a party which, whatever its other deficiencies, does at least espouse market-friendly policies.

Having convinced most of the outside world that it will form, at minimum, the core of SA's next government, the ANC has already acquired not only a high degree of responsibility for the country's future, but, far more importantly, no little power to decide what the future will look like.

To bar Inkatha from the conference would be a profoundly irresponsible use of that power, for it would send a signal to US businessmen that SA is simply not a rational candidate for their dollars. This in turn would represent a bitter betrayal of those the ANC claims to represent.

The fact that the ANC wishes to present its case at Notre Dame, and may even be ready to call off the sanctioneers, presumably indicates that it acknowledges the need for foreign investment. If that is the case, it must also understand just how marginal an opportunity SA presents to foreign, and in particular, US capital — not only when compared with opportunities elsewhere, but in absolute terms as well.

Apart from de facto prohibition on SA's access to the IMF, the US's residual sanctions are among the least of the US business community's concerns. What is holding them up is SA itself.

Heading the list of disincentives is violence, both in and of itself and as a symptom of broader political and economic instability. Several US companies that have weathered a decade's worth of sanctions and other pressure to disinvest recently told the Investor Responsibility Research Centre that continued unrest was the one thing that could still force them to leave. One might add that the continued killing despite the signing of the peace accord will only make matters worse. To outsiders it will signify anarchy

It is in this context that the ANC's wish to exclude Inkatha from the conference is perhaps most foolish. Rightly or wrongly, the mayhem is seen to be rooted in the contest for power between the ANC and its rivals. The more the ANC comes across as a movement bent on political monopoly, the less confidence the rest of the world will have that SA will ever be at peace with itself. The lessons of Mozambique have been learned: the monster of Renamo was created first by Frelimo's own monopolistic aspirations. Its exploitation by SA and others came second.

□ MBEKI

Getting over the violence hurdle is the most important task the ANC faces if it sincerely wishes to attract US investors, but it is by no means the only one. As the centre suggests in its new report, US Business in Post-Sanctions SA: The Road Ahead, SA is going to have a tough time attracting real US investment under the most tranquil of circumstances.

One of the several dozen executives, consultants and investment managers the centre interviewed summed up the situation succinctly: "Peace is not enough. You could solve the political situation and companies would still not go in if the ANC's policies scared them."

The best thing SA has going for it in American eyes, the report suggests, is "an excellent financial infrastructure" — a sound banking system, a stock exchange that facilitates access to capital and investment regulations one interviewee said "we would want to see everywhere in Africa". If any of that, especially the Companies Act, is seriously tampered with, SA will lose what the report calls "a competition around the world to offer the best incentives"

By any standard, the report finds, SA is already well down in a field that includes Eastern Europe, a Latin America that is moving out of debt crisis towards sound economic management, as well as Southeast Asia and the Pacific Rim whose development is being propelled by Japan, Taiwan and South Korea. Even India looked better than SA to some of the centre's interviewees.

The fact that it results from the injustice of the past does not alter the basic reality that SA has a desperate shortage not just of skilled labour, but of workers who can read and write. Training costs will therefore be abnormally high, so, in all likelihood, will wages as companies are forced to compete for what little skilled labour there is.

Many underdeveloped countries with similar problems have benefited by encouraging foreign corporations to establish assembly facilities to take advantage of their cheap labour. Mexico's "maquiladoras" are a classic example. But SA is not in a position to even do this. It is simply too far from markets for the finished goods, and its domestic and regional markets are still too tiny. One executive told the centre that in market terms "southern Africa is still a small fraction of Italy and their per capita income is zilch"

As things stand, the study suggests, US companies are likely to limit their involvement in SA to sales operations, franchising and other non-equity relationships in hopes that the the black consumer market will take off, but which, in the meantime, will limit their exposure should things go wrong. Investment in people, infrastructure and manufacturing capacity — the long-term kind SA really needs — will be dependent on South Africans convincing Americans that there is a long term and that its rewards will be commensurate with those that can be had elsewhere.

Since it demands to be seen as SA's next government, and has been largely successful in having that demand met, it is up to the ANC to persuade investors the future is going to work. Playing politics at the very moment it is about to make its case to the captains of US industry is not the recommended approach.

Aussies set to lift some sanctions against SA

(280)

Star 14/9/91

CANBERRA — Australia is set to lift the first level of sanctions against South Africa, a spokesman for Foreign Minister Gareth Evans said today.

Australia would support such a vote at the Commonwealth Heads of Government (CHOGM) meeting next month in Harare, the spokesman said.

Australia includes among the first phase of sanctions cultural and scientific exchanges, direct air links and visa restrictions which force South Africans applying for a visa to Australia to do so from another country.

"It would be recommended at the CHOGM meeting in Harare in October that all the first phase of sanctions be lifted. The idea would be to lift the first phase at CHOGM, but then there would be some conditions on the other phases after that," the spokesman said.

A communique released in Canberra following a week end meeting in New Delhi of the Commonwealth Committee of Foreign Ministers on South Africa noted there had been significant developments in the republic since its last meeting in February.

Mr Evans and other ministers said these included repeals of the Land Act, Group Areas Act, the Development of Black Communities Act, and a substantial amendment of the Internal Security Act.

Financial sanctions, including lending, the statement said, should be lifted only when agreement was reached on a new democratic constitution. — Sapa-Reuter.

of communication would be left open.

Copies of the National Peace Accord would be distributed to the community. - *Sapa.*

Aussies to lift curbs

Sowetan 18/9/91 (280)

CANBERRA - Australia is set to lift the first level of sanctions against South Africa, a spokesman for Foreign Minister Gareth Evans said yesterday.

Australia would support such a vote at the Commonwealth Heads of Government summit in Harare next month, the spokesman said.

Australia includes among the first phase of sanctions cultural and scientific exchanges, direct air links and visa restrictions which force South Africans applying for a visa to visit Australia to do so from another country.

"It would be recommended at the CHOG meeting in Harare in October that all the first phase of sanctions be lifted," the spokesman said.

"The idea would be to lift the first phase at CHOGM," he said. - *Sapa-Reuter.*

Australia poised to lift 'first level' of sanctions

(280)

B/Day 18/9/91

CANBERRA — Australia is set to lift the first level of sanctions against SA, a spokesman for Foreign Minister Gareth Evans said yesterday.

Australia would support such a vote at the Commonwealth Heads of Government meeting next month in Harare, he said.

Australia includes in the first phase cultural and scientific exchanges, direct air links and visa restrictions.

"The idea would be to lift the first phase at the Harare meeting, but then there would be some conditions on the other phases after that," the spokesman said.

A statement following a weekend meeting in New Delhi of the Commonwealth committee of foreign ministers noted that there had been significant developments in SA since the committee's last meeting in February 1991.

However it said sanctions had played a role in bringing change and the committee was "acutely conscious of the remaining difficulties".

Financial sanctions, including lending, should be lifted only when agreement was reached on a new democratic constitution.

"Other economic sanctions including trade and investment measures should be lifted when transitional mechanisms had been agreed which would enable all parties to participate fully and effectively in negotiations," the statement said.

Meanwhile, a leading Australian business group is planning to send a delegation to SA to investigate trade opportunities in the "post-sanctions era", it was announced in Sydney.

Confederation of Australian Industry members will arrive on a 10-day visit on November 22 for talks with business and political leaders, executive director Chris Mackay said.

The delegation would not be bringing "order books", because the exercise was essentially a long-term one, he added.

"We are talking about going there to do our homework, not establishing activities and offices next week."

Australian trade unions called the visit premature.

The United Mineworkers' Federation said it was sceptical about the "opportunistic" approach.

Trade between SA and Australia is worth about R250m a year. — Sapa-Reuter.

Commonwealth may lift sanctions when talks begin

(280) ARG 19/9/91

MICHAEL MORRIS
Political Correspondent

EXTENSIVE Commonwealth trade and investment sanctions could be lifted as soon as South Africa's major political parties launch an all-party conference to begin real constitutional negotiations.

This is the view of Professor Willie Breytenbach of Stellenbosch University, who has just returned from New Delhi, where he appeared as an independent witness before the Commonwealth Committee of Foreign Ministers on Southern Africa.

The nine-member committee met in India at the weekend to formulate proposals on the lifting of sanctions for presentation to the next Commonwealth heads of State conference in Harare in three weeks time.

Three South Africans presented evidence to the committee — Professor Breytenbach, as an independent witness, former ANC secretary general Mr Alfred Nzo and the PAC's representative in Dar-es-Salaam, Mr Gora Ebrahim.

The committee drew up a four-phase plan for the lifting of sanctions, linked to conditions to be met by the South African government.

In the first, or so-called "human", phase — sanctions will probably be lifted by the Harare conference next month on the basis of reforms achieved so far. This will end cultural and scientific boycotts, ease travel restrictions and clear the way for a return to direct air links with countries such as Australia.

Professor Breytenbach highlighted the second phase — trade and investment. He said the Commonwealth committee's resolution said sanctions should be lifted "once a transitional mechanism with a view to negotiations for a new constitution is operating".

He acknowledged that this was vague and that it could be interpreted as a reference either to an all-party conference or an interim government.

But he said it did mean that an effort could be made to persuade the Commonwealth to lift the embargoes once the all-party conference had got under way.

SA gets tough with Harare at trade talks

MICHAEL HARTNACK

HARARE — Economic sources believe that senior SA officials at talks on Tuesday to renew a preferential trade treaty between Zimbabwe and SA confronted the Harare delegation over President Robert Mugabe's stance on sanctions.

The negotiations opened in Pretoria on updating the most-favoured nation trade treaty Mugabe inherited from Ian Smith's Rhodesian government. B/Day 19/9/91

Sources in Harare believed the SA negotiators told the Zimbabweans that to finalise a new trade agreement, Mugabe would have to rescind his 11-year ban on government contact at ministerial level.

At the one-day meeting, senior public servants from SA's Commerce and Foreign Affairs departments apparently queried Mugabe's continuing campaign for sanctions and his expected demand at the October Commonwealth summit in Harare for SA to remain isolated. (280)

Last month Mugabe told African socialists meeting in Harare that he had "no choice but to insist on the maintenance of economic sanctions and other forms of pressure against SA ... until such time as an administration that does not owe its existence to apartheid is in place".

The Zimbabwean delegation was headed by the deputy secretary for trade relations and export promotions in the ministry of industry and commerce.

Sources believe it significant the six-member team included an under-secretary from the ministry of lands, agriculture and rural resettlement, and a law officer from the attorney-general's office.

SA is a major destination for Zimbabwe's processed farm exports, particularly textiles, and the prime source of vital inputs for its agricultural industry.

Economists believe the Zimbabweans told their hosts they were relying on expansion of the present R2bn-a-year trade relations with SA to bring the current R42bn five-year structural adjustment programme to fruition.

The existing agreement, dating from 1964, sets tariff rebates at levels rendered unrealistic by inflation, and its lists of rebatable trade items need revision because of economic expansion. No date has been set for the next round of talks.

Marais signs trade pact to end Polish sanctions

LESLEY LAMBERT

THE Polish government signed a trade agreement with SA in Warsaw yesterday, formalising the end of the sanctions it had imposed on the country

Trade and Industry Minister Org Marais said the agreement abolished Polish sanctions and opened SA's doors to Polish exports, free of surcharge.

It also provided for the strengthening of trade relations between the two countries, he said.

In April this year, SA established official relations with Poland, paving the way for the opening of permanent missions in the two countries SA's trade representative took up his position in Warsaw shortly afterwards.

Poland was a significant exporter of agricultural products, largely because more than 70% of its agricultural land remained in private hands, Marais said yesterday. (280)

Other important exports include ships, steel, clothing and motor vehicles.

SA, on the other hand, exported manganese, iron ore, steel, chemical woodpulp, fruit and nuts to Poland.

SA's exports were increasing and becoming more diversified to include manufactured goods such as domestic electrical appliances, safes and other security equipment and chocolates, Marais said.

Several cargo ships were also being built in Poland for South African companies, he said.

Marais' European tour has included the signing of a similar agreement with Czechoslovakia and a visit to the Netherlands.

B/Day 19/9/91

SA losing the spotlight could damage the economy, writes **Hugh Roberton**

Notoriety vs obscurity — one's as bad as the other

(280)

Star 19/9/91

THERE was a demonstration outside the White House this week against the lifting of sanctions. As modern demos go it was a pathetic affair, yet there was a revealing importance in the fact that two months after President Bush had committed the ultimate sin in the anti-apartheid catechism, the biggest protest against his action yet mounted in the United States consisted of a few self-conscious students chanting slogans to bemused passers-by.

It spoke volumes about the transformation that has taken place in the priorities of Americans since the attempted coup in the Soviet Union, and it had its telling parallels in all manner of public events this week.

The Democratic Party's aspirant presidential candidates, for instance, have made speeches all over the United States in recent days, but a computer search of recorded utterances by Senator Tom Harkin, Governor Douglas Wilder, former Senator Paul Tsongas, et al, failed to pick out a single "South Africa" or "apartheid". Governor Wilder, the grandson of slaves and the first black state governor, apparently has not referred to the subject in weeks.

On Capitol Hill, persistent questioning of President Bush's black conservative nominee to the United States Supreme Court, Judge Clarence Thomas, produced a potentially explosive contradiction between the judge's disavowal of his connections with South African lobbyists and what his former employees and associates claim is the case.

Yet the matter was drowned by indifference.

It was barely reported in American newspapers, it raised not an eyebrow outside the Senate hearings.

The only newspaper comment was an irritable columnist's reference to the waste of time on the subject.

When Oregon became the first of the 22 states with sanctions against South Africa to revoke such restrictions, the event apparently was recorded mainly in Oregon.

A computer search through 14 news agency wires and newspaper news services failed to pick up a single mention of the subject.

Unrecorded

Three members of the Congressional black caucus who were approached for comment said they knew nothing about it and promised to comment when they did.

That was more than a week ago.

Vice-President Dan Quayle returned to the United States this week after a journey to Africa. His homecoming went unrecorded by even the newspapers of record. Some failed to publish a line about the two-week visit, which was aimed at demonstrating to Africans that while American interest is focused on the Soviet Union and Eastern Europe, Africa has not been forgotten.

Well, it seems to have been, at least for the time being, except for a small and esoteric band of Americans who have a professional or business interest in the continent.

Granted, the most recent violence in South Africa has been reported, and there have been gory scenes of it on television, but they have been mere flashes in a firmament of news on the Soviet Union, on the tiff between the White House and Israel, and the Senate hearings on Judge Thomas and CIA director-designate Robert Gates.

There is an insidious threat in all this — as much to those who would manipulate American public opinion in order to put pressure on the South African Government, as for the Government itself.

It is the threat of becoming irrelevant.

In a country where public opinion is fickle, where the culture of built-in obsolescence applies as much to last year's car models as it does to last year's foreign political fad, it is inordinately difficult for a small developing country to engage — and retain — the interest of the public.

Without such interest, there is little interest from politicians.

While that might sound like a benediction to the scarred warriors of apartheid who now are beating a retreat, little interest from the politicians translates all too readily into little foreign aid, little encouragement to invest, little initiative to help South Africa develop a free-enterprise democracy.

The situation is not irreversibly bleak. South Africa has not been discarded.

The country continues to hover in the consciousness of most Americans, and there are many who have a deep and affectionate commitment to working for its wellbeing.

But there clearly is a challenge ahead to combat the assumption that because apartheid is crumbling the story of the country ends in its ruins.

The challenge is to capture the interest of America in the next chapter of the story — and to make it at least as exciting as the prospects held out by others competing so vigorously for American attention and assistance.

Here the onus rests perhaps more heavily on the African National Congress than any other group, for it is the ANC which many would agree has succeeded more than others in shaping American perceptions of the country and who will be running it in future.

Responsibility

Public interest cannot be built by harping on yesterday's issues — sanctions, boycotts and other instruments of political leverage which have served their purpose and with which the public, the Congress, the aspirants to high office, the congressional black caucus and even the lunch-hour crowds in front of the White House, so manifestly are bored.

Neither can it be done by presenting a vision of the future that is mired in the failed concepts of yesteryear.

With the ANC's great power to influence American public opinion goes a responsibility to recognise an incipient loss of interest, a dangerous slide towards indifference, which could harm all in the new South Africa. □

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Top-level French trade group flies in

CT 20/9/91

Own Correspondent

JOHANNESBURG. — The first French trade minister to visit SA in 16 years arrived in Johannesburg yesterday with a top-level trade delegation, including CEs from 25 major French firms.

French Trade and Industry Minister Dominique Strauss-Kahn said yesterday a substantial number of major French companies were interested in investing.

He said economic links between SA were underdeveloped and had the potential to grow rapidly.

The delegation includes CEs and MDs from Banque Nationale de Paris, Banque Paribas, Credit Lyonnais, Renault Vehicle Industries, Aerospatiale, Total, Indosuez, Rhône Poulenc, Dassault and coal mining company Le Carbon Lorraine.

Also in the party are the presidents of the Paris Chamber of Commerce, the French External Trade Organisation, the Southern Africa committee of the French Confederation of Industry, and national telephone firm France-Télécom.

The minister said all the firms represented were "interested in specific developments" in Southern Africa.

Strauss-Kahn would meet President F W de Klerk, ANC president Nelson Mandela, senior Cabinet Ministers and Gencor chair Derek Keys during the trip.

He would not be meeting Inkatha leader Mangosuthu Buthelezi "because of the crowded schedule", a French embassy spokesman said.

The Bureau de Recherches Géologiques et Minières (BRGM) would also be signing an agreement with Gencor to co-operate in mining gold in Guyana, Strauss-Kahn said.

Danes on SA recce

JOHANNESBURG. — A Danish multiparty delegation is due to arrive in SA today on a visit that could lead to Denmark dropping its veto on the lifting of EC sanctions on trade in iron, steel and Krugerrands.

286 CT 20/9/91

The delegation includes Denmark's ruling coalition partners as well as the major opposition parties, Danish embassy chargé d'affaires Erik Boel said.

The visit is a prelude to a meeting in October of the Danish foreign affairs committee.

This committee will — in conjunction with other Scandinavian countries — decide on whether to implement the first phase of a Danish plan to lift sanctions in stages.

IFC looks at role

CT 20/9/91

HARARE. — The International Finance Corporation (IFC), the private-sector investment arm of the World Bank, has been evaluating its possible future role in the new SA, a senior IFC official said yesterday.

"But we are some way away yet from making any investments in SA," Tom Milton, the IFC representative for southern Africa, said.

Banking sources said the US, the biggest single shareholder in the World Bank and IFC, had let it be known it did not think the time had yet come for the international financial organisations, including the IMF to begin activities in South Africa.

Delegation of Danish MPs arrives today

PATRICK BULGER

A DANISH multiparty delegation is due to arrive in SA today on a visit that could lead to Denmark dropping its veto on the lifting of EC sanctions on trade in iron, steel and Krugerrands.

The delegation includes Denmark's ruling coalition partners as well as the major opposition parties, Danish embassy chargé d'affaires Erik Boel said.

The visit is a prelude to a meeting in October of the Danish foreign affairs committee. This committee will — in conjunction with other Scandinavian countries — decide on whether to implement the first phase of a Danish plan to lift sanctions in stages.

The delegation includes Goergen Estiup of the opposition Social Liberal Party, whose vote in the Danish parliament against Denmark agreeing to go along with the EC lifting sanctions resulted in a Danish veto on the issue.

Trading partners with snarls

Star 20/9/91. (280)

Zimbabwe is seeking better trade terms with South Africa at the same time that it is opposing the relaxation of sanctions, reports GERALD L'ANGE.

PRETORIA'S suppressed irritation with Harare has begun to show.

It emerged in official accounts of the meeting this week in Pretoria between South African and Zimbabwean officials over a request from Zimbabwe for a revision of the preferential trade agreement between the two countries.

The South Africans appear to have taken a somewhat firmer line than usual in expressing Pretoria's irritation at what they see as the uncompromisingly sour face presented by Harare when the rest of Africa is beginning to smile on President de Klerk's reforms.

It seems unlikely at this stage that this irritation will lead to a deterioration in the already strained relations between the two governments. But a lot may depend on what Zimbabwe does at the Commonwealth summit in Harare next month.

According to official sources, the South Africans made it known a little more plainly than they have in the past that they find it odd that the Zimbabweans should seek better terms under the agreement (which is essentially what the Pretoria meeting was all about) at the same time as opposing the relaxation of international economic sanctions.

They pointed in particular to Zimbabwe's key role in persuading the Organisation of African Unity to maintain sanctions at its summit in Abuja, Nigeria, in June. President Mugabe himself led that attack and pushed it home, even though ANC leader Nelson Mandela was there trying to get sanctions conditionally softened.

Ironically, this happened at about the same time as Harare began seeking better trade terms from South Africa.

The Zimbabweans were impelled into that seemingly contradictory action by the knowledge that improving trade with South Africa is a key pillar of the economic restructuring programme on which Mr Mugabe's government is depending to save Zimbabwe's struggling economy.

The trade agreement benefits both parties, but it is of much more benefit to Zimbabwe, which does most of its trade with South Africa. The Republic counts its trade with Zimbabwe as a comparatively small part of its overall foreign business.

Widening gap

The imbalance is likely to increase rather than lessen if the Zimbabwe dollar continues to weaken against the rand, as economists predict.

Seemingly to emphasise their irritation, the South Africans said that if the agreement were to be revised, it should be signed by a cabinet minister and not by a senior public servant, as in the past. This was apparently not expressed as an ultimatum, only as a point of view.

It amounts to no more than an objection to President Mugabe's consistent refusal to deal with Pretoria at ministerial level. But it plainly is an objection that could quickly become an ultimatum if Pretoria were to come to believe that its interests were no longer served by taking a tolerant attitude.

The South Africans suggested that Pretoria's tolerance might be severely tested if the Zimbabweans pursued what is seen almost as their hounding of South Africa at the Commonwealth Heads of Government Meeting (CHOGM) which opens in Harare on October 16.

It seems inevitable, however, that Zimbabwe will do just what the South Africans don't want them to do at CHOGM.

Britain, which still regards itself as the senior partner in the Commonwealth, is said to be trying to get the South African issue played down at CHOGM, fearing that the progress towards a negotiated solution in South Africa could be set back if the Commonwealth nations play political football.

There is worried remembrance of the 1979 CHOGM in Lusaka, which led to the Lancaster House conference and independence for Zimbabwe. The British, it seems, do not think that kind of approach is what is needed for the entirely different South African issue.

The Zimbabweans, however, take a different view. In the first place, they think they are morally right. In the second place, they do not think they are out of step with the rest of Africa in demanding the maintenance of sanctions, and point out that the Abuja resolution on sanctions won general support.

And in the third place, it is argued, you can't very well have a CHOGM right next door to South Africa and virtually ignore the issue.

South African Director-General of Foreign Affairs Neil van Heerden does not believe that CHOGM 1991 will be anything other than a predictable expression of opposition to the South African Government.

As it is being held in Harare, and given "the expectations we have of the Zimbabwe government's attitude, one must assume that CHOGM must to some extent be a captive of the Harare syndrome, if I can call it that", he said.

Great store

Mr van Heerden, who described CHOGMs as "pre-programmed love-ins of a particular kind", appears not to attach much importance to the Harare meeting.

Mr van Heerden made it plain in the interview that South Africa is prepared to go to some lengths to establish good relations with Zimbabwe.

"We are setting great store by the possibilities of normalising relations with Zimbabwe," he said. "But right now we have no reason to be optimistic about the prospects."

The Zimbabweans appear to be slightly puzzled by the South African attitude. There is a suspicion in Harare that the displeasure of the South Africans arises partly from their having over-estimated Zimbabwe's influence in Africa and the rest of the world.

Perhaps CHOGM 1991 will show whether this impression is correct. — Star Africa Service. □

Danish MPs to decide on EC sanctions

W/Mail 20/9-26/9/91 (280)

By JENNIFER POGRUND

FIVE leading Danish parliamentarians arrived in South Africa on Friday to assess whether the government has net conditions stipulated by the Dansh parliament for the ending of Dansh and European Community sancons.

Depending on the finding of the deleation, the way may be opened for the fting of EC sanctions on steel, iron ıd Kruger rands. In April the Danes fectively vetoed the 12-member C's wish to lift these sanctions.

For the first of a three-phase plan of anish sanctions laws against South frica to be lifted, the delegation will ıve to be satisfied that the five pillars of apartheid legislation have been abolished; that a binding agreement with the United Nations High Commission for Refugees (UNHCR) on the return of exiles has been concluded and that all political prisoners have been released.

Said Erik Boel, charge d'affaires of the Danish embassy: "Once these conditions have been fulfilled, the way will be clear for the lifting of the first phase: the reservation against the abolition of the EC sanctions, and legislation that bans Danish investments and the exchange of services such as banking."

The delegation, which is in the country on a week-long unofficial visit as guests of the South African Council of Churches, will meet a range of government representatives as well as other political leaders and representatives of non-governmental organisations.

The three-phase plan for the lifting of sanctions is a consensus document agreed to by the five major Danish political parties, which are all represented in the delegation.

In the delegation is Jørgen Winther of the Liberal Party and chairman of the Foreign Affairs Committee, which will make the final decision on whether to lift the first phase of sanctions at this stage.

Also in the delegation is Jørgen Estrup of the Social Liberal Party, the man who holds the swing vote on the lifting of Danish and EC sanctions.

An opinion poll conducted in Denmark this week showed that most Danes still support the retention of sanctions.

Whereas it is widely considered that two of the conditions have been met — the repeal of apartheid legislation and the signing of the agreement between the government and the UNHCR on September 4 — the still-unresolved issue of the release of remaining political prisoners may prove to be the stumbling block.

But while the lifting of EC sanctions remains unclear, it is an almost foregone conclusion that the Commonwealth Heads of Government meeting in Harare next month will accept recommendations to lift the sports, cultural and academic boycotts.

The proposals of the New Delhi foreign ministers' meeting last weekend made it clear that substantial progress has been made and that these "people-to-people" sanctions could now go.

Back in franchise fold

280

S/Times (Buss)

Business Times Reporter

THE SA Franchise Association (Safa) has been readmitted to the Washington-based International Franchise Association (IFA).

Membership of the international body of franchisors was suspended at the height of the sanctions campaign in the mid-1980s and SA was cut off from the mainstream exchange of franchise information.

22/9/91

IFA president Bill Cherkasky confirmed SA's readmission this week.

Safa director Kurt Illetachko says: "Our policy of cultivating relationships with companies and individuals around the world has paid off."

Leon Smith, chairman of Safa's international relations sub-committee, says membership of the world organisation will help SA to learn from foreign counterparts and to import and export concepts under master licence.

"This will benefit emerging black business people who need proven business frameworks."

Leakey visit will help to bridge the African gap

S/Times 22/9/91.

THE visit to South Africa by celebrated Kenyan Dr Richard Leakey has been hailed as a breakthrough for archaeology.

A vociferous critic of apartheid, Dr Leakey, 48, an acknowledged expert on the origins of man, has previously refused to set foot in South Africa.

"By coming to South Africa, Richard will be bridging a gap in the research into the origins of man," said Prof Phillip Tobias, an authority on early man who is director of the palaeo-anthropology research unit at the University of the Witwatersrand and a friend of the Kenyan scientist.

By EVELYN HOLTZHAUSEN

"I am delighted that he is coming. It is high time that the two fossil families and respective custodians of fossil research in Africa got together for a freer exchange of ideas," said Prof Tobias.

Tourists

In an attempt to halt elephant poaching, Dr Leakey, who is director of the Department of Wildlife in Kenya, helped initiate the worldwide ban on the sale of ivory, which he said, could halt poaching of up to 80 000 elephants a year.

His visit to South Africa in November is being sponsored by Thompsons International Tour Operators to encourage South African tourists to visit Kenya.

During his visit Dr Leakey will deliver a public lecture titled: "Human Origins: A Kenyan Perspective", in the Great Hall at the University of the Witwatersrand on November 13.

Accompanied by Prof Tobias and other South African anthropologists, he will also visit digs at Sterkfontein and other fossil sites in the Transvaal.

He will also give talks on Kenya's appeal to tourists and is expected to visit the Kruger Park accompanied by Dr GA "Robbie" Robinson, chief director of the National Parks Board.

Dr Leakey's parents, Dr Louis Leakey and his wife, Mary, uncovered what are believed to be the fossil remains of man's beginnings in Olduvai Gorge in Tanzania's Rift Valley in the 50s and 60s.

Prepare to invest in SA now, Mbeki tells French

Star 24/9/91

(280)

By Kaizer Nyatsumba
Political Staff

Foreign businessmen and governments interested in investing in a future democratic South Africa could start making preparations now, according to ANC international affairs director Thabo Mbeki.

Speaking at a press conference after top ANC leaders held a meeting with French Industry and Trade Minister, Dominique Strauss-Kahn and his delegation in Johannesburg yesterday, Mr Mbeki said the ANC's position on sanctions remained unchanged.

He said the organisation's national congress in Durban in July had decided in favour of a phased lifting of sanctions in response to political progress made in the country, and nothing had changed since then.

However, countries which wanted to invest in a future democratic South Africa had to start making preparations now.

"We will come to the point when it will be agreed that the ban on investment will be lifted, but it is important that countries interested in investing in South Africa start making preparations now," said Mr Mbeki.

Mr Mbeki was a member of an ANC delegation which held talks with Mr Strauss-Kahn and his delegation of MPs and businessmen, who yesterday ended their five-day fact-finding mission to this country.

Leading the ANC delegation was president Nelson Mandela, who had to leave before the meeting was over to attend "an unscheduled urgent meeting", according to Mr Mbeki. Also in the delegation was ANC national chairman Oliver Tambo.

Mr Strauss-Kahn said the hour-long meeting was "informative and emotional", and his government undertook to help train black South Africans in preparation for senior jobs in future. He said preparations made towards investment now could lead to actual investment about 18 months later.

Mr Mbeki was optimistic that the democratic process would succeed in the country, saying the demoratic movement in South Africa was strong enough to "make these things happen".

The ANC international affairs director said an interim government would be faced with "a series of demands from the people", and the interim government would therefore need financial help.

I back SA effort to play in World Cup – Mandela

ANC president Nelson Mandela will back South African cricket's bid to play in next year's World Cup, he said yesterday.

At a meeting with Dr Ali Bacher, managing director of the United Cricket Board of SA, and former West Indian test captain Clive Lloyd, Mr Mandela said his organisation would "do everything in its power to support SA's application" for inclusion in the World Cup.

He was responding to confirmation by Dr Bacher that the UCBSA had decided to forward an application to play in the tournament despite opposition from Pakistan. Star

Mr Mandela praised cricket's commitment to a development programme. 24/9/91

"Nonracialism in sport mustn't just start at the top, it must also be seen to appear at the bottom," he said.— Staff Reporter.

SA is just another marginal sector for most US investors

(280)

SIMON BARBER in Washington

B/Day 24/9/91

"Americans," opined the Washington Post last week, "have a huge interest, political as well as moral, in the emergence of a democratic, stable SA."

The sentence is self-contradictory. No interest, if defined solely as political and moral, can justly be called huge. What the Post really means is that a decent outcome in SA would impart to Americans a 30-second warm glow while giving New York mayor David Dinkins one less excuse for wasting public treasure.

The fact of the matter is the US stands neither to lose nor gain anything of substance whatever happens in SA, or the rest of its continent, for that matter. Nor, the Cold War having abruptly ceased, can Washington even pretend the truth is otherwise.

As the SA Foundation's Michael Christie likes to point out, the economy of Maryland, not a particularly large US state, is about the same size as that of SA. Add backward West Virginia to Maryland, and you have economic muscle on a par with that of all southern Africa. In terms that count, SA and its region are meaningless. Their fate is of no consequence to general American prosperity and security.

If even marginally serious US interests were at stake in SA, as opposed to "political and moral" ones, Washington would have a policy towards the place. It would be actively seeking to promote a certain kind of denouement that would serve those interests. It would be willing to take a few risks in the process.

No US president has ever been as completely focused on foreign policy as George Bush. Yet even he is content that his Secretary of State James Baker should have set one goal and one goal only for the administration's dealings with SA: find the line of least resistance with Congress and avoid domestic trouble.

Those, in a nutshell, are Assistant Secretary of State for Africa Herman Cohen's marching orders. The fact that Bush agreed to lift the Comprehensive Anti-Apartheid Act's sanctions is largely due to Cohen's efforts to convince his superiors that such a move would not violate the spirit of his instructions. Bush's personal undertakings to President F W de Klerk were rather less of a factor.

It is worth examining the calculus of fear that prevents the administration from taking the further and rather more important step of restoring SA's access to the IMF and the assorted credit windows of the World Bank.

Hitherto, the excuse has been that Congress might react by blocking replenishment of the US contribution to the fund. There is little evidence on Capitol Hill that this will be the case. Furthermore, if Congress felt strongly on the issue, at the very least one would have expected to see some sort of resolution dropped in the hopper to put the administration on notice.

Some officials have talked of SA becoming an election issue next year if the administration were to move too precipitately on the remaining sanctions. That is patently silly. The only people for whom Bush's policy towards SA might be remotely agitating were never going to vote for him anyway.

Silly or no, the worry seems to be operative. This speaks volumes for the priority Bush and his team assign SA: the possible protests of a constituency whose support the president does not need and cannot conceivably hope to obtain are deemed to outweigh the importance, acknowledged even by some in the ANC, of helping SA get its economy in shape.

So tenuous is the reed upon which the administration bases its inaction that the slightest counter-pressure could logically be expected to blow it over. From this follows perhaps the most depressing aspect of the whole equation: the counter-pressure is not there.

□ COHEN

What this means is that US businessmen are making little effort, concerted or otherwise, to lobby Bush on the issue. It is not that they like the status quo — all know that it is putting them at a competitive disadvantage vis-à-vis the Europeans and the Japanese — it is simply that they have more important favours to ask of the administration.

The only US companies that seem to be actively pushing for action on the residual US sanctions — most notably the IMF restrictions and state and local measures — are those who have stayed in SA and want some relief. Otherwise, the silence is fairly deafening.

Now, frankly, the ANC should concede it has made a costly mistake.

When US capital really wants to go somewhere politicians have decreed it should not, it tends to kick up a fuss. It gets in touch with the elected officials whose elections it has paid for. It starts trying to "educate" the public. It has words with the foreign powers whose activities caused the restrictions to be imposed in the first place.

In the case of SA, one might have expected US business to go to the source of the sanctions, the ANC itself, and seek to cut a deal. Such an expectation should have been one of the main reasons the ANC started calling for sanctions in the first place. It ought certainly to be the principal motivation for continuing to demand that sanctions remain. Back us, the movement should be saying, and we will quietly exempt you and help you make good money; if not, well, we will take our business elsewhere — the Europeans and Japanese seem keen.

Alas, the ANC has either been too slow or ideological to spot the opportunity it has created for itself until too late, at least as far as US investment is concerned. Instead of coming to an arrangement that might have benefited everyone — and bear in mind that business can operate under all kinds of truly terrible regimes given the proper inducement — it has driven the Americans away, thus reducing the competition for its patronage.

Face it, this is the equivalent of a blackmailer showing the incriminating photographs to the victim's wife before presenting his terms. Not the way to earn respect.

Such foolishness, in combination with SA's intrinsic marginality, helps account for the silence. If US investors saw an opportunity for real returns and a government willing and able to co-operate with them in the achievement of same, they would be beating at the door. Instead, the only Americans really anxious to get to SA are the befuddled mayor of New York and his retinue of jokers. They have absolutely nothing to offer the ANC. And even they will not come unless someone else pays the way.

Forget all the gush about democracy and market economics. What US capital wants to know is that if it flows back to SA, will the government of the day create the circumstances in which it can make a profit? It honestly does not matter what those circumstances are in detail, so long as they "perform the desired function reliably and the price is agreed in advance". Perhaps the ANC is too nice to understand.

US sanctions on their way out, says Crocker

(280)

B/Day 29/9/91

TIM COHEN

THE last US sanctions against SA could disappear soon, former US Assistant Secretary of State for African Affairs Chester Crocker said yesterday.

Speaking in an interview at the Institute of Personnel Management's annual convention at Sun City, Crocker said he was sure US President George Bush would like to lift the remaining US federal sanctions as soon as possible.

As far as local and state sanctions were concerned, the situation was more complex and "we could move into the more distant future".

But Crocker said the state and local sanctions could be lifted if South Africans agreed to issue a united appeal for their repeal.

"That point may come sooner than you think," he said.

"But what is important is for people in the opposition here to have a role in the decision to lift sanctions," he said.

Crocker also expressed himself positively about the future of southern Africa but warned about its marginalisation.

"This region has the possibility of getting Africa back on the map and SA is the key to this region," he said.

The region would get the investment it deserved if it "got its act together," and provided the correct conditions.

Crocker said there was movement toward a period of capital pressure, but the real problem was not so much the lack of capital as the lack of skills.

He said outside mediation in SA's constitutional negotiation was not impossible, but was unnecessary at this stage, particularly since all the internal parties were already involved in discussions with one another.

Crocker scotched rumours that he was intending to re-enter the US administration, saying he was staying in the private sector for the time being and he was not negotiating any deals.

Crocker hopeful on sanctions

(280)

ET 24/9/91

Own Correspondent

JOHANNESBURG. — The last American sanctions against South Africa could disappear soon, former US Assistant Secretary of State for African Affairs Mr Chester Crocker said yesterday

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"That point may come sooner than you think," he said.

Austria lifts economic sanctions

(280)

Star 25/9/91

VIENNA — Austria lifted most economic sanctions imposed on South Africa yesterday and said the measure would remain in effect for a year to see if Pretoria kept to its policy of dismantling apartheid.

A statement released in Vienna said "the majority of sanctions" were being lifted.

In particular, this included a ban on investment by Austrian firms, an import ban on iron, steel and gold coins, and a ban on export credits.

Austrian state-owned companies will still be prohibited from participating in SA's nuclear industry and exports of arms and computerware for the SA army and police will be forbidden.

The decision was based on hopes of "... a democratic South Africa", the statement said. — Sapa-Reuter.

NESS

ANC holds key to US investment

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By Derek Tommey Star 25/9/91

The ANC has a major role to play in determining whether the US market is opened to South African goods and whether US business invests in South Africa, says Wayne Mitchell, executive director of the American Chamber of Commerce in South Africa.

He told Safto's "Doing business with the USA" conference yesterday that although the Comprehensive Anti-Apartheid Act had been lifted, there were still 88 US cities, 24 counties and 26 states still applying sanctions.

The leaderships of the coalitions that convinced local authorities to adopt sanctions say that President George Bush's action was premature.

They are maintaining pressure on the local authorities and will most probably continue to do so until the negotiation process is much farther down the track.

But most US activitists take their cue on sanctions from the ANC. "Sanctions could fall away quickly if Nelson Mandela and the ANC leadership calls for their end," he said.

Businessmen were also concerned about the political system that would emerge and how the economy would be managed.

"They want to know that their assets will not be nationalised and that a set of rules will be laid down that will not be subject to constant change."

But Mr Mitchell warned that even with all these questions answered, many companies were focusing their investment resources on the emerging markets of East Europe, China and Latin America.

Sanctions strangled growth prospects

Star 25/9/91

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By Derek Tommey

Five years of foreign trade sanctions appear to have been weathered reasonably well. But Mike Brown, economist with Frankel Max Polak Vinderine Inc claims the economy has been seriously damaged and the country is now in a "fourth world" category.

Over the tough years of sanctions South Africa managed to keep open its channels to international markets.

Technology limitations were not a major short-term constraint and foreign disinvestment and debt repayments accommodated and honoured.

On the surface the economy appeared relatively unscathed. But five years of sanctions brought out the underlying economic frailties, claims Mr Brown.

A cursory examination suggests that exports did relatively well. But as the effective value of the rand fell 60 percent over the sanctions period, much of the export growth was bought at the expense of a depreciating currency.

The falling rand had several negative effects. It contributed to the steady decline in the terms of trade, which pushed up the price of imports by 20 percent a year in both 1984 and 1985 and the annual price increases of imports have remained in double figures since then.

This increased the inflation rate and raised the effective level of protection for South African producers from zero in 1984 to above 40 percent in 1986 to 1990, according to the IDC.

This situation carried the risk of unduly endangering the international competitive position of a large portion of the country's production process

Sanctions also resulted in the export of about R30 billion in capital over the past six years

The foreign capital haemorrhage was a major factor in the reduced investment.

"South Africa's level of effective net invstment is now among the lowest in the world, placing us firmly, but hopefully temporarily, in the 'fourth world' category," he says.

Potential

"Sanctions did not destroy the ongoing momentum of the economy to the same extent that they appear to have blocked the generation of new investment and job creating activity, and strangled the future potential of the economy'.

Government policy in the early 1980's switched towards the promotion of consumption as the chosen multiplier for economic expansion.

Mr Brown saidthe "consumer boom" was to a disappointing extent reliant on growth in Government consumption expenditure which has been growing faster than private consumption expenditure.

The result was Government employment rose nearly 60 percent while total employment rose by a cumulative 12 percent.

"South Africa became a nation of civil servants, with the Government insulating those fortunate enough to be in its employment from the ill effects of sanctions," he adds.

However, now that sanctions are being lifted South Africa must start attracting foreign capital.

Mr Brown says that plenty of interest is being shown in South Africa. What is needed is a catalyst to turn this interest into actions.

This could include:

- Concentrated efforts to establish "show piece" projects involving at least partial foreign participation and provide a visible display of foreign confidence in South Africa;
- "Flag-raising" the issue of South African capital market stock as occured with the German loan last week;
- Specific tax incentives such as temporary "tax holidays" to encourage foreign investment, and;
- Joint ventures by foreigners with South African companies.

Mr Brown says that economic and political stability is a prerequisite for attracting foreign investment.

Violence

The endemic political conflict and violence was also obstructing foreign investment.

A priority for the multiparty conference and any interim Government arrangements should be the issuing of a uniform declaration of support for foreign investment and a pledge to allow free flow of dividends, interest and other payments for non-resident investors.

EC urges easing of restrictions on SA

Star 25/9/91. 280

Special Correspondent

NEW YORK — European Community members yesterday urged the gradual lifting of "restrictive measures" on South Africa, to the degree that reforms were implemented.

The 12-nation group also said it was "absolutely indispensable" that negotiations begin soon on a new constitutional order in South Africa, with the broadest possible participation of all segments of society.

The EC, in a statement read out to the UN General Assembly by Netherlands Foreign Minister Hans van den Broek said that there was reason for "some optimism" over the South Africa situation.

He said it was undeniable that President de Klerk's reform process had moved the country into what he termed a "qualitatively new phase".

But the measures taken so far were not enough to create a united, non-racial and democratic South Africa, the Minister added.

Calling for early negotiations, he said all parties, particularly the Government, had to help create a climate conducive to the success of such talks.

"The international community, which is committed to the complete dismantling of apartheid, should monitor these developments," Mr van den Broek said.

"In order to encourage constructive change it should be willing, gradually, to revoke restrictive measures to the degree that reforms have been put into effect."

The Netherlands is the current chairman of the EC, which also submitted to the UN a memorandum covering several international problems, including that of South Africa.

Essentially, the South Africa segment reviewed developments in the Republic over the past year and reaffirmed members' commitment to support the complete abolition of "the unacceptable system of apartheid by peaceful means and its replacement by a democratic system".

Austria lifts sanctions for a trial year

TIM COHEN (280)

AUSTRIA lifted most of its sanctions on SA yesterday, including its bans on investment and export credits.

Austrian ambassador Arnold Moebius said sanctions would be lifted for a year, after which the Austrian government would assess whether Pretoria had maintained its progress towards dismantling apartheid. B/Day 25/9/91

He said most sanctions had been lifted, including the ban on investment by Austrian firms, an import ban on iron, steel and gold coins and a ban on government guarantees for exporters.

Moebius said the only sanctions that remained were those imposed by the UN, which his government felt obliged to honour. These were a ban on participation in SA's nuclear industry and the ban on the sale of arms and computer equipment to the SA Defence Force and police, he said.

He said the lifting of sanctions would almost certainly reverse the declining trend in bilateral trade between SA and Austria, which currently amounts to about $240m a year.

Exports to Austria amounted to about $140m last year, 26% less than in 1989, while imports were 11% lower at about $100m.

The lifting of the sanctions follows a recent low-key visit to SA by Heinz Fischer, the leader of Austria's Social Democratic Party, one of the country's two main parties which rule in coalition.

When Fischer returned to Austria after holding talks with all the main SA political parties, he was quoted as saying credit ought to be given for progress made towards dismantling apartheid.

The signing of the national peace accord was a crucial step, Fischer was quoted as saying in a national newspaper, Der Standard.

Moebius brushed aside objections political groups might have, saying it was clear his government felt the time for lifting sanctions was opportune.

Not being a member of the EC, Austria had imposed sanctions of its own accord and was therefore able to lift them without constraint, he said.

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'Full rights for all before sanctions go'

(280)

By Mike Siluma
Star Bureau

Star 26/9/91

LONDON — Sanctions on South Africa should be maintained until all South Africans enjoyed full political rights, the secretary-general of the Commonwealth, Chief Emeka Anyaoku said yesterday.

In his report to Commonwealth heads of government, to be presented to the Harare summit next month, Chief Anyaoku said sanctions — whose purpose was "to serve as a means of persuading Pretoria to begin and sustain negotiations" for a democratic South Africa — had had an important impact on developments in South Africa.

Assessing the current situation in the country, Chief Anyaoku said: "Considerable progress has been made, but the world must not be blind to the fact that ... real obstacles still stand in the way of making the end of apartheid a reality for South Africans.

Revelations

"Apartheid will not be truly dead and buried until a new political dispensation gives the majority population of South Africa full voting and constitutional rights.

"Until this is achieved, or at least is clearly in sight, it would be inappropriate to relax all international pressure without which the universally welcomed process of change could not have been initiated."

Recent revelations of Government funding "to rival organisations to undermine the ANC", coupled with allegations of security force complicity in political violence, represented "a grave threat to hopes of a peaceful transition".

Chief Anyaoku urged Pretoria to "take every necessary step to end immediately all machinations against the reform process".

The Commonwealth was "ready to render such appropriate assistance to facilitate the negotiations as the parties may deem helpful".

Chief Anyaoku said a blueprint to provide training and work experience, aimed at helping develop a post-apartheid South Africa's human resource potential, would also be presented at the Harare summit.

Call to keep pressure up on SA

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Sowetan 26/9/91

LONDON — THE Commonwealth Secretary-General, Chief Emeka Anyaoku, yesterday said that international pressure should be maintained against South Africa until blacks were given full voting and constitutional rights.

"Considerable progress has been made but the world must not be blind to the fact that, even as I write, real obstacles still stand in the way of making the end of apartheid a reality for South Africans," he said in his annual report to Commonwealth Heads of Government.

"Until this is achieved or at least is clearly in sight, it would be inappropriate to relax all the international pressure without which the universally welcomed process of change could not have been initiated.

"In this context, recent revelations of secret government funding to rival organisations to undermine the ANC, accompanied by allegations of complicity by elements of the security forces in the violence, represent a grave threat to hopes of a peaceful transition

"Everything must be done by all concerned including especially the Government to ensure that progress to full negotiations of the future constitution of a democratic South Africa is not in any way imperiled," he said. — *Sapa.*

Timetable set for sanctions

(280)

BILLY PADDOCK

TRADE and investment sanctions against SA could be lifted by Commonwealth countries as soon as a multiparty conference on negotiations was under way, diplomatic sources said yesterday.

But financial sanctions, including lending by financial institutions such as the IMF and World Bank, would remain until agreement was reached on the text of a new democratic constitution. The sources said, however, financial sanctions could be lifted earlier if recommended by the multiparty conference.

B/Day 26/9/91

The Commonwealth committee of foreign ministers, which met earlier this month under the chairmanship of Canadian Foreign Minister Barbara McDougall, has recommended this timetable to the heads of government meeting in Harare next month.

The foreign ministers also recommended the immediate lifting of people-to-people sanctions, including consular and visa restrictions, cultural and scientific boycotts, restrictions on tourism promotion and the ban on direct airlinks.

A senior diplomatic source said given the composition of the committee — the foreign ministers of four African countries and of Malaysia, Guyana, India, Australia and Canada — there was little doubt the recommendations would be accepted.

The committee took a tougher line than the ANC's recommendations on a phased lifting of sanctions because financial sanctions were "the most demonstrably effective of all sanctions" and it was still neces-

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Sanctions

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sary to use "effective forms of sanctions pressure to ensure a successful final outcome".

The committee recommended that "other economic sanctions, including trade and investment measures, should be lifted when appropriate transitional mechanisms had been agreed upon which would enable all parties to participate fully and effectively in negotiations".

The source said this recommendation effectively meant that as soon as a multiparty conference was up and running, this pressure could be lifted.

He said it was not clear how the recommendations would be implemented.

The ANC's policy on the phased lifting of sanctions, decided at its conference in July, stated that financial sanctions, along with trade and investment sanctions, should be lifted once an interim government was in place.

Meanwhile, TIM COHEN reports that Commonwealth secretary-general Emeka Anyaoku has hinted at a more conciliatory approach towards SA, saying political progress here might enable the Harare meeting to "unite in helping to end apartheid and build a new SA".

In a pre-summit statement yesterday, Anyaoku also called for the doubling of the organisation's main development fund, the £30m Commonwealth Fund for Technical Co-operation, by the year 2000.

The committee of foreign ministers had recommended the phased lifting of sanctions in view of the "real, if sometimes still faltering steps" towards a democratic SA.

Real obstacles remained and without full voting and constitutional rights for the majority in sight, a relaxation of all international pressure would be inappropriate, Anyaoku said.

KIN BENTLEY reports from London that representatives from SA would probably be invited to the Harare meeting only if a "unified, interim arrangement" had been achieved by then.

Commonwealth secretariat spokesman Patsy Robertson said that in the past, the ANC and PAC would attend such summits as a matter of course. But, she said, should a "unified group" for SA not have evolved in time, it would "not (be) helpful" to have just ANC and PAC representatives.

'Maintain pressure on SA'

(280)

CT 26/9/91

LONDON. — The Commonwealth Secretary-General, Chief Emeka Anyaoku, said yesterday that international pressure should be maintained against South Africa until the black majority was given full voting and constitutional rights.

"Considerable progress has been made, but the world must not be blind to the fact that, even as I write, real obstacles still stand in the way of making the end of apartheid a reality for South Africans," he said in his annual report to Commonwealth heads of government.

"Apartheid will not be truly dead and buried until a new political dispensation gives the majority population of South Africa full voting and constitutional rights.

"Until this is achieved or at least is clearly in sight, it would be inappropriate to relax all the international pressure without which the universally welcomed process of change could not have been initiated," he said. — Sapa

Danes surprised by Pik's vitriol

280

W/Mail 27/9 - 3/10/91

Danish MPs visiting South Africa to examine sanctions were greeted by a stern lecture from Foreign Minister Pik Botha and bungling by the African National Congress, reports

PETER TYGESEN

A VISITING group of Danish parliamentarians this week was given a surprising insight into the quality of some South African politicians.

Their tour included a 45-minute tongue-lashing by Foreign Minister Pik Botha and a briefing from an African National Congress official, who claimed the government had issued the delegation with false documentation.

In addition, the delegation was stunned that Education and Training Minister Sam de Beer did not know the extent of illiteracy among the black population.

"I would have thought such information was the very foundation he should act upon," quipped one of the five visiting MPs.

The delegation was made up of two representatives of the Danish government, keen to eradicate all sanctions towards South Africa, and members of opposition parties which has forced the government to retain sanctions.

Regardless of this, Botha wasted no time lambasting the entire delegation for not having lifted sanctions. "We had hardly been seated before he started whipping us," Liberal MP Joergen Estrup said. After almost 15 minutes of ministerial tirade, Estrup finally managed to break through.

"I very politely interjected that I hoped he had invited us in order for us to explain the reasons for the Danish position — but he immediately brushed me off," Estrup recalled. "He said he knew exactly what our position was, and that he knew everything about our various parties' stand. We never felt welcome."

"It was rather unpleasant," commented Conservative MP Agnete Laustsen, a tireless campaigner against sanctions.

Socialist People's Party MP Ebba Strange (62) laughed when recalling the ordeal: "It was like being 13 and facing your stern father with a request to go out for a night. He went on and on and on about how naughty we were, and I felt like cutting through and saying — 'Alright, I've heard you, but can I go now...'"

At the end of the meeting Botha's eyes suddenly twinkled and he asked if they "would like to meet the State President?" Turning to his telephone, he once again inquired whether it was really important for them to see him.

Considering that a meeting with FW de Klerk had been on the agenda ever since the trip was planned, "we felt he was a bit silly", Strange concluded.

During the visit Botha emphatically denied that there were still political prisoners in jail. As proof he handed the delegation a copy of the minutes of a June 30 meeting on the issue between the government and the ANC.

The issue is at the core of a three-step Danish plan to lift sanctions, which will be initiated once all political prisoners have been released. Simultaneously, Denmark will lift its blocking of an earlier European Community decision to lift some sanctions, thereby enabling South Africa to resume its export to the EC of iron, steel and Krugerrands.

The document later became the centre of controversy, when ANC legal team member Matthew Poosa claimed that Botha had only furnished the Danes with half the agreement.

He went on to say that the minister obviously had tried to deceive the Danes, and a report to this extend was immediately filed to the Danish public by a reporter from the Danish news agency accompanying the delegation.

The ANC, however, climbed down the next day when the organisation admitted that the minister had omitted nothing.

Apparently, the original agreement had been typed with double spacing — and thus took up two pages. As the copy from the minister had been typed with single spacing — and thus took up only one page — this had apparently trickered Poosa into claiming the alleged fraud.

"Outrageous!" Laustsen commented, clearly infuriated with this display of incompetence.

These events however, were not allowed to overshadow an otherwise "so far very rewarding visit" according to Government MP Jörgen Winther, who at a press conference in Johannesburg lauded the quality of some leaders. "With men like Thabo Mbeki, FW de Klerk and (host) Frank Chikane at the helm of this country, there is certainly plenty of reason to place great hope for the future of South Africa," he said.

SA loan bid to test US waters

S/Times 29/9/91

By SIMON BARBER
Washington

BY agreeing to manage a $100-million Eurobond issue for the Independent Development Trust, Wall Street investment bank JP Morgan is throwing down the gauntlet to American sanctioneers.

State and local governments and "socially responsible" investment fund managers are being challenged to decide whether it is acceptable for South Africa to raise development capital on the open market.

Proceeds from the issue, which is expected to go to the market in October and is the first of its kind to be managed by a US bank, are to be used for classroom construction in black communities.

Blessing

The IDT is planning a European roadshow in mid-October to drum up support for the issue. The maturity, par value and interest rate of the bonds have yet to be settled.

Morgan is clearly concerned that it may run foul of local sanctions laws in the US, especially new regulations in New York designed to discourage banks from any involvement with South Africa.

Morgan vice-president Richard Mahony said the bank had contacted local authorities to emphasise that the IDT had the blessing of both ANC president Nelson Mandela and IFP leader Mangosuthu Buthelezi. He said there had been no reaction so far.

Foreign trade delegations eager for business

B/Day 3/10/91 (280)

PATRICK BULGER

ABOUT 100 foreign trade delegations have visited SA in the past year as trade with the rest of the world normalises.

Trade and Industry Department figures show that between June last year and July this year 75 trade and investment delegations visited the country. Since then there have been more delegations — the largest being a French team headed by Trade and Industry Minister Dominique Strauss-Kahn.

Twenty-two delegations have come from the UK and western Europe, 22 from central and eastern Europe, 16 from the Far East and Australasia and six from Africa.

Significantly, a delegation of Danish businessmen will visit SA next week even though Denmark is prohibited from trading with SA.

A Danish embassy source said the delegation was aware of the Danish position on sanctions and that the visit was a preparatory fact-finding mission. The source said no decision had been taken at yesterday's meeting of the Danish foreign affairs committee on Denmark's opposition to the lifting of EC sanctions on iron, steel and Krugerrands.

The source, however, said the Danish inclination was to lift trade sanctions sooner rather than later.

Members of the Danish delegation have interests in immunisation technology, mining equipment and textiles. Their visit coincides with a visit by an Italian business team from the Lombarcy region.

While sanctions make some countries anxious about dealing with SA, trade ties are being forged with dozens of countries

"There is no doubt that business will develop from these visits," said SA Foreign Trade Organisation national operations general manager David Graham.

Trade exhibition organiser Josua Joubert said foreign companies were still appointing agents and concentrating on direct sales.

Hint of change in hardline ANC policy

B/Day 3/10/91 ROBERT GENTLE (280)

THE conference tomorrow of the ANC and its allies could see the first signs of change in the ANC's hardline policy on sanctions and new investment, ANC's Don Mkhwanazi hinted yesterday.

Mkhwanazi, member of the ANC's department of economic policy, said at the retail financial services conference yesterday that the stance on new investment and sanctions would be "considered" at tomorrow's meeting.

If government moved quickly on outstanding issues in the reform process, the ANC would call for new investment.

Asked whether the perception that the ANC was not wholeheartedly committed to free market principles might jeopardise future foreign investment, Mkhwanazi said: "I know of three multinationals who have said that if the ANC calls for new investment, they would do so tomorrow."

Mkhwanazi described the SA financial system as the exclusive preserve of whites. There were virtually no blacks in the audience, and the only blacks at the JSE were cleaners, sweepers or messengers.

He called for financial institutions to revise their lending criteria to make it easier for black entrepreneurs to obtain finance. He accused certain banks of "stealing ideas" from local black savings clubs like Stokvels and engaging in unfair competition.

"What we need is a strong, vibrant, efficient, disciplined and responsive financial system that is closer to the people; not a racist, aloof, apathetic, distant, inefficient and ineffective financial system," said Mkhwanazi.

Reserve Bank governor Chris Stals told the conference that financial institutions in the new SA should not be "for the rich alone". Special economics adviser Japie Jacobs said a "broader spectrum of the population" must have access to the financial markets.

Sanctions tied to interim rule

Sowetan 3/10/91. (280)

THE ANC said it will recommend lifting all sanctions, including the oil embargo, at the upcoming Commonwealth Heads of State meeting in Harare if the Government agreed to an interim government.

In addition, the Government and the ANC must come to an agreement on principles underpinning a new constitution, said ANC foreign relations deputy director Mr Stanley Mabizela.

Until such criteria is met, the ANC will urge the international community to maintain sanctions against South Africa, he said.

The movement's strategy for the Commonwealth meeting in two weeks signified a fusion of two stages of its phased maintenance-of-sanctions policy adopted at its national conference in July.

The first package of sanctions was to be lifted once five conditions - release of all political prisoners, general amnesty for all exiles, cessation of political trials, abolition of security legislation and an end to violence - were met.

Removal of these hurdles would be rewarded by lifting bans on visas, tourism, sports, air links and the academic and cultural boycott.

Since adoption of the policy, the ANC has identified the Government as the main obstacle to negotiations.

The second phase of the policy depended on the Government's agreement to an interim government.

Once this phase had been achieved, the ANC would recommend the lifting of all sanctions, including the ban on technology co-operation, particularly in the military field.

In terms of the plan adopted in July, the arms and oil embargo would, however, only be lifted once a representative government had been established.

The ANC delegation to the meeting is to include president Mr Nelson Mandela, head of foreign relations Mr Thabo Mbeki, head of organising committee Mr Steve Tswete, treasurer Mr Thomas Nkobi and chief representative to London Mr Mendi Msimang.

India lifts curbs

NEW DELHI. — India, among the first countries to impose sanctions, yesterday reopened travel links with South Africa, and ended cultural and scientific boycotts. — Sapa-Reuter

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Whipping sanctions horse

Star 3/10/91. (280)

Is the ANC still as persuasive as it once was in calling for sanctions against SA, asks PETER FABRICIUS.

IN ONE of the great moments in bad political timing, the ANC at its consultative congress in December last year resolved to maintain sanctions rigidly until a new constitution was in place.

As if to mock this King Canute-like posture, the EC on the very same day resolved to repeal its ban on new investments in South Africa, as the first step in a phased lifting of sanctions.

The ANC fumed and blustered but learnt from its embarrassing mistake.

At its national congress in July this year ANC president Nelson Mandela warned that if the ANC wanted to retain the sanctions weapon, it would have to show flexibility.

Congress was persuaded to adopt a policy of phased lifting of sanctions, the first stage of which called for people sanctions — sports tours, visa restrictions, tourism, cultural and academic exchange — to be lifted once obstacles to negotiation such as the political prisoners issue had been removed

The second stage would be for all remaining trade and investment sanctions except the arms and oil embargoes to be lifted if the Government accepted an interim government.

The oil and arms embargo would go only when a fully representative government was established.

Is the ANC succeeding in this new policy of tactically retreating from the forward trenches before they are overrun?

At first glance, no.

The sanctions weapon has been badly blunted with the collapse of EC sanctions and US federal trade and investment sanctions under the Comprehensive Anti-Apartheid Act

Even the Commonwealth — one of the strongest international bastions of ANC support — is set to lift people sanctions at its heads of government meeting in Harare this month.

And Pretoria opened a significant breach in the crucial wall of financial sanctions last month by raising a R650 million loan in Germany.

Yet there have also been contrary signs that sanctions are not going out as inexorably as the tide

A host of expected visits by heads of state at the time of this month's Commonwealth meeting have not materialised

Specifically, visits by Australian Premier Bob Hawke and Canadian Premier Brian Mulroney were called off because of a perceived slackening in the pace of reform

And perhaps most important of all, the Gramm Amendment — the US legislation which effectively denies SA access to IMF loans — remains on the statute book.

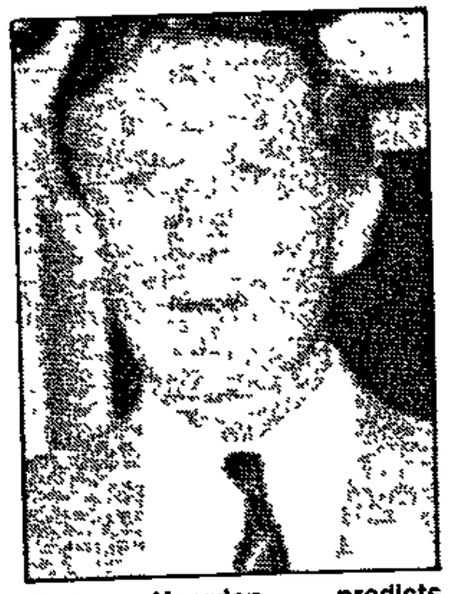
Does all this mean that the ANC has succeeded in using its new policy to manipulate sanctions by giving up non-essentials better to defend essentials?

Most diplomats and other observers agree that by becoming flexible, the ANC has helped to extend the life of sanctions such as the IMF ban and that it still has some control over US and Commonwealth sanctions.

But most would also agree that the ANC can do little more than slow the erosion of sanctions — and cannot use sanctions to pressure the Government to adopt specific ANC policies

Since its July congress the ANC has increasingly telescoped its sanctions policy to concentrate all its energies on one objective — an interim government.

The first phase of sanctions has been merged into the second phase for this purpose, and this week the ANC said that all sanctions except the mandatory arms embargo could go if an interim government were installed.



Neil van Heerden . . . predicts IMF ban will be lifted soon.

Most of all, the ANC would like the IMF ban to stay until an interim government is in place.

Foreign Affairs director-general Neil van Heerden believes this is a forlorn hope and that America will resist any ANC attempts to "blackmail" it into doing what it wants.

He predicts that the IMF ban will be lifted early next year.

Western diplomats agree that the US and other countries will judge for themselves if reform progress is being maintained.

Even the Commonwealth is unlikely to kowtow to the extent of using its sanctions policy to press for an interim government.

By putting all its sanctions eggs in the interim government basket, the ANC is taking a grave risk of once again emulating King Canute. □

Azapo hits at invitations to foreign artistes

Boycott 'in disarray'

By ELLIOT MAKHAYA

INVITATIONS to foreign artistes to perform in South Africa has thrown the cultural boycott into disarray, says Steven Peter of Azapo's Cultural Secretariat.

Peter said that Azapo maintains that the cultural boycott is still in place even if they (Azapo) quote from a United Nations resolution of May 1991

According to Azapo the United Nations resolution, reads: "... reaffirmed the policy of the cultural boycott ... it called on governments, organisations and individuals not to entertain any cultural or academic links with South Africa ..."

The same meeting of the United Nations, Azapo maintains, went further to state that if foreign artistes do come into the country, their chief engagement should be towards undertaking to do developmental work with the disadvantaged communities.

"It is at this point that Azapo finds itself at loggerheads with promoters who are anxious to bring overseas artistes into the country for mainly entertainment and business purposes," said Peter.

Azapo had reservations about the proposed Tracy Chapman show, maintaining that:

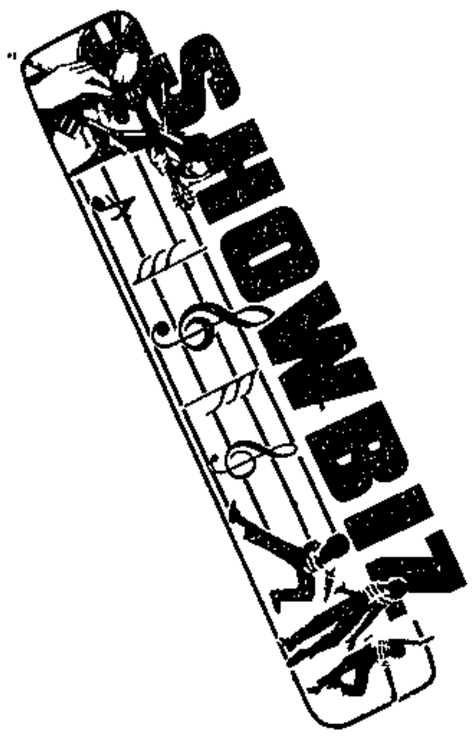
- The cultural boycott was still in place;
- That the liberation movements had not worked out a common programme of the participation of foreign artistes in developmental work; and
- The lack of consensus on the cultural boycott by all affected organisations and groupings allows business to take advantage of the situation to promote their own activities.

Consensus

Azapo also urged that all concerts planned for the future be put on hold, until the liberation movements and related art disciplines can reach consensus, and joint monitoring structures set up to monitor the cultural boycott.

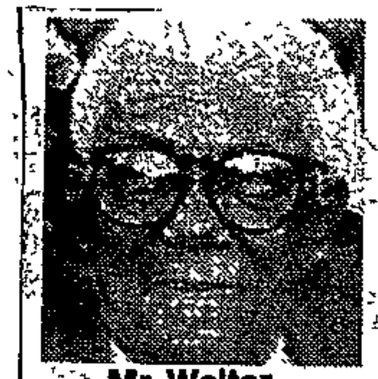
"If these concerts go ahead as planned, Azapo would take appropriate action to stop the concerts from taking place," said Peter.

"In spite of numerous consultations with the promoters of the Tracy Chapman concert, the promoters found it within themselves to deliberately distort Azapo's position by saying that Azapo only opposed the concert because it would take place on October 19 (Black Solidarity Day). We would have discouraged the concert from taking place on any day."



Sanctions to stay in force — ANC

(280) ARG 3/10/91



Mr Walter Sisulu

Mr James Baker

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — The ANC emerged from a meeting with United States Secretary of State Mr James Baker claiming to have won an assurance that remaining sanctions against South Africa would be kept in place.

The meeting between Mr Baker, his deputy for African Affairs, Mr Herman Cohen, and an ANC delegation headed by deputy president Mr Walter Sisulu, was part of an ANC initiative to persuade the Bush administration and Congress to continue pressure.

A further meeting, not previously scheduled for Mr Sisulu, is to take place with Mr Cohen tomorrow at which, the ANC announced, it would outline in greater detail its proposals for an interim government following "a lot of interest" in the matter.

But a State Department official made no mention of either sanctions or an interim government in comments after yesterday's meeting, although he confirmed that a follow-up meeting had been arranged.

Mr Neo Mnumzane, Mr Sisulu's chief adviser and a former ANC representative in the US and at the UN, said: "We were assured that existing sanctions would stay in place. They told us they had no plans to lift them."

He added that Mr Baker and his staff had shown "understanding of the ANC's position that an interim government was the best way to proceed" towards a peaceful transition.

Asked whether Mr Baker had supported the concept of an interim government, Mr Mnumzane said. "They were interested to see the peace process move forward and they showed a lot of interest in our view that the best way of doing this was through an interim government."

The chairman of the United Nations Centre Against Apartheid said in Geneva that the UN could decide in December to remove some sanctions.

Mr Sotirios Mousouris, UN Assistant Secretary-General, was speaking at the end of a two-day informal meeting of the UNCAA.

The organisation resolved to hold a conference early next year to discuss programmes to address South Africa's social and economic inequalities.

Mr Mousouris refused to comment on recommendations by certain African leaders that moral and material support be given to President De Klerk.

● In its annual report to Congress on political change in South Africa the State Department says that in spite of the ANC's rejection of the National Party's constitutional proposals, the two parties share many common ideas and their proposals are likely to serve as springboards for discussion at the planned all-party conference.

Holland eases boycott

By Frank de Jong
Star Foreign Service

AMSTERDAM — The Dutch government has announced a partial lifting of its sports and cultural boycott of South Africa. Star 3/10/91

Subject to certain restrictions, South African sportsmen will now be free to compete in the Netherlands and will no longer require a visa to enter the country.

But it is understood that only those sports recognised by the National Olympic Committee of SA and freed from the moratorium restrictions will be affected.

The move, announced jointly by Foreign Minister Hans van den Broek and Culture Minister Hedy d'Ancona, is in line with the June decision of the EC's Council of Ministers to ease the international boycott.

Although there has been some internal criticism on the grounds that the Dutch government has acted too hastily, the decision has also been applauded.

The Dutch Sports Federation welcomed the decision, but noted that there were a number of sports codes still not entirely free of racial discrimination.

One of the first sports to benefit is hockey. Plans are well advanced for a national side to visit South Africa in May.

ANC advised to drop sanctions

(280)

DARIUS SANAI and TIM COHEN

B/Day 4/10/91

GERMAN Deputy Minister of Economic Development Michaela Geiger said yesterday she was optimistic that the ANC would soon abandon its pro-sanctions policy.

Geiger said in an interview she had stressed to ANC leaders, including secretary-general Cyril Ramaphosa, the importance of abandoning sanctions to allow foreign investors to come back to SA.

Foreign aid would help uplift the black population, but only massive foreign investment by companies using SA as a springboard for trade with the rest of southern Africa would provide a real boost to the people of SA.

The sooner the ANC recognised this, the sooner the process could begin, she said.

Meanwhile the ANC, Cosatu and the SACP meet today to discuss the phased lifting of sanctions.

ANC spokesman Gill Marcus said yesterday that the ANC national conference in August had endorsed the concept of the phased lifting of sanctions, but today's meeting would flesh out that resolution.

The meeting would not decide on a timetable for the lifting of sanctions.

Nor would the meeting lay down policy.

It would make recommendations to be presented at an ANC policy conference later this year.

FM 4/10/91

TRADE SANCTIONS

Fruit slow to ripen

(280)

US sanctions may be on the way out but it will be a while before more cash flows into the coffers of food exporters.

Unifruco CEO Louis Kriel says deciduous fruit exporters developed other markets during the sanctions years. "We will not neglect these and existing customers."

Nevertheless, since the first signs of improvement in the local political climate in 1989, and especially since the release of Nelson Mandela in February 1990, farmers began increasing plantings to meet expected greater demand for Unifruco's "Cape" fruit.

Apart from new plantings, new varieties also hold the possibility of doubling crop returns per hectare. This should boost industry turnover above 1990's R1,3bn.

"By 1995 our annual crop should be about 50% bigger. Meanwhile, we will re-establish our premium name and quality image in the US market with smaller volumes of export fruit. By the mid-Nineties we should have sufficient fruit to go all out for the US market again (it was worth about US$50m before sanctions)," says Kriel.

When sanctions were imposed in 1986, SA was the largest single apple supplier to the US, with annual sales worth about $35m.

South American countries filled the gap left by SA. The US and Canada have great potential for SA but "Chile and Argentina are closer to these markets, while we are closer to Europe," says Kriel.

It takes SA fruit about 14 days to reach Europe against 20 days from South America. The opposite applies to North America.

SA Sugar Association international market director David Hardy says new quota conditions for the lucrative US market are being looked at.

KWV marketing executive Piet Momberg says the US market, while holding out great possibilities, is complex, with each of the 51 states having different requirements and conditions. While SA was kept out, wines from California, Australia and South America established themselves.

"It will obviously not be easy to get back in but we are using known marketing channels to find opportunities. Like Unifruco, we developed other markets during the sanctions years and must service existing customers first," says Momberg.

The association is, however, eyeing Canada where it once had a firm foothold.

"We don't have enough surplus capacity to go for new markets, while marketing costs also have to warrant the effort. Our priorities would be Canada, Scandanavia and Japan, where we expect market conditions to favour our products, once all sanctions are lifted," Momberg adds. He expects exports of bottled, high-quality wines (such as Sauvignon blanc, Chardonnay and Cabernet) to quadruple within three to five years.

Citrus Exchange GM Arend Venter says the US was never a market for SA but he hopes the abolition of US sanctions will help also to open up Scandinavia and Ireland. Meanwhile, eastern Europe offers opportunities, especially with the crop expected to increase from 30m cartons last year to 32m in 1991.

SA Agricultural Union economist Koos du Toit says special farm crops like strawberries, asparagus and subtropical fruit should find new markets in North America. ■

Mandela to address the Commonwealth

S/Times 6/10/91 (280)

ANC president Nelson Mandela and his PAC counterpart Clarence Makwetu will address a full sitting of the Commonwealth Conference in Zimbabwe later this month.

Commonwealth officials this week refused to comment, but both ANC and PAC spokesmen said their respective presidents had been invited to give the first-ever addresses by the liberation movements to the conference.

South African government representatives have not been invited to attend the 50-nation summit which opens in Harare on October 15.

The meeting will be opened by Queen Elizabeth during her first visit to Zimbabwe in 12 years. Security will be tight after rumours of an IRA-PLO plot to sabotage the conference, a recent bomb blast in a Harare hotel and the uncovering of a stash of dynamite in the city.

Crucial

Sanctions against South Africa are likely to top the agenda. Heads of state are expected to ratify a package for the phased lifting of sanctions proposed by Commonwealth foreign ministers in New Delhi last month.

The plan is similar to that proposed by ANC international affairs chief Mr Thabo Mbeki at a meeting of the Organisation of African Unity in Nigeria in June.

The outcome of the meeting is crucial for South Africa — it will send a signal to the rest of the world and serve to indicate future attitudes towards it.

A softening on sanctions would also clear the decks for African countries to engage South Africa more openly and would pave the way for more visits to African countries by President FW de Klerk, observers say.

Figures

Two key members of the Commonwealth from the African arena are Nigerian Premier Ibrahim Babangida, also the chairman of the OAU, and Zambian President ... Kenneth Kaunda, who chairs the organisation of Frontline States. Both are believed to be pushing for the relaxation of sanctions.

The strongest proponent of sanctions is Zimbabwean Prime Minister Robert Mugabe — despite his country's flourishing economic relationship with South Africa.

For the first time in 12 years Mrs Margaret Thatcher will be absent. While her successor, Mr John Major, is noted for his less aggressive manner, his objectives on South Africa remain similar to those of Mrs Thatcher's — the lifting of most sanctions and the changing of sterile thinking on South Africa.

By DAWN BARKHUIZEN

While Britain would not formally endorse the proposal for a phased lifting of sanctions, it would not oppose it, well-placed sources said.

PAC spokesman Benny Alexander said his organisation would ask the Commonwealth to define when the process of change would become irreversible. He said the PAC would reiterate its call for all sanctions to remain until elections had been held for a constituent assembly.

ANC international affairs spokesman Mr Yusuf Saloojee said the ANC would insist that key sanctions be maintained.

"We will also ask the Commonwealth to endorse the National Peace Accord and to have no truck with any party which has not signed it or violates it," he said.

Boffins want to return — but SA can't afford them

(280)

S/Times 6/10/91

SOUTH AFRICA'S depressed economy is preventing many of its highly qualified medical researchers from coming home to impart their skills to local medicine.

This was revealed by the deputy president of the South African Medical Research Council, Professor Walter Prozesky, in an interview this week. "We have received a number of applications from highly-skilled researchers who left the country when we were isolated by apartheid," he said.

By EVELYN HOLTZHAUSEN

"Now that the political climate has changed, they want to come home but, at the moment, we do not have the funds to create posts for them."

But he said the lack of funds was not preventing official visits to South Africa by world-renowned medical research experts.

Positive

Recent visitors have included officials from the medical research centre in Poland, a seven-member AIDS delegation from the influential Centre for Disease Control in Atlanta, Georgia, and an official group from the French National Institute for Health and Medical Research.

Professor Prozesky said the visits boded well for the future of local medical research.

"For the first time in more than a decade we are experiencing a wealth of scientific exchange which will benefit the health of all South Africans," he said.

He said the visits were exciting because South Africa had been prevented from having official contact with the international medical community for more than a decade.

Although access to scientific work was still possible it was severely limited. Research was often undertaken by individuals prevented from official participation in international conferences.

"If these visits are a sign of the times to come, our medical experts will once again be well on the way to firmly establishing South Africa as a country with experience which is of immense value to Africa and the international scientific community," said the professor.

One of the recent visitors to South Africa was Professor Miroslaw Mossakowski, director of the medical research centre of the Polish Academy of Sciences in Warsaw.

He came to establish contact with a number of local scientists, especially those doing work in the fields of neurobiology (the study of the nervous system) and exercise physiology.

ANC in call to lift bans on SA

280

CT 7/10/91

Own Correspondent

JOHANNESBURG. — A joint ANC/Cosatu/SACP "sanctions workshop" has recommended that all sports, cultural, academic and visa restrictions on South Africa should be dropped immediately and unconditionally, but that economic sanctions should go only when an interim government is formed.

The workshop recommendations, which will be put forward for approval at the ANC's national executive committee meeting later this month, were adopted at a meeting of ANC, Cosatu and SACP representatives on Friday.

An ANC source said at the weekend that the participants examined which economic sanctions were still in place, which had been lifted, and which could realistically be maintained.

"We felt that most sanctions should not be lifted until we have an interim government," the source said.

In the meantime, participants "strongly urged" governments to maintain existing sanctions.

When an interim government was in power the ANC would be prepared to end to its veto on loans from the IMF and other international lending institutions, and on trade and investment.

The importance of an interim government lay in the fact that it would not be a purely Nationalist Party government, but one of all parties acting together to solicit loans overseas, the source said.

The ANC regarded the

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280 CT. 7/10/91

Sanctions

granting of IMF loans to South Africa as vital, because it would unblock other foreign loans.

This would leave only the weapons and oil embargoes, which are regarded almost unanimously in the international community as being dependent on a non-racial democratic government being installed.

The linking of the most important sanctions to an interim government is consistent with the strategic shift the organisation underwent in the wake of the Inkatha funding scandal.

At that stage, the ANC's NEC jettisoned long-standing obstacles to negotiations and said instead that talks leading to an interim government had become its highest priority.

Friday's sanctions recommendations were decided on in the light of the forthcoming Commonwealth heads of government meeting in Harare later this month.

Interim govt is the key demand

ANC alliance drafts plan to end sanctions

B/Day 7/10/91

(280)

PATRICK BULGER

A JOINT ANC/Cosatu/SACP "sanctions workshop" has recommended that all sports, cultural, academic and visa restrictions on SA should be dropped immediately and unconditionally, while economic sanctions should should go when an interim government is formed.

The ANC should drop its insistence on investment and loan bans — including IMF facilities — when the interim government was in place, the workshop decided.

The recommendations, which will be put to the ANC's national executive committee (NEC) for approval later this month, were adopted at a meeting of ANC, Cosatu and SACP representatives on Friday.

An ANC source said at the weekend that the participants examined which sanctions were still in place, which had been lifted, and which could realistically be maintained.

"We felt that most sanctions should not be lifted until we have an interim government," the source said. Participants had strongly urged governments to keep existing sanctions in place.

On cultural and sporting sanctions, the source said the alliance partners had until now held the view that exceptions to the blanket ban should be considered. He said, for example, that the ANC had enthusiastically backed SA's return to international cricket as key conditions had been met.

However, the source said that all forms of non-economic or "people to people" sanctions now would be on the line when the NEC met.

When an interim government was in power the ANC would be prepared to call for an end to its veto on loans from the IMF and other international lending institutions.

The importance of an interim government lay in the fact that it would not be a purely NP government, but one of all parties acting together to solicit loans overseas, the source said.

The ANC regarded the granting of IMF loans to SA as vital because it would unblock other foreign loans.

This would leave only the weapons and oil embargoes, which are regarded almost unanimously in the international community as being dependent on a non-racial, democratic government being installed.

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Friday's sanctions recommendations were decided on in light of the forthcoming Commonwealth heads of government meeting in Harare later this month.

The meeting noted that while certain sanctions had been lifted — by the US, for example — not all the decisions had been fully implemented.

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Sanctions

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(280)

☐ From Page 1

The meeting's recommendations followed recent statements by ANC international affairs head Thabo Mbeki highlighting the importance the ANC attached to an interim government.

Mbeki urged foreign countries to begin investigating investment opportunities in SA. He said an investment decision was followed only two years later by the actual investment.

As it would take about two years before a democratic government was installed, decisions needed to be taken now.

Mbeki said internationally sponsored housing and education programmes and the training of managers — forms of investment in themselves — could begin once an interim government had been installed.

● See Page 3

Maintain curbs - world churches

Sowetan 7/10/91. (280)

By JOE MDHLELA

MEMBER churches of the World Council of Churches abroad will continue to call for maintenance of sanctions for as long as blacks are denied political rights in South Africa.

This emerged at the 1991 Round Table Consultation of the South African Council of Churches which ended at Maccauvlei near Vereeniging on Friday.

The meeting, regarded as historic because many WCC overseas representatives were able to enter the country unhindered, discussed the work and ministry of the SACC and its churches in South Africa.

The WCC representatives commended the leadership of the SACC for the role it played in facilitating the Peace Accord.

But the world church body believes that the Government has a double agenda, aimed at ensuring its continued control of political power by funding "covert elements and operations".

"The South African Government has yet to release all political prisoners and detainees, as it has to afford justice and political rights to the majority of the people of South Africa," a statement released afterwards read.

Taking these factors into account, representative of WCC affirmed the SACC's stand "that the conditions for lifting sanctions have yet to be met".

The overseas donors have pledged their support for the SACC by contributing 60 percent of the budget.

But they also called for increased commitment from South African churches and Christians to make up the shortfall.

ANC tells US investors to look but not touch

B/Day 8/10/91 (280)

SIMON BARBER

SOUTH BEND — US investors should "look" at SA but not touch until an interim government was in place, ANC foreign affairs director Thabo Mbeki urged American executives in South Bend at the weekend.

His audience, gathered at Notre Dame University for what is being billed as a "historic" encounter between the ANC and about 50 US business representatives, had been hoping to hear a more positive signal on sanctions and was not overly impressed.

The conference is the first in a series on SA in coming weeks at venues which include Frankfurt, Geneva and Hong Kong.

The repesentative of one major US engineering concern said: "This is not what we wanted to hear." The sentiment was echoed by other participants who cited state and local sanctions as a major impediment for would-be investors.

Tokheim Corporation president John Overmyer told Mbeki he knew of many companies that "would like to come to SA — but they need the invitation".

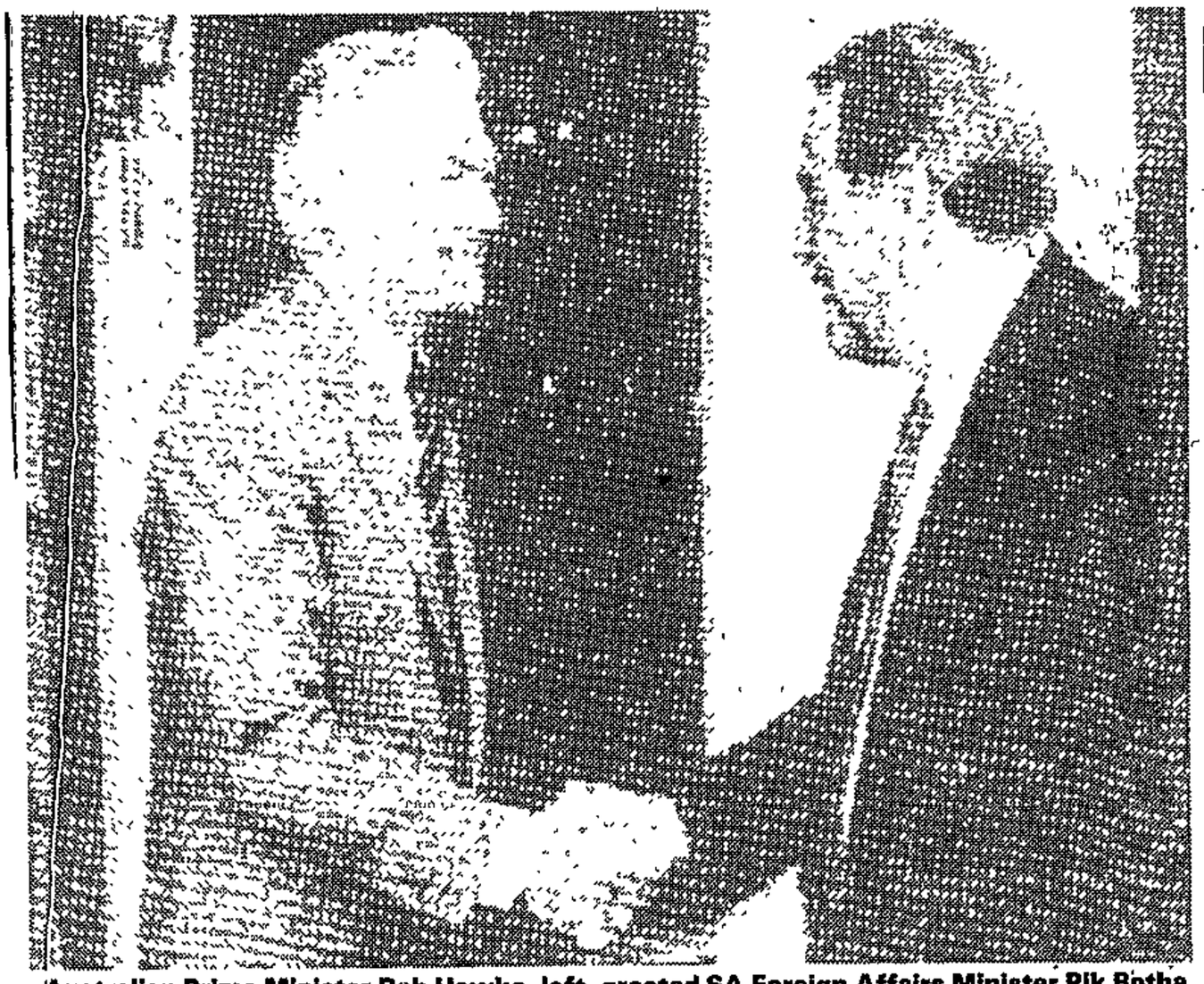
Mbeki acknowledged SA had a desperate need for investment, foreign and domestic, but brushed aside the sanctions debate as having become "a bit unreal".

"The critical issue is how attractive is this country to any investor," he contended, and it would not be attractive until a political settlement had been reached.

US business insists it needs the removal of obstacles now so that it can start making the necessary strategic decisions.

The ANC faces close scrutiny this week in Europe over its erratic signals on economic policy, reports Reuter.

The line adopted by the ANC at an investor conference in Frankfurt, starting today, could determine whether or not the country will live up to the billing of the gathering, entitled The New SA — Open for Business. Mbeki will be among the speakers.



Australian Prime Minister Bob Hawke, left, greeted SA Foreign Affairs Minister Pik Botha at Parliament House, Canberra, yesterday. Picture: AP

Aussie sanctions to stay, Pik told

280

SYDNEY — Australia has reiterated there will be no early lifting of sanctions against SA unless the pace of political reform is speeded up.

Foreign Minister Gareth Evans made Australia's position clear in talks with South African counterpart Pik Botha in Canberra yesterday.

"What we will continue to argue on the advice of a majority of black South Africans, is that the process is not moving far enough or fast enough to justify the lifting of sanctions at this stage," Evans said at a media conference.

"It does need that external discipline to ensure that that occurs."

He also urged the SA government to become more involved in integrating sport to enable Australia and SA to compete, particularly in cricket and rugby.

Botha said Pretoria had previously left the administration of sport to sporting bodies, but times had changed.

He said government would consider promoting multiracial sport more actively, including giving direct financial help.

He and Evans, who visited Pretoria earlier this year, discussed cultural and scientific exchanges, possible direct air links and other issues.

Botha intimated his visit was more about basic economics than constitutional reform, and said he was asking the industrialised world to view SA with compassion. B/Day 8/10/91

The government could draw up the best constitution in the world, but if SA could not grow at a real rate of 5%, it did not matter who governed, he said.

Botha was met by 80 demonstrators as he left Sydney Airport for Canberra to meet Prime Minister Bob Hawke. — Sapa-Reuter.

Japanese put investment on hold

B/Day 8/10/91

MARC HASENFUSS

ALL Japanese investment in SA had been put on hold until sanctions were officially lifted, a spokesman for the Japanese trade consul said yesterday.

However, he indicated the sanctions were likely to go "in the near future".

Local car manufacturer Samcor said yesterday it was "eagerly anticipating" Japanese investment. In July, Samcor was reportedly "poised to start negotiations" on the purchase of shares by Mazda Japan.

Samcor spokesman Dirk de Vos said yesterday that no agreements had been formalised in the interim. He confirmed that possible negotiations could take place only when Japanese sanctions were lifted.

Samcor, the former Ford subsidiary in SA, is 76% owned by Anglo American with 24% held by the company's workforce.

Analysts said the Japanese company was negotiating to buy the workers' 24%.

A Japanese-SA trade expert said that despite positive developments locally, like the national peace accord, sanctions would remain until year-end in the light of the prevailing political violence in SA.

He said sanctions were generally expected to have been lifted at the end of July, following the lifting of US sanctions, but this was effectively halted by the Inkatha funding scandal.

The Japanese could not reward a "disgraced government" by lifting sanctions. But if effective steps were implemented to restore stability, sanctions could go before year-end, he said.

Cultural sanctions must go - workshop

280

Sowetan 8/10/91

ECONOMIC sanctions should be retained until an interim government is in place but sports, academic, cultural and visa restrictions should be scrapped without delay, a joint ANC/Cosatu/SACP workshop decided on Friday.

But the ANC's Gill Marcus cautioned that this merely constituted a recommendation by the committee to the leadership of the various bodies and not an official decision by the ANC, SACP or Cosatu.

The ANC's national executive will be asked later this month to endorse the far-reaching recommendations by the workshop.

Marcus said the issue at the weekend workshop was not the scrapping of sanctions but a phased approach to lifting sanctions linked to development in the political process.

The finding is considered significant in the light of recent comments by ANC head of foreign affairs Mr Thabo Mbeki, who highlighted the need for foreign investment and urged international countries to investigate investment opportunities in South Africa.

The recommendations were followed on Saturday by hints by ANC secretary-general Mr Cyril Ramaphosa of imminent talks between the ANC and the National Party which fuelled speculation that an all-party conference leading the way to interim government, would be held before the end of the year.

It is believed a wide spread of sanctions unrelated to economics will now come under the spotlight when the NEC meets.

It has been cautiously predicted that once an interim government takes power, the ANC will be prepared to call for an end to its veto on IMF loans to South Africa which will also open the way for the granting of other foreign loans to this country. - *Sowetan Correspondent*

Hasten reform or sanctions stay – Aussies

Star 8/10/91

(280)

SYDNEY — Australia has reiterated that there will be no early lifting of sanctions against South Africa unless the pace of political reform is speeded up.

Foreign Minister Gareth Evans made Australia's position clear in talks with South African counterpart Pik Botha in Canberra yesterday.

"What we will continue to argue, on the advice of a majority of black South Africans, is that the process is not moving far enough or fast enough to justify the lifting of sanctions at this stage," Mr Evans said at a media conference.

"It does need that external discipline to ensure that that occurs."

Mr Botha, who earlier said he was not visiting Australia to plead for the lifting of sanctions, would not have been surprised by Canberra's position.

At an airport news conference he intimated that his visit was more about basic economics than constitutional reform, and asked the industrialised world to view South Africa with compassion and understanding.

He said his Government could draw up the best constitution in the world, but if South Africa couldn't grow at a real rate of 5 percent, it did not matter who governed.

Meanwhile, in one of several interviews he gave yesterday, Mr Botha defended his Government's funding of Inkatha on the grounds that the money had been used to combat sanctions.

Speaking to the Australian Broadcasting Corporation, he said the controversy was based on a complete misconception.

"We never funded Inkatha as a political party. What happened was that we were informed that a meeting Inkatha was going to arrange had an anti-sanctions theme, and it is my duty to combat sanctions wherever they occur."

Mr Botha explained that South Africans who wanted to combat sanctions often belonged to other political parties. "They reject apartheid, but they also reject sanctions."

He denied all knowledge of military forces being involved on one side of black-on-black violence.

"It must be an idiotic, stupid and short-sighted government that foments violence in order to destroy its own economy.

"Even if all sanctions are lifted tomorrow worldwide, it's not going to help us much if the violence doesn't end, because investors don't invest in that sort of climate."

Mr Botha and Mr Evans, who visited South Africa earlier this year, discussed cultural and scientific exchanges and possible direct air links.

Mr Evans said he sought more action on sport to enable Australia and South Africa to compete, particularly in cricket and rugby.

Mr Evans said there was continuing uncertainty about integration in soccer and rugby as well as in some Olympic and non-Olympic sports.

Mr Botha said Pretoria had previously left the administration of sport to sporting bodies, but times had changed.

"I think my Government will certainly consider favourably a more active participation. . . . by making direct financial contributions."

Mr Botha is due to fly to New Zealand today. — Sapa.

US firms sound tough warning on investment

B/Day 9/10/91

(280)

SIMON BARBER

NOTRE DAME — ANC officials discussing new US investment in SA with US business representatives received a blunt warning this week: "Until it is made unequivocally clear that they are welcome, US firms will stay away."

The tough message was delivered by Kevin Callwood, a senior official at the Overseas Private Investment Corporation (Opic), a government agency that promotes US investment in developing countries by providing loan guarantees and political risk insurance.

SA, he said, was falling ever further behind in the increasingly tight race for foreign investment, largely because of the ANC's continued sanctions stance and its "mixed signals" on economic policy.

Worldwide foreign investment volumes were declining and "more countries than ever before are seeking to attract US investment". Most were making a far stronger case than SA because they recognised "the need to replace inefficient state-dominated economies with economies that are driven by private enterprise".

"SA is already behind others who are aggressively pursuing US investment. These countries have already prepared liberal investment codes, streamlined foreign investment approval procedures and increased incentives to investors."

The ANC was making matters worse by continuing to press for state and local sanctions at a time when US firms "never . . . have had so many choices as to where to invest overseas".

Companies that departed because of sanctions pressures were "not anxious" to return. For many, divestment had been "a very negative and costly experience".

In many cases, divesting companies had established new non-equity ties with SA that enabled them to market their goods and services, and now saw no reason to re-engage more fully. Such ties did not result in the capital flows SA needed.

ANC boosts move to end sanctions

(280)

CT 9/10/91

CANBERRA. — Moves within the Commonwealth to end travel and cultural sanctions against South Africa got a boost yesterday from the African National Congress.

A gathering of leaders of the former British colonies in Zimbabwe next week is expected to assess South Africa's progress at ending apartheid, with an eye toward ending bans on direct air links, visas and cultural contacts.

Consensus

"I don't think the ANC would object," the organisation's chief economic planner Mr Max Sisulu said at a news conference.

"Some consensus is beginning to emerge about which sanctions can be lifted," he said. — Sapa-AP

Sanctions must stay Sisulu tells US mayors

(280)

Star 9/10/91

BOSTON. — ANC deputy president Mr Walter Sisulu urged US mayors to maintain economic sanctions against South Africa in spite of President George Bush's decision to lift federal limits.

In a meeting with Boston Mayor Mr Raymond Flynn, president of the US Conference of Mayors, Mr Sisulu said sanctions should not be lifted until there is what he called true freedom and equality in South Africa.

Walter Sisulu

"It was a great disappointment" when Mr Bush lifted the sanctions, Mr Sisulu said.

"It destroyed what we were beginning to think was a relationship between us and Mr Bush.

"But we realise the people of America are greater than the government," Mr Sisulu said to loud applause. — Sapa-AP.

End to Arab oil embargo in sight

B/Day 11/10/91 (280)

MANAMA — SA was seeking trade relations with the Persian Gulf countries and had indications that key states in the region might soon lift official embargoes on oil sales, a senior government official said this week.

Foreign Ministry Middle East affairs head John Sunde, speaking in Bahrain, said the dismantling of apartheid and the lifting of US sanctions earlier this year had encouraged Gulf states like Saudi Arabia to review the long-standing ban on oil shipments to SA.

Pretoria had indications that direct oil purchases from Saudi Arabia and other Gulf states might be possible soon, Sunde said.

But any change would have little effect on the pattern of SA energy imports as the country had been able to cover all its needs even under sanctions.

Oman had been supplying much of SA's needs for several years, Sunde said.

He noted that SA had recently decided to sell R1bn of its strategic petroleum reserves, a sign of confidence about the security of its long-term supplies.

Sunde was attending a financial conference in Bahrain sponsored by Euromoney Publications in his first visit to a Gulf country since taking over the Middle East department at the Foreign Ministry last year.

He said he was not visiting in an official capacity, but added he might make preliminary contacts on setting up a trade office in Bahrain or elsewhere in the region.

He said it was too early to talk about full diplomatic ties with the Gulf states.

SA businessmen were keen to boost exports to the Gulf region as vital markets in Europe became more difficult with the integration of the EC, Sunde said.

Steel and food products were earmarked and SA hoped to take part in the expansion of regional industries like the huge Saudi industrial complexes at Jubail and Yanbu.

Sunde said government was moving to impose curbs on weapons sales to Middle East states, in line with a general move towards arms control following the Gulf war.

He confirmed that SA weapons had been supplied to Oman, Abu Dhabi and Iraq in the past, but denied a recent report of weapons deliveries to Qatar.

Reports said SA had supplied long-range artillery to Iraq in the Gulf war. Sunde said there were indications the Iraqis tried to use the equipment in the later stages of the war.

He said he planned to visit Dubai later in the week, another possible site for a Gulf trade office, and said he planned to fly from there to Iran to negotiate the re-opening of the South African interests section at the Swiss embassy in Teheran.

Sunde said SA had had no difficulty obtaining its oil despite sanctions by Arab states and said he doubted that any Saudi decision to remove sanctions would result in substantial purchases from that country.

He also doubted that any easing of sanctions would result in a drop in the overall cost of energy.

Sunde declined to provide specifics, but oil industry sources said SA probably imported at least 430 000 barrels a day of oil, equivalent to the country's total refining capacity. — AP-DJ.

Mugabe ends sports boycott

B/Daily 11/10/91.

MICHAEL HARTNACK

HARARE — In his first major concession on sanctions, President Robert Mugabe indicated this week the SA sports boycott was at an end.

The Zimbabwean leader's hard-line insistence on the need to maintain Pretoria's total isolation was crucial to deciding the stance of the six Front-line states.

Mugabe told a news conference on the eve of the Commonwealth heads of government meeting that there was now no major point of difference between his views on sanctions and those of Prime Minister John Major's British government.

(280)

He said the Commonwealth must give some encouragement each time the South Africans did correct things.

Meanwhile, Britain's Queen Elizabeth arrived in Harare yesterday to lend her traditional presence to the summit. A stiff high veld breeze whipped around her as she stood on the dias with Mugabe for the traditional exchange of anthems.

● See Page 8

Danish Chamber of Commerce members in SA are, from left: Niels Laursen, Ole Jahn, Christer Holm, Visti Andersson, Mogens Schnell, Klavs Olesen, Birgit Riemann, Jette Junget, Claus Riemann and Vagn Jensen. Picture: ROBERT BOTHA

Danish mission on SA 'recce'

VERA VON LIERES (280)

DANISH companies were laying the groundwork for renewing contact with their SA counterparts once sanctions were lifted, visiting Danish Chamber of Commerce chairman Klavs Olesen said in an interview on Wednesday. B/Day 11/10/91

Olesen is leading a 14-member Danish trade delegation on a two-week visit to SA.

The delegation would investigate the possibility of renewing contact with various companies, particularly pharmaceutical companies and those dealing in high-tech machinery, once all sanctions were scrapped.

Olesen said lifting of sanctions depended on the ANC's approval. The Danish government was inclined to lift sanctions in step with other members of the international community, but opposition parties wanted to maintain punitive measures until more progress had been made towards the ANC's goals. Denmark imposed sanctions on SA in 1986, barring all business contacts with SA.

The delegation will also meet companies and trade organisations in Durban and Cape Town.

BUSINESS

US firms: Softly, softly back to SA

(280) W/Mail 11/10-17/10/91.

As sanctions crumble, will US companies rush to invest in South Africa again? A new report suggests there are other factors involved, reports **REG RUMNEY**

'PEACE is not enough. You could solve the political situation and companies would still not go in if the African National Congress' economic policies scared them."

That remark, attributed to an unnamed US executive, is only one indication of the barriers to renewed American investment in South Africa.

It is contained in a useful report called "US Business in Post-Sanctions South Africa: The Road Ahead", by Jennifer D Kibbe, of the prestige Washington-based Investor Responsibility Research Center.

The report's findings on future investment will be disquieting for business, the government and ANC-aligned groupings.

In the light of ANC president Nelson Mandela's recent statement on nationalisation, the brief section titled "Interpreting rhetoric" is apt, even though it was penned in August, when everyone had forgotten about this "option".

Two interviewees "cautioned that South Africa's future leaders can scare away potential US investors with impolitic rhetoric", writes Kibbe.

Kibbe further records the interviewees' belief that US business is ignorant of Africa's history. "According to the government official they 'can't distinguish one country from another', nor can they discern which rhetoric is said out of belief and which for mere political necessity ... Both interviewees expressed concern over whether US companies would ... be put off by political posturing in South Africa without looking closely enough to see what business conditions are really like.

"On the other hand, one interviewee warned, if nationalisation ever becomes more than rhetoric, one can look to the case of India to see how fast and completely US companies like Coca-Cola and IBM left the country when the Indian government made its intentions known."

The only ray of light is that rhetoric about socialism and nationalisation may scare US companies more than European ones that have been exposed to forms of socialism in various European countries.

Other deterrents to new or renewed US investment are the still-strong moral argument that companies should stay out until there is universal suffrage, an end to violence, and economic stability — including the soundness of economic management in the transition period and what economic policies future governments will adopt.

One bellwether US corporations have been looking at to see if they should invest, according to Kibbe, is how South Africa handles its own investment capital.

She mentions the reincorporation of De Beers' overseas interests offshore: "The company maintained the move had nothing to do with fear of nationalisation and everything to do with the fact that around three quarters of De Beers' profits came from operations outside South Africa.

"However, to foreign investors the sight of the powerhouses of South Africa's business community, like Anglo American and Barlow Rand, stashing their assets overseas and avoiding the South African economy does not give them much faith in South Africa's investment landscape."

The conglomerates mentioned will argue that it just isn't like that.

Barlows and Anglo could well argue that offshore investment is merely a good business decision, and perhaps too scarce because of foreign exchange control, but this matters as little as whether nationalisation is really on the cards or not. Kibbe's report is dealing with investment decisions based as much on perceptions as fact.

Another bellwether is South Africa being allowed access to IMF finance and the US Overseas Private Investment Corporation.

An investment code might serve to clear up issues such as requirements for a percentage of local ownership of assets, tax, tariffs, and company obligations in dealing with unions.

However, if the code is too restrictive it will put investors off rather than attracting them. According to Kibbe, US companies will accept conditions aimed at redistribution as part of the cost of doing business in South Africa. The overriding factor is profit. But it must be as voluntary as possible. As one banker put it, "If you try to dictate to banks what they can do with their money they won't work with you."

Another sobering conclusion is that what Kibbe calls the "agony factor" will keep US companies who suffered in pulling out from coming back. The disinvestment debate has left deep scars in the corporate psyche.

"Several went so far as to say that companies that had pulled out would not go near South Africa unless the pro-sanctions groups 'do a 180-degree about face' and demand that US companies go back.

"Even then, many company officials stressed that — as one executive put it — activists 'won't be able to have it both ways'. They argue that those who lobbied for disinvestment did not realise that investment is not a spigot one can turn on and off at will."

Competition for scarce foreign investment funds, South Africa's geographical location, labour supply problems, the difficulties of reinvestment in markets once abandoned and that disinvested US companies are successfully doing business with non-equity links to South African firms are other reasons which bode ill for investment.

All these come on top of numerous state and local authorities operating selective contracting laws

The report deals only with US investment, but many of the factors mentioned apply equally to European companies, and there is little for our comfort in the remark: "For companies outside of consumer products, jewelry, tourism, mining or computer industries, though, one interviewee echoed the sentiments of several others by asking 'What's to rush into? "

(280)

ANC will issue double warning on foreign loans

W/Mail 11/10 - 17/10/91

By ARTHUR GAVSHON: London

KEY African National Congress envoys will try next week to thwart a strong new bid by President FW de Klerk for early access to world money markets.

The ANC's director of foreign affairs, Thabo Mbeki, and fellow national executive committee member Trevor Manuel have prepared a double warning for delegates assembling in Bangkok, Thailand, for the annual meeting of the International Monetary Fund (IMF) and World Bank, which begins on October 16.

According to ANC officials in London, the American-dominated IMF will be warned:

- Firstly, that any premature lifting of financial sanctions will enable the South African cabinet to stall, and thereby imperil, the peace process. ANC backing for loans from the IMF and other international lending institutions will be given only when an interim government is installed.
- Secondly, that a future ANC government will feel free to renegotiate any foreign loans made to De Klerk's administration if its terms are deemed unduly onerous.

This is in line with ANC secretary-general Cyril Ramaphosa's October 2 statement that an elected, post-apartheid government could not be expected to rubber stamp difficult undertakings entered into by the apartheid regime.

De Klerk has assigned Finance Minister Barend du Plessis and Reserve Bank Governor Chris Stals to do more than press South Africa's case for re-entering the money markets of the world. They are expected to counter ANC arguments that the apartheid system has not yet been dismantled.

For months the De Klerk government has been in secret contact with the United States administration on the issue of regaining access to international credit facilities, a US State Department official reported privately. President George Bush's freedom of action has been limited, however, by the Gramm Amendment, which bars IMF loans to South Africa until the last vestiges of apartheid vanish.

Bush personally may believe this already has happened, but the Democratic majority in the US congress has still to be convinced. According to the influential Black Caucus, reflecting ANC perceptions, it will take a long time for this to take place.

Bush has yet formally to seek congressional approval for the repeal of the Gramm Amendment, said the State Department source. But the US president was portrayed as wanting to do so by early 1992, so that a South African application for IMF credits could be approved by the middle of the year.

The De Klerk government, the source said, has been made aware of this — but only on the understanding that further steps to dismantle apartheid are taken. This is being interpreted as meaning that a start has to be made on all-party constitutional talks.

An ANC team will also be on hand to consult with delegates attending the Commonwealth Heads of Government Conference in Harare, which also begins on October 16.

The issue of continuing financial sanctions will be at the centre of a discussion on the South African situation. A large majority of the 50-nation grouping is expected to endorse the recommendation of a nine-member foreign ministers' committee that the financial sanctions should be continued until the promised democratic, non-racial constitution has been agreed.

Britain, Nigeria, Kenya and Malawi are among a minority which favours the removal of this kind of embargo.

Dinosaur at Harare waterhole

B/Day 11/10/91

(280)

ROBERT MATHNER

APOLOGISTS for the Commonwealth have had a hard time over the past decade. Increasingly, it has looked as if the evolution-defying dinosaur, now boasting 50 members, was fast coming to the end of its natural existence and that only periodic roars at SA were keeping it going.

But as it lumbers towards its next watering hole in Harare, where Commonwealth prime ministers gather next week for their two-yearly meeting, there is a small chance that something can be done to breathe new life into the old beast.

Not that the Commonwealth itself has altered in any fundamental way since the last turbulent meeting of heads of government in Kuala Lumpur in 1989. It continues to be a heterogeneous group of nations with little to unite them except history and language and, in most cases, severe problems of economic underdevelopment.

What has changed is the international environment in which the Commonwealth operates, and some of the association's main actors. Most important have been the rapid political developments in SA.

The effect of these changes on the atmosphere in which the Commonwealth prime ministers will hold their discussions should be highly salutary.

Even countries such as the Front-line states, which continue to be deeply sceptical about the Pretoria government's long-term intentions, recognise that a modification of the policy on sanctions, though not yet their complete abolition, is called for.

A new British prime minister should also help. Margaret Thatcher's outspoken opposition to sanctions prevented a consensus from being reached at successive Commonwealth summits. Her replacement should contribute to a more propitious climate in which other, long-neglected issues can be discussed.

Cogent arguments can be put forward in support of Thatcher's anti-sanctions stand. But it was the uncompromising and aggressive manner in which they were presented that had such a disruptive impact and lost Britian its traditional leading role in the organisation.

John Major's task will be facilitated both by his reputation as a constructive thinker on the developing world's problems — his debt relief proposals at a Commonwealth finance ministers' meeting last year were highly appreciated — and the more moderate position adopted by other members on SA.

There is still plenty of scope for disagreement between Britain and the other members on the recommendation for linking a step-by-step dismantling of sanctions to further practical moves towards ending apartheid. But, in proposing an immediate lifting of at least some sanctions, the proposal is sufficiently flexible to serve as the basis for a compromise.

Sanctions have largely become an irrelevance, and it is high time the Commonwealth turned to other matters. Fortunately, the need for a fresh look at the organisation's role is something which its new Nigerian secretary-general, Chief Emeka Anaoku, has taken fully on board. Less ebullient than his predecessor Sir Sonny Ramphal, but more pragmatic and realistic, "the Chief" has set out a number of priorities for the Commonwealth of the future.

No doubt their achievement would not turn the Commonwealth into an organisation with anything like the same clout as the EC or the UN. But the recommendations have the merit of being both attainable and giving the association an enhanced political and human rights role, which it has long lacked.

Double standards have long been one of the Commonwealth's greatest weaknesses. While calling upon SA to abolish apartheid, many member countries were themselves guilty of abusing both human and democratic rights. The violation of numerous high-minded summit declarations on the subject has presented the Commonwealth with a serious credibility problem.

The time has come for the Commonwealth's rule of non-interference in the internal affairs of member states to be applied more flexibly. Procedures for the resolution of conflicts between member countries, the sending of observer missions to monitor elections in countries with little experience of pluralistic political systems and the monitoring of human rights in member countries should be formalised.

As a quid pro quo, the industrialised member countries such as Britain, Canada, Australia and New Zealand would have to be prepared to make a greater aid effort. Democracy, which they are interested in promoting, will take root in the poorer countries only if accompanied by jobs and higher living standards.

The proposed improvements in the working of the Commonwealth are essential if it is to have a new lease of life. But they will not be sufficient to ensure its long-time survival unless there is a general perception that such a loose association of nations still has a role to play on the world stage.

For some, that role can best be fulfilled in north-south negotiations, thanks to its mixed membership of industrialised and developing nations. Moreover, the collapse of the super-power system, the break-up of the Soviet Union and Yugoslavia and the search for association arrangements between their constituent parts, as well as with the EC, has suddenly brought the Commonwealth model back into fashion in some Eastern European circles.

It does, after all, provide the perfect framework for states that value historical, linguistic and economic ties between them, but that want to be politically independent of one another. Croatia and Slovenia, please note. There may be a place for you in Harare. — Financial Times.

LETTERS

'Club' set to open doors to SA

(280) ARG

Weekend Argus 12/10/91
Political Staff

CLEAR signs emerged this week that next week's Commonwealth conference in Harare will see the sweeping away of many international sanctions against South Africa — although some will stay.

In New York, UN backers of sanctions against South Africa have been warned to expect that the Commonwealth conference will recommend sweeping changes, including a resumption of air links with Johannesburg.

But in reporting to a UN General Assembly committee on the results of recent preparatory meetings of Commonwealth ministers, James Trottier of Canada, which chaired the sessions, said Ottawa still wanted to maintain financial restrictions.

A mandatory arms embargo effected by the UN Security Council when Jimmy Carter was the US president also would stay in place.

Mr Trottier said consular and visa restrictions, bars on cultural and scientific contacts with South Africans and restrictions on tourism were among the relaxations expected to be approved by Commonwealth leaders.

Another Commonwealth member, New Zealand's Terence O'Brien, said his government intended to adhere to a policy of phased relaxation of sanctions.

Calling apartheid racial discrimination at its worst, he said that while very substantial

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'Club' wants SA back

ARG 12/10/91 (280)

■ From page 1

changes had taken place in South Africa the country still had some way to go to establish a non-racial democracy.

Jacques Lapouge of France, who also addressed the committee, which is debating racism, said recent positive steps in South Africa offered reasons for hope and Paris would fully support the process.

From London, it is reported that British premier John Major has called for the return of South Africa to the Commonwealth. He wants South Africa to "regain its rightful place" in the 1990s.

Addressing the Conservative Party conference in Blackpool yesterday, Mr Major went out of his way to praise President F W de Klerk's elimination of apartheid and stressed his belief that it was time for international isolation to end.

Mr Major drew raptuous applause from delegates for his remarks and a vigorous nod of approval from Foreign Secretary Douglas Hurd.

The remarks were timed for maximum impact: The Commonwealth Heads of Government conference begins in Harare next week and South Africa will be a major issue.

There was more applause for the Prime Minister when he referred scathingly to the "chequered history" in human rights and democracy of some of the countries that will be attending the Harare summit.

Also being interpreted as a sign of major change to come has been the positive note sounded about South Africa by Britain's Queen Elizabeth during her visit to Namibia as well as Zimbabwe prime minister Mr Robert Mugabe's conciliatory new attitude.

Keep up sanctions, Sisulu tells US

WALTER Sisulu urged US mayors this week to maintain economic sanctions against South Africa, despite President George Bush's decision to lift federal limits. (280)

In a meeting this week with Boston Mayor Raymond Flynn, president of the US Conference of Mayors, Sisulu said sanctions should not be lifted until there is what he called true freedom and equality in South Africa. C/Press 13/10/91.

"It was a great disappointment when Bush lifted sanctions," said Sisulu, ANC deputy president. "It destroyed what we were beginning to think was a relationship between us and Bush.

"But we realise the people of America are greater than the government."

Commonwealth offers to mediate between NP and opposition groups

S/Times 13/10/91.

By DAWN BARKHUIZEN: Harare

280

THE 50-nation Commonwealth yesterday offered to mediate between the South African government and opposition groups.

"It will be for the parties in South Africa to give us the signal," Commonwealth secretary-general Emeka Anyaoku said in Harare.

The Commonwealth's offer, on the eve of the organisation's heads of government summit in the Zimbabwean capital, came amid continuing speculation that South African Foreign Minister Pik Botha will receive an invitation to attend the conference as an observer.

The issue is expected to be discussed at a Commonwealth High Level Appraisal Group meeting on Tuesday.

Commonwealth sources say Britain is likely to urge the other 11 nations in the group to invite Mr Botha or a top-level Foreign Affairs official to attend as an observer.

British Prime Minister John Major told his Conservative Party congress this week that he wanted to see South Africa back in the Commonwealth fold.

He praised reforms introduced by President FW de Klerk and said it was time for SA's isolation to end.

To date, ANC leader Nelson Mandela and PAC president Clarence Makwetu are the only South Africans invited to attend the conference.

But earlier this week, Zimbabwean Prime Minister Robert Mugabe paved the way for a South African government presence at the meeting, saying he would have no objection if heads of state decided to invite "persons other than the ANC and PAC".

Mr Botha said yesterday after returning from a trip to Taiwan, Australia and New Zealand that, as yet, no invitation had been extended.

A Foreign Affairs spokesman said "it was getting pretty late in the day" for one to be issued.

Mr Botha welcomed Mr Mugabe's statement as "moderate and balanced" and said it augured well for future relations.

Mr Mugabe's dramatic turnabout came amid a groundswell of changing attitudes to SA that could serve to unlock the door to greater trade with the continent.

Addressing journalists in Harare this week, Mr Mugabe deviated from his normally rigid pro-sanctions position.

He said: "I don't see any difference between Zimbabwe and Britain.

"I think we agree that sanctions are necessary, but also that we should give encouragement to the parties in South Africa each time they do correct things ... and they should be rewarded. President De Klerk should not be made to feel he is a culprit.

"I think all countries agree that a measure of alleviation of sanctions is necessary and I think sanctions on sport are, to a large extent, gone."

Reacting to Mr Mugabe's statement, the head of the South African Trade Representation in Zimbabwe, Mr Nico Nel, said: "Mr Mugabe's statements, seen from a bilateral point of view, are heartening and could contribute to improving South African/Zimbabwean relations."

The conference will discuss proposals for a phased lifting of sanctions against South Africa. The proposals emanate from the Commonwealth Committee of Foreign Ministers on Southern Africa.

The foreign ministers' recommendations include an immediate lifting of travel restrictions on South Africans, an end to the ban on cultural and scientific contacts and the re-establishment of air links.

But other sanctions, according to the proposals, would only be scrapped "as concrete objectives are met".

Economic pressures, including loans from international sources, would depend on agreement of the text of a new constitution.

Resumption of trade and investment would be pegged to moves towards an all-party constitutional conference.

The arms embargo would also only go after apartheid had disappeared and a new government was installed, according to the proposals.

Nothing new in the latest US ban

S/Times 13/10/91

By SIMON BARBER in Washington and CHARLES LEONARD

THE Bush administration has determined that Armscor is assisting Third World countries obtain missile technology and has announced a two-year ban on all US trade with the corporation.

While it represents serious US concern about Armscor's activities, the ban is redundant in that American firms are already barred from most dealings with Armscor as a result of the UN arms embargo and US regulations established to implement it.

"All this means is that an American company could not even sell Armscor toilet paper," a US official said yesterday.

The ban only applies to Armscor and implies no setback in the process of easing US sanctions on SA set in motion by President Bush when he lifted the Comprehensive Anti-Apartheid Act's trade bans last July.

Sources denied the decision was in any way related to recent allegations that SA has provided nuclear technology to Iraq.

The decision was required under the 1990 Arms Export Control and Defence Authorisation Acts, which set up new regulations to control the proliferation of missile technology.

Under these Acts, the president is obliged to sanction any foreign country or entity he determines to be involved in the export, transfer or trade of technology that "has substantially contributed to the design or development or production of missiles" in countries that "do not adhere to the Missile Technology Control Regime".

Report

The MTCR is a set of principles designed to reduce the proliferation of missile technology in Third World countries.

Non-adherents include Israel, with which SA is known to have been developing military rocketry.

The president's action is seen as pressuring SA to signing the MTCR.

It is significant that the administration has chosen only to apply sanctions to Armscor rather than imposing them on SA as a whole — a step it has been considering in the case of China.

The administration will shortly be sending a report to Congress outlining its reasons for the Armscor ban.

Regulations implementing it have yet to be formally promulgated.

Assistant Secretary of State for Africa Herman Cohen said last week the arms embargo would be the last SA sanctions to fall and would remain in place until a new government took office.

Reacting yesterday, Minister of Foreign Affairs Pik Botha denied the sanctions had anything to do with Armscor sales and the move should not be perceived as political.

A spokesman for Armscor said it was not the corporation's policy to comment on arms deals.

Why the boycott must stay

S/Times 13/10/91.

OUPA RAMACHELA, the ANC's expert on the cultural boycott, defends the controversial policy (280)

WHY was the cultural boycott initiated and what did it hope to achieve?

The broad objectives of the cultural boycott were — and remain — the isolation of the apartheid regime and its allies and to deny them any recognition in the international community of nations.

Without being boastful, the role played by the ANC in bringing about unity in sport, for example, and assisting the possible re-entry to international sport in the foreseeable future, cannot be underplayed.

Far from being prescriptive and meddlesome, our role has been to facilitate unity and to rescue talks from breaking down. Given this background and record we are confident we should not waver on the criteria for re-admission.

Liberation

The policy of the cultural boycott was reviewed continuously over the years. In May last year, in Los Angeles, a symposium on "Cultural and Academic Links with South Africa" resolved that the cultural boycott of SA was to continue with undiminished effort until real and fundamental change was in place. It called also for the setting up of a non-sectarian, national arts and culture body.

It was left to the artists, cultural workers and the liberation movement to work out the details of how these could be realised. The result was, among others, to stick to certain terms and criteria:

- All visits should be by invitation, sanction or consultation with the liberation movement's cultural workers and community organisations;
- Visiting artists should contribute to community projects;
- They should run skills workshops for local artists;
- They should host benefit concerts and share bills with local artists;
- Shows should be accessible to the disadvantaged communities.

These, then, are the facts. The impression is daily created in the papers that there's confusion and disagreement.

Indeed, it would not be correct to claim that the parties are agreed on every aspect, but the picture painted by the papers is grossly exaggerated.

The differences, in the main, revolve around the ways of implementation before the non-sectarian national body is in place.

The impression is also created that the ANC approves applications on its own and for selfish motives. Nothing is further from the truth. Insufficient exchange of information with other parties might occur now and then, but the ANC's Department of Arts and Culture does not work alone. All applications first go to the artists themselves and only then come to the DAC with their recommendations.

This procedure is correct in that it is the artists themselves who know — it is their field. The DAC is not a creative structure but an administrative one.

It may well be asked: why all this interest in the arts by a department of a political movement? Is this not meddling and censoring by so-called "cultural commissars"?

The answer is simple: apartheid culture still exists. It was decreed and implemented by apartheid politicians; cultural institutions within this country are still politicised; we still have no less than 13 racially and ethnically constituted departments of arts and culture.

Cultural activity must be depoliticised. Culture must revert to serving the entire people without regard to partisan views save democratic, non-racial, non-sexist principles. A non-sectarian art and culture body and arts foundation must emerge.

We are strong advocates of this for we believe "all South Africans are producers of culture". Until such time this is achieved we'll not surrender to entrenched apartheid culture which cannot be destroyed without conscious and steadfast struggle. The rest is wishful thinking.

There are two sides of the arguments doing the rounds:

- One holds that we should revert to the old form of boycott which others have referred to as a blanket boycott.
- The second holds that we should just do away with this policy and not set conditions for visiting artists.

We believe it should be neither of the two. We cannot go back to our original position: the victim must not be made to suffer in the same way as the culprit — ie apartheid. We must start addressing the inequalities now.

Yet, at the same time, apartheid is not dead. The legacy of its inequalities will not evaporate with the advent of a democratic order.

● *Mr Ramachela is director of Media and Research in the ANC's Department of Arts and Culture.*

ANC's two faces baffle investors

S/Times 13/10/91 (280) S/Times 13/10/91

SIMON BARBER sums up what was seen as eccentric posturing by the organisation at this week's investment conference held at Notre Dame University, at South Bend, Indiana

AMERICAN businessmen were shown two faces by the ANC at the conference.

The first one, sketched by foreign affairs director Thabo Mbeki, they found modestly encouraging. Unfortunately, it was the second, presented by Trevor Manuel, secretary of the ANC's economics department, for which the meeting will most likely be remembered

There is some dispute as to what Manuel actually said at Monday's closed-door session, but no doubt about its effect Most of the 30 or so mainly mid-level executives who made the trek to South Bend, Indiana, emerged from the conference room wondering why they had contributed up to $5 000 per firm to fly the ANC over.

Serious

Most hailed from companies that have weathered investment bans, shareholder pressure, double taxation and the potential loss of state and city contracts to stay in South Africa The remainder were by and large from firms that have either succumbed or reduced their exposure to the point where it does not benefit the South African economy

It was a familiar crowd, betokening little fresh interest on the part of serious players who do not already know South Africa well

What it heard Manuel say was that the ANC, once in power, might punish companies that had persevered while giving special treatment to those that had complied with the movement's wishes — either by disinvesting or never investing in the first place.

Threat

Manuel later insisted he and his seven-member team were merely "kicking the ball about" on a new investment or "empowerment" code and that whatever they said could not be treated as policy since the code would not be finalised until the ANC was in power.

He complained that the Americans refused to appreciate that "for us, politics and economics are inseparable". He also strongly denied that there was "any threat on our part" since this would be "counter to the spirit with which we've entered into negotiations" with the government.

He did, however, concede that the establishment of rules for new investment, which would entail requirements for black board representation and equity ownership, raised questions about how to deal with existing US subsidiaries.

"If you're saying to new investors, 'Put blacks on your boards', what do you say to those companies that are already there?"

That was not precisely how others recalled it. One American participant who took detailed notes, and whose view was confirmed by half a dozen business representatives, said: "They left the distinct impression that those companies which stayed behind may face some political difficulties with the ANC."

Pressure

This source, again corroborated by others, also said that Manuel and his colleagues "sneered at the Sullivan Code companies", arguing that their social responsibility efforts were "not adequate" and singling out one of the code's most dedicated adherents, Johnson and Johnson, for special criticism

Offending firms that have resisted pressure to leave is one thing But in attacking the Sullivan Code, the ANC team did nothing to reassure the representatives of companies that have departed. Scouts from General Motors and Ford were on hand, as were a number of bankers

THABO MBEKI
Made firms feel wanted

TREVOR MANUEL
In a vindictive mood

"There were companies there which said they were prepared to go back right now if they were given the signal," a participant recalled. "They said they needed competitive arrangements but were willing to contribute to stepped up social programmes ... They came away very distressed and felt a high degree of intellectual hostility."

Joseph LaBonte, who was briefly chairman of Reebok, the athletic shoe company which has used its support for sanctions to dampen criticism of its aggressive marketing of R300 sneakers to poor black teenagers in the US, tried to act as an intermediary.

LaBonte, who is bitterly resented by some in the business community for Reebok's sanctions stand, pleaded for companies to show some understanding. The ANC had not had time to work through its positions, he argued, and furthermore there might be some merit in "rewarding" those firms that had stayed away.

This did not sit well with executives who felt LaBonte was unwittingly blinding the ANC to reality no company that had left South Africa and almost none that never invested there to begin with, had acted out of respect for the ANC's wishes.

Tragedy

Their decisions were and would always be economic. It was in those terms, and those terms alone, that South Africa would have to compete for investment. The reward idea, let alone the penalty one, was dangerous nonsense Threaten to politicise investment and it would dry up

The tragedy of it all was that the companies were not asking that much a welcome mat and an end to state and local sanctions. In many cases, they were asking less than they might demand of others seeking their business.

Had it been left to Mbeki, the outcome might have been very different. He at least made the companies feel they were wanted, whether or not they had disinvested, and while he did not satisfy them on sanctions directly, he gave them the right winks.

In an address on Sunday night, before he flew off to another conference in Frankfurt, he came as close as any senior official ever has to declaring the process of change irreversible. He openly endorsed President FW de Klerk's position that a new system had to be in place by 1994 when the present government's mandate expired.

Message

Just as important, he predicted that agreement on interim arrangements was only months away and that the ANC would then be in a position to make the "unequivocal" call for the removal of sanctions sought by the businessmen.

In the meantime, he urged, US investors should not start planning to re-engage Nor should they be deterred by the ANC's rhetoric on nationalisation and the disavowal of debt. "No major organisation can say we've sorted out our economic policy and we know what to do."

Even though the "look now but don't touch" approach may have sounded impossibly naive, it also appeared to be the product of short-term political necessity. Mbeki, many of his listeners thought, was trying to pass them a message.

That message might have got through had not Manuel and Co torn it up the following morning

SMILE. WE'RE GIV
YOU 12 CHANC
TO REDUCE YC
HOME LOAN

Cynical reaction to US sanctions

Star 13/10/91

280

David Breier

SOUTH African Government sources believe the latest United States sanctions on the proliferation of South African missiles is a US attempt to protect its own international weapons export market.

Foreign Affairs sources said they regarded the US clampdown on South Africa's "missile proliferation activities" and the resultant sanctions on Armscor, as a cynical example of American trade protectionism.

An Armscor spokesman, commenting on the latest US sanctions on Armscor affiliates, said: "Due to the armaments embargo (imposed by the United Nations in 1977), South Africa established the capability to develop and manufacture a wide range of missiles for its own military use.

"This includes ground-to-ground, ground-to-air, air-to-ground and air-to-air missiles.

"As a result of the defence cuts, these programmes have been curtailed to a large extent, and further development will, in terms of the Armscor rationalisation programmes, be directed towards commercial applications."

While the spokesman did not spell out the commercial applications of South Africa's missile technology, the country is known to be involved in planning commercial satellites.

Asked for comment on speculation that the latest US clampdown on Armscor was the result of South Africa supplying Iraq, he said Armscor did not comment on the international procurement or sale of arms.

Prisoners remain bar to lifting Danish sanctions

(280) CT 11/10/91

COPENHAGEN. — Denmark will maintain trade sanctions against South Africa until all political prisoners there have been released.

The Danish stand prevents the European Community from lifting a ban on trade in iron, steel and gold coins. Denmark's EC partners voted last April to lift the ban, but need unanimity.

The committee that steers Danish foreign policy made the decision yesterday after hearing a report from five MPs who met political leaders in SA last month.

The three opposition parties, who together outvote the government parties, say sanctions should stay for the time being. — Sapa-Reuter

He told them to establish calm and prevent further killings. Picture ROBERT BOTHA

New US trade ban 'is not serious'

LINDEN BIRNS

THE trade embargo prohibiting US companies from trading with SA's armaments manufacturer and procurement corporation Armscor, or any of its subsidiaries, was "no big deal", Defence Ministry spokesman Chris van der Westhuizen said yesterday.

On Friday the US announced it was banning trade between US businesses and the Armscor group after discovering that Armscor had been developing medium-range ballistic missile technology.

Although the Defence Ministry had not yet seen the documents outlining the sanctions, the embargo did not seem terribly serious, Van der Westhuizen said.

According to Jane's Defence Weekly's SA correspondent Helmoed-Romer Heitman, the new embargo will not have any meaningful effect on Armscor.

He said the US announcement was routine, and it appeared as if SA was merely being added to the US's list of countries with medium and long-range ballistic missile capabilities.

"There does not seem to be anything new that is not covered by the two standing UN arms embargos against SA."

It was unlikely that the embargo's objective was to punish SA for dealing with countries which the US did not like, he said.

Weekend reports suggested that the embargo might be a punishment for Armscor's sale of G-5 cannons to Iraq before the outbreak of the Gulf war.

14/10/91 (280)

Firm fails in court move

neid legacy

280

Money will dictate new SA success

Sowetan 14/10/91

Substantial government intervention in support of efforts to eliminate imbalances of apartheid should be possible without interference with market forces and without reducing incentives for private investments.

South Africa must adopt growth-oriented policies. The only way for the society to meet these ends and to increase the share of the wealth for everyone is for the economy to grow.

Those who hope to assume positions and responsibility in the new South Africa must also be prepared to make economic decisions which will demonstrate their commitment to economic democracy and to obeying the will of the market - answering to the needs of the people.

Job creation is vital to black economic empowerment. Unemployment estimates in South Africa run as high as 40 percent. At the same time, jobs requiring special skills go unfilled because of the lack of qualified candidates.

Doubts over ANC economic policy

Star 19/10/91 (280)

LONDON — British companies yesterday said there would be little immediate response to the phasing out of Commonwealth sanctions against South Africa due to uncertainty about the post-apartheid political and economic future.

"Sanctions have ceased to be the dominant factor," Jonathan Leape of the London School of Economics said. "Macro-economic and political stability dominate investment."

John Scates, director of international affairs at the Confederation of British Industry, said the most important element was confidence, adding: "That isn't fully there yet."

The lifting of sanctions would allow the resumption of tourism, cultural and academic exchanges and air links with white-ruled South Africa, ostracised internationally for three decades for pursuing a policy of racial segregation.

Mr Scates said companies and banks would look at investment in South Africa with a fresh eye following the sanctions decision by Commonwealth leaders meeting in Harare.

But he said there were still too many uncertainties surrounding a constitutional settlement and the economic policy of the African National Congress. The ANC has recently issued conflicting statements about the possible nationalisation of major industries such as mining and whether a future ANC-led government would honour foreign debt.

Mr Leape said investments could also be hindered by poor local housing and infrastructure, a labour force with relatively low skills and continuing township violence.

In another development out of the Harare summit, a special mission to South Africa by Commonwealth secretary-general Chief Emeka Anyaoku is in the pipeline, following widespread agreement at the suggestion during discussions in Harare yesterday.

Chief Anyaoku's mission would be to take soundings from all parties in South Africa on how best the Commonwealth could assist the emerging democratic process in the country, British government sources said.

Leaders had agreed however that the Commonwealth should not interfere in the constitution-making process until all parties in South Africa wanted this.

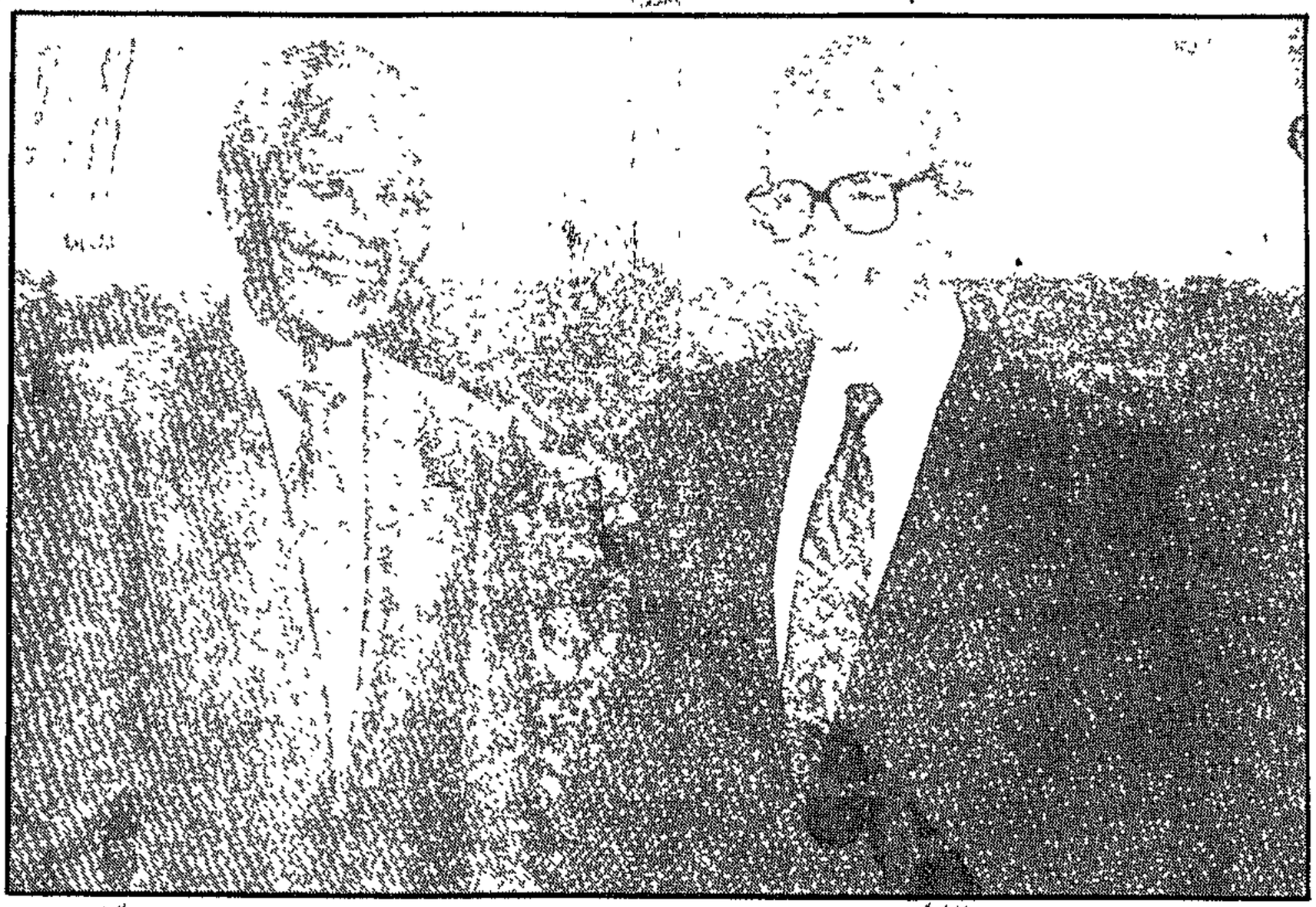
Commonwealth leaders would take the proposal further during their weekend retreat to Victoria Falls, where they would also be tidying up their final position on lifting sanctions against South Africa.

British officials also revealed they had recieved a positive response from the SA Government and the ANC to proposals that the UK provide advice and assistance "in the field of police accountability and community policing".

As part of British Prime Minister John Major's good government campaign for developing countries, five ANC nominees have already been accepted for special civil service training in England, officials disclosed earlier this week. — Sapa-Reuter.

SA still a risk — UK investors

SANCTIONS:



MAIN PLAYERS . . . Nelson Mandela and John Major at the Harare summit. ■ Pic: ABDUL SHARIFF

Beginning of the end

Cape Times 20/10/91 (280)

THE announcement in Harare that the 50-nation Commonwealth will begin lifting sanctions does not mean the end of South Africa's economic problems.

What is really needed say economists is new investment. Although the phasing out of sanctions is supported by Nelson Mandela and the ANC, the ANC president has made it clear that major financial restrictions remain in place until South Africa has a democratic government.

Bans on people-to-people contacts – travel and air link restrictions and embargoes against scientific and cultural contacts – will go immediately.

There has been no reaction yet to the Commonwealth decision by President F W de Klerk.

South African business leaders have urged an immediate end to all curbs The Commonwealth's decision has come at the same time as a Sanlam survey which warns that unemployment is getting out of control.

Statistics reveal that only seven out of every 100 new job-seekers in the past five years have been able to find full-time employment.

The South African Chamber of Business hailed the decision, but urged faster action to end trade and investment curbs in order to fight unemployment. The Anglo American Corporation also welcomed the move.

There was a frosty reaction from the Azanian People's Organisation. "Qualitative and substantial changes have not taken place. The lifting of sanctions will strengthen the hand of the minority regime," said spokesman Lybon Mabasa.

British premier John Major's government has steadfastly opposed sanctions and wanted all but the arms embargo lifted now.

Major said in a BBC radio interview that South African constitutional talks might not start until next year. "If investment in South Africa only starts after that, it is going to be the late 1990s before it is effective in creating growth and jobs."

The easing of sanctions is seen as a victory for Mandela who was feted like a head-of-state-in-waiting at the Harare summit. – Own Correspondent and Sapa

Bop's hard line keeping sanctions in place

S/Times 20/10/91

(280)

By MIKE ROBERTSON
Political Correspondent

THE tardiness of Bophuthatswana in releasing political prisoners has emerged as the major stumbling block preventing the lifting of remaining United States and European Community sanctions against South Africa.

And there are growing fears that the introduction of a law which effectively prevents SA trade unions from operating in the homeland could further destabilise labour relations in SA.

Multinationals, like BMW, which operate in the homeland, are coming under pressure in their home countries to disinvest if the Bophuthatswana government proceeds to implement its new law.

Demanded

Bophuthatswana's failure to release political prisoners has been cited by South African officials as the main obstacle to the lifting of state and city sanctions in the United States.

The South African Department of Foreign Affairs is also viewing as extremely serious a recent statement by the EC condemning the continued imprisonment of more than 100 political prisoners in the homeland.

Neither the US nor the European countries recognise Bophuthatswana and they have demanded that the SA government take action to secure the release of prisoners.

But despite the personal intervention of President FW de Klerk, the homeland government continues to hold 128 political prisoners. It has released 37.

A senior SA official involved in negotiations with the homeland government said relations between the two countries were "very strained".

He said the SA government's ability to press Bophuthatswana to release the remaining prisoners was limited. Unlike the other three independent homelands, Bophuthatswana was financially independent.

President De Klerk, he said, had addressed the entire Bophuthatswana cabinet on the issue in July, but as yet there had been very little movement on its part.

SA officials believe that former Rhodesian cabinet minister Rowan Cronje, who serves as Bophuthatswana's defence minister, has been instrumental in persuading President Lucas Mangope to "hang tough" on the release of prisoners.

SIMON BARBER'S Washington Diary

S/Times 20/10/91 (280)

A WEEK ago, South Africa's headlines howled the news that the US had imposed new sanctions on the country to protest against the proliferation of missile technology by Armscor.

The breathlessly surmised reason was that Armscor had helped Iraq acquire weapons of mass destruction.

The facts are rather less incendiary.

First of all, the sanctions imposed are by and large redundant. The UN arms embargo already prohibits the US government from purchasing Armscor's main product line, and it's unlikely that baseball-loving Americans would be in the market for the cricket bats the corporation is supposedly manufacturing in place of rifle stocks.

As a matter of policy, the US does not license the sale to Armscor of items on the so-called Munitions List, though this became permissible after the termination of the Comprehensive Anti-Apartheid Act's measures.

It is also inconceivable that the US would enter into contracts with Armscor.

So much for the new sanctions, at least in terms of their direct effect.

Of rather more interest, in political and diplomatic terms, are the reasons for which they were imposed.

Here, a little history is in order.

On April 16 1987, the Reagan administration and its key allies — the Group of Seven industrial countries — established what they called the Missile Technology Control Regime.

THEIR purpose, as a White House statement explained at the time, was to "control the transfer of equipment and technology that could contribute to nuclear-capable missiles".

To this end, they agreed upon a list of items (the MTCR Annex) whose export to third countries they agreed to restrict.

After Saddam Hussein's invasion of Kuwait last year, the US Congress got into a panic about the proliferation of missile technology in general.

Lawmakers were alarmed that thugs like Saddam were laying their hands on rocketry that could deliver warheads of any kind — nuclear, chemical, biological and conventional — far from their own borders.

To reflect these concerns, they amended the Arms Export Control and Export Administration Acts in two basic respects.

First, they required the administration to provide semi-annual reports on the relevant activities of non-MTCR countries (with the exception of a few nations judged to be good citizens).

SECOND, they obliged the administration to impose unilateral sanctions on countries, entities or persons found to be involved in the transfer of Annex items between non-MTCR adherents.

After the legislation was passed, the State Department notified non-MTCR Pretoria that Armscor might fall into the net because of its by then well-publicised missile collaboration with non-MTCR Israel.

That is what has now happened. Though the details remain classified, nothing more nefarious is alleged.

Nor, as has been stated in some press accounts, is there any hue and cry here, although there might have been had the administration acted differently.

Congress required that sanctions be imposed in varying degrees, depending on the nature of equipment transferred and the use to which it was put.

From the degree of sanctions imposed in SA's case, one can deduce the following.

- The offending transfer — to give is as punishable as to receive — involved items in Category 1 of the MTCR Annex.

That is to say, they comprised either "complete rocket systems ... capable of delivering at least a 500kg payload to a range of at least 300km", or individual rocket stages, or the major components;

- The transfer "substantially contributed to the design, development and production of missiles" by the recipient.

This is entirely consistent with SA's relationship with Israel.

Not once, in interviews with US officials over the past week, has there been the slightest hint that anything else was being referred to.

Furthermore, all officials gave it to be understood that the administration did not see SA as a proliferation risk under current circumstances.

Rather, they were merely complying with law and would have handled things differently had they been allowed to do so.

They also stressed quite vigorously that the steps taken against Armscor carried no implication for the overall thrust of US policy towards SA, which was to normalise relations, economic and political, as expeditiously as possible.

Israel, which has recently signalled its intention to adhere to the regime, has not, of course, had sanctions imposed.

President George Bush exercised his waiver authority for reasons that should be obvious. It should be equally obvious why he did not do the same for SA. The usual suspects in Congress might have gone berserk. Unfair, yes, but also a practical fact of life.

THE difficulty lies in how to resolve the matter.

The short answer is that SA should become an MTCR adherent in much the same way that it finally agreed to adhere to the Nuclear Non-Proliferation Treaty.

However, there is no consensus within the US government on what MTCR adherence entails.

Some argue that Pretoria and Armscor merely need to abide by the regime guidelines. Others contend that SA must scrap its entire ballistic missile programme, regardless of whether the ultimate intent is simply to develop a peaceful space launch system.

Unfortunately, these are not questions addressed in the law. They will have to be a matter for negotiation.

SOWETAN RADIO METRO

TALKBACK

Division over sanctions call

Sowetan 21/10/91

CALLERS to *Sowetan*/Radio Metro Talkback show are divided over whether sanctions should be lifted. (280)

This follows a call by ANC president Mr Nelson Mandela that some curbs must go.

Those who support his call told host Tim Modise that he took a right decision "because we have been suffering for a long time".

His critics, however, lashed out at him for "not consulting the masses before taking that decision".

David from Orlando in Soweto said Mandela's decision to tell the Commonwealth leaders to lift some sanctions was his decision alone.

"We are not liberated yet and we do not want sanctions lifted."

Jerry of Seshego in Pietersburg said: "It is frustrating to listen to what Mandela told the Commonwealth leaders last week. How dare he say that when South Africa has not changed at all?"

Sam of Katlehong praised Mandela for what he described as "a bold step in the right direction".

"Mandela should be respected for the decision he took because he knows what he is doing. We have been suffering for so long and we are saying now enough is enough."

Job opportunities

Herbie Mann of Geluksdal said it was vital that sanctions be lifted.

"It is important for South Africans to have a people-to-people contact so that they can exchange views and learn from one another.

"The lifting of sanctions will create job opportunities for the unemployed," he added.

Curbs to go

280

Sowetan 21/10/91

COMMONWEALTH leaders agreed to ease sanctions on South Africa, signalling an improved atmosphere on a divisive issue that sparked friction at past summits.

They resumed their discussions against the spectacular backdrop of the Victoria Falls on Saturday in a mood markedly more relaxed for the absence of Mrs Margaret Thatcher.

Officials in some of the 50 delegations said the summit was notable for a lack of animosity engendered at previous conferences by the former British prime minister's fierce opposition to sanctions against South Africa.

Indian Prime Minister Mr PV Narasimha Rao said the summit had agreed to begin a phased lifting of sanctions to encourage SA in its transition to nonracial democracy.

Cricket leads the way for SA's sanctions breakout

280

B/Day 21/10/91

Own Correspondent

HARARE — In a move that may have guaranteed SA's place in the Cricket World Cup next year, the Commonwealth at the weekend acknowledged reform in SA by lifting sports and cultural sanctions, and by agreeing to start phasing out economic sanctions.

The unanimous decision by the Commonwealth Heads of Government Meeting (CHOGM) in Harare was warmly welcomed by officials at cricket's international headquarters — Lord's in London.

There was confidence, officials said, that a meeting of the International Cricket Council in the United Arab Emirates on Wednesday would include SA in the World Cup to be played in Australia and New Zealand in February and March.

The scrapping of the 1977 Commonwealth Gleneagles Agreement opposing sports contact with SA was also a major incentive to other sports, particularly rugby, to relinquish overt white control and unify without delay.

After spending the previous 15 years turning the screw on SA at successive Commonwealth conferences, heads of government granted their first concessions on Friday as part of a proposed three-stage dismantling of all remaining sanctions.

The process was backed by the ANC, whose president Nelson Mandela was in Zimbabwe last week meeting government leaders.

Britain, while welcoming the immediate end to so-called "people-to-people" measures, objected to maintaining trade and financial sanctions which would harm the economy of post-apartheid SA.

It was thought there may be an attempt to speed up the timetable for lifting the remaining sanctions and Mandela has indicated his willingness to be flexible.

If the proposed timetable was not amended, British Prime Minister John Major was expected to enter a reserve on the final communique dealing with SA sanctions.

In terms of the new arrangement, Commonwealth trade sanctions such as a ban on agricultural products from SA were to stay in place until constitutional talks are under way.

Financial sanctions, such as the ban on new investment or reinvestment of profits, were due to remain until agreement was reached on the text of a new constitution.

Reuter reports that British companies said at the weekend there would be little immediate response to the phasing out of Commonwealth sanctions, due to uncertainty about the post-apartheid political and economic future.

"Sanctions have ceased to be the dominant factor," Jonathan Leape of the London School of Economics said. "Macroeconomic and political stability dominate investment."

John Scates, director of international affairs at the Confederation of British Industry, said the most important element was confidence, adding: "That isn't fully there yet."

Scates said investors would look at SA with a fresh eye following the sanctions decision but there were still too many uncertainties surrounding a constitutional settlement and the ANC's economic policy.

Sapa reports that a special mission to SA by Commonwealth secretary-general Emeka Anyaoku shortly after the Harare Summit was in the pipeline, following widespread agreement at the suggestion during talks on Friday. — Daily Telegraph.

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Sanctions excluded from Commonwealth declaration

TIM COHEN

VICTORIA FALLS — Commonwealth leaders yesterday decided on a declaration which emphasises human rights and good government, but which does not mention sanctions on SA. B/Day 21/10/91.

SA was excluded from the declaration because the document is meant to last, and leaders expect the situation in SA to change dramatically before the next Commonwealth meeting in two years' time.

The British government, particularly, did not want SA to be mentioned in the declaration because it might have to enter a reserve on the question of sanctions, in which it would dissociate itself from a portion of the document, diplomatic sources said.

To do so would militate against the spirit of the Commonwealth summit, which is intended to create unity among Commonwealth countries. It would also be reminiscent of the last Commonwealth summit when Britain, led by Margaret Thatcher, abrasively disagreed with Commonwealth leaders on the issue of sanctions.

Sanctions on SA would be mentioned in the final communique, which would be issued at the end of the conference tomorrow.

British diplomatic sources said Britain might still enter a reserve in the communique, although much depended on the discussions that took place yesterday among Commonwealth leaders at the Victoria Falls retreat.

Much of the discussion and disagreement about the contents of the declaration — the Victoria Falls Declaration — centred on the words "government" and "governance".

The British draft, which became the basis for the final declaration, included the words "good governance". They also appeared in documents emanating from the IMF and the World Bank which required "good governance" before loans would be granted.

(280)

Some leaders, principally Malaysian Prime Minister Mahathar Mohamad, baulked at the implications of pledging themselves to provide "good governance" and argued for the less moralistic term "good government".

British Prime Minister John Major conceded to the substitution of the term.

Zimbabwean President Robert Mugabe led a delegation of Commonwealth leaders on visits to the Victoria Falls on Saturday and yesterday. The leaders left for Harare yesterday afternoon for two more days of discussions.

● See Page 2

Ramsamy protests as Swedes relax boycott

(280) 21/10/91

STOCKHOLM. — South African Olympic chief and anti-apartheid campaigner Mr Sam Ramsamy is to appeal against a decision by a Swedish sports body partly to end its boycott of South Africa.

"I am surprised and astonished. We will appeal for the decision to be changed," Mr Ramsamy was quoted as saying by the Swedish newspaper Dagens Nyheter on Saturday.

The board of the Swedish Sports Confederation on Friday ended a ban on sporting contacts with South Africa in cricket, golf, cycling, tennis, equestrian sports and yachting.

This will allow South African players to participate in next week's Stockholm Open tennis tournament. At least one player, Piet Norval, the world's 18th-ranked doubles player, has already arrived here.

Mr Ramsamy, head of the National Olympic Committee of South Africa (Nocsa) and the South African Non-Racial Olympic Committee (Sanroc), said he would ask a meeting of the confederation's general assembly on November 22-24 to overturn the board's decision.

The Swedish confederation said its decision, taken after consulting Sanroc and South Africa's National and Olympic Sports Congress — a group representing black athletes — was based on racial progress in those sports in South Africa.

Mr Ramsamy said: "We advocated that the boycott be considered competition by competition, not sport by sport, as the Swedish Sports Confederation has now done." — Sapa-Reuter

Barend in Tokyo to meet top officials

Japanese poised to end sanctions

Star 21/10/91 (280)

TOKYO — Japan will announce tomorrow the lifting of economic sanctions against South Africa, government sources said this morning.

They said the decision would be taken at a scheduled Cabinet meeting.

Japan's sanctions against Pretoria have included bans on investment, imports of steel and iron, and air links.

Tokyo has also co-ordinated a "voluntary restraint" to stop firms from financing or importing Krugerrands and other gold coins, as well as exporting computers seen as helpful to agencies enforcing apartheid.

Japan had been expected to scrap the sanctions in July, after Washington lifted its ban, but Tokyo said it would postpone the decision until all political prisoners were released.

Major

Despite the sanctions, Japan has remained one of South Africa's major trading partners. In the financial year ending March 1991, Japanese exports to South Africa were worth around R4,2 billion and imports totalled R5 billion.

South Africa exports to Japan mainly minerals such as coal and farm produce like sugar and maize. It imports car components, electronic goods and machinery.

In June, Japan lifted a ban on exchanges in sports, culture and tourism.

Ahead of the announcement, Japan today welcomed South African Finance Minister, Barend du Plessis who flew in on a private four-day visit to Tokyo.

Mr du Plessis will meet government officials, as well as leading bankers.

The visit comes one week after a proposed visit by Foreign Minister Pik Botha, who was travelling in the region, failed to come off.

The South African consul general in Tokyo, Alexander Kuhn, said the trip did not take place because it would have "inconvenienced " the Japanese government if it had occurred before elections for one of the five non-permanent seats in the UN Security Council.

Japan courted African support and easily won the seat with 158 out of a possible 161 votes.

Mr Kuhn added that "if sanctions were ever necessary, they have achieved their goal. The (process of ending apartheid) is irreversible".

The ANC has asked Japan to maintain sanctions until at least the end of the year, according to a spokesman at the ANC's Tokyo office.

Meanwhile, banking sources said that Japanese banks were planning to resume business with South African banks for the first time in six years.

Japan suspended most banking transactions with South Africa shortly after July 1985 when a UN Security Council resolution denouncing apartheid was passed. Since then the two countries' banks have been processing only small trade settlements.

Top South African banking executives were now visiting Tokyo "in droves", sources said. — Sapa-Reuter, Star Foreign Service.

Sole survivor . . . Shaun Hodgkinson (left) was orphan the lives of his parents, Colleen and Patrick (hims

Japan to lift sanctions

Sowetan 22/10/91.

(280)

SA Press Association - Reuter

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Meanwhile Japan welcomed Finance Minister Mr Barend du Plessis on a private visit to Tokyo yesterday after giving the cold shoulder to Foreign Minister Mr Pik Botha just a week ago.

Major is lone dissenter as Commonwealth prolongs economic curbs

B/Day 22/10/91 (280)

HARARE — The Commonwealth summit ended last night with Britain once again challenging the other 49 members' position on sanctions, although this was identical to the line taken by foreign ministers in New Delhi last month.

According to an advance of the closing communiqué given to Zimbabwe news agency Ziana, Prime Minister John Major recorded Britain's "reservations that investment and trade sanctions should be lifted to restore economic growth in SA in preparation for the advent of a new majority government".

The other heads of government agreed, however, that "trade and investment sanctions should be lifted when appropriate transitional mechanisms have been agreed which would enable all parties to participate fully and effectively in negotiations.

"Financial sanctions, including lending by international institutions such as the IMF and World Bank, (should) be lifted only when agreement is reached on the text of a new democratic constitution, unless a contrary recommendation is made by agreement at the proposed all-party conference, or by an interim government.

MICHAEL HARTNACK

"The arms embargo, applied by the UN and by a variety of specific Commonwealth measures, should remain in force until a new post-apartheid government is firmly established, with full democratic control and accountability".

The leaders repeated their recommendation that all "person-to-person" sanctions should fall away immediately.

The formula does not appear to comply with the plans put forward in Harare by ANC president Nelson Mandela for merging the lifting of both trade and financial sanctions according to an undisclosed ANC set of criteria.

The ANC had no immediate reaction to the lifting of person-to-person sanctions, Sapa reports spokesman Carl Niehaus said the ANC's national executive committee would examine the Commonwealth communiqué, and comment in detail today.

JONATHON REES reports that the lifting of curbs could lead to the resumption of several major international airline routes, increased availability of foreign visas and the acquisition of a wide range of overseas television programmes.

An SAA spokesman said the airline hoped to resume direct flights to Australia in time for the Christmas season.

Singapore and Japan had already expressed interest in introducing air links, he said.

The SA Foreign Trade Organisation said the lifting of Commonwealth visa restrictions would enable SA businessmen to establish important new contacts in preparation for the lifting of economic sanctions.

The Foreign Affairs Department

To Page 2

Commonwealth

B/Day 22/10/91 (280)

From Page 1

warned that it could take a while for the lifting of person-to-person sanctions to take effect.

SABC programmes director Dries Pretorius said the lifting of cultural curbs could give SA television the opportunity to select the best of programmes available around the world.

But acquisition rights to programmes from Australia and Britain would depend on powerful performers' unions voting to allow the export of programmes.

Observers said Britain's Equity — which has steadfastly maintained a ban on television imports to SA — could now well be swayed to relax their curbs next time the issue is put to the vote.

Meanwhile, diplomatic sources said Commonwealth secretary-general Chief Emeka Anyaoku would be sending an "advance party" to SA to prepare for his own visit in November.

Anyaoku's mission to Pretoria, originally expected to take place this week, has been the most concrete development to come out of a summit remarkable for its low-key handling of an issue which has riven the Commonwealth for 40 years.

Our political staff reports that the SA government has welcomed Anyaoku's decision to undertake a fact-finding visit.

A Foreign Affairs spokesman said no date had been finalised.

See Page 3

Gateway to trade with Asia

Japan poised to scrap all SA sanctions

B/Day 22/10/91 (280)

LESLEY LAMBERT

JAPAN is certain to announce the lifting of trade and investment sanctions after a cabinet meeting this morning, say government and trade sources.

The move could trigger the full normalisation of trade relations with other Asian countries, which are likely to follow Japan's lead.

The sources said yesterday the announcement was likely to be made after a meeting of the Japanese cabinet.

Japanese officials could not be contacted yesterday to confirm the information. However, a director of Nichi-Nan-A-Kenkyusho, a Japanese-SA research institute, said he had received confirmation from the Japanese consulate in Pretoria that the announcement would be made today.

"A senior consular official confirmed that the announcement would include the lifting of all investment sanctions, such as the bans on direct investment, economic co-operation, iron and steel imports and air links, as well as the 'voluntary restraint' on the import of Krugerrands," Nichi-Nan-A-Kenkyusho director Simon Organ said yesterday.

"The only restriction to remain will be exports from Japan of computers and technology for use in security or para-security infrastructure," he said.

In June, the Japanese lifted a ban on sporting and cultural exchanges and tourism.

Finance Minister Barend du Plessis arrived in Tokyo yesterday for talks with leading Japanese bankers, apparently in anticipation of the lifting of sanctions. The Department of Trade and Industry is planning a trade mission to Japan in a fortnight.

Safto Asian and Australian manager Graham Limerick said major implications of the lifting of sanctions were higher trade volumes, the opening up of air links between the two countries and the possibility of direct Japanese investment in SA.

Before it imposed sanctions in varying stages last decade, Japan was SA's biggest trade partner. But political pressure forced Japan to place a ceiling on existing trade levels in 1986, after which trade declined by about 25% to current levels.

In spite of the decline, Japan has remained one of SA's major trading partners, accounting for about 28% of its total trade. SA exports of raw materials, particularly coal and agricultural products, are worth about R4,2bn, while imports of motorcar components, electronic goods and machinery total about R5bn.

The prospects for direct investment are also promising, assuming the total ban on investments is lifted. Limerick said a visit to SA earlier this year by the Keidanran, a group of influential Japanese businessmen, indicated there there was significant interest, with the motor manufacturing, property, banking and tourism sectors likely to attract most attention.

However, he said there was unlikely to be a rush of investment. Japanese businessmen would be as cautious as other investors about SA's political and economic prospects.

Organ said the renewal of air links was likely to be one of the first major effects. He believed All Nippon Airlines would lead

☐ To Page 2

Japan

B/Day 22/10/91 (280)

☐ From Page 1

the return in about four to five months, with Japan Air Lines following later.

Japanese banks are also understood to been involved in discussions with local banking groups to determine the viability of opening up operations in SA.

Another important consequence of the lifting of Japanese sanctions, said Limerick, was the effect it would have on other Asian countries, such as Singapore, Indonesia and Malaysia. "They are likely to follow Japan's lead. Countries like Malaysia which is part of the Commonwealth will also be affected by its decision on sanctions. India may also follow suit, resulting in a full normalisation of trade relations with the region."

● See Page 3

Japan's sanctions move delights SA businessmen

(280) ARGT 22/10/91

Business Staff

NEWS that Japan has lifted sanctions has delighted local businessmen who see that country as the strongest player in the world economy and therefore the most useful partner for long-term development.

The immediate beneficiaries of the dramatic change in Japan's sanctions policy are likely to be raw material producers.

Already Iscor has concluded a R1 billion iron ore deal with six major Japanese steel manufacturers.

On a more general front, Sankorp chief executive Marinus Daling describes the move as "the best news we've had in a long time".

The most attractive aspect of dealing with Japan is the time frame within which the Japanese tend to operate.

As Mr Daling notes: "The Japanese are very pragamatic and tend to take a long-term view. This suggests that there is a better chance of them investing here than US companies who take a shorter view."

Graham Limerick, head of Safto's Asian division, says the move is a major breakthrough.

He feels the Japanese initiative could have tremendous spin-off benefits as other Asian countries, encouraged by it and the recent Commonwealth decision, take a closer look at South Africa.

Simon Organ, director of Nichi-Nan-A Kenkyusho (Japan-SA Research Institute), believes the Japanese are reasonably confident about South Africa's long-term prospects and notes that the large Tokyo corporations have been putting their government under pressure on the sanctions issue for some time.

"I think their interest is more advanced than appears to be the case right now."

But Mr Organ warns that people should not expect investment to pour in immediately.

"Japan already has well-established ties with South African business and these will be strengthened, but it will be three to five years before the full benefits of the news are realised."

He sees Japan as becoming an important long-term partner in South Africa's development and believes that this country has much to gain from Japan's post-war experience in socio-economic restructuring.

As Mr Daling notes, Japan is one of the few global players that has surplus funds to invest and it also regards South Africa as the gateway to Africa.

Another significant advantage in having ties with Japan, says Mr Daling, is that it is a world leader in many areas of technology. As existing ties are inevitably strengthened, this will be of benefit.

Iscor spokesman David Webbstock said yesterday the deal was signed on Tuesday last week by Iscor officials in Tokyo.

In terms of the deal, Iscor will supply the manufacturers with an annual four million tons of Sishen iron ore for the next five years.

Mr Webbstock did not disclose details of the price involved, but in its 1990/1 financial year Iscor received an average FOB price of R51 per ton of Sishen ore exported.

Iscor's iron ore exports in the year to June totalled 14,3 million tons valued at R731 million.

Iron ore imports from South Africa were never banned officially by Japan, but steel firms were asked to apply voluntary restraint in buying from South Africa.

As a result, Iscor's exports to Japan over the past 16 years have been limited to 75 million tons, but one industry official said yesterday that manufacturers "are now quite prepared to do business with us".

It is also understood that the Japanese steel manufacturers, including Nippon, NKK, Kobe Steel, Kawasaki and Sumitomo agreed to the deal in anticipation of the official lifting of sanctions today.

Mr Webbstock said direct steel exports by Iscor to the Far East were not being considered at the moment.

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[illegible] proportion of these detainees. The Lawyers Committee is concerned that the detention of Mr. al-Saghir is in response to his representation of controversial clients.

Mr. al-Saghir was also detained earlier this year. In June, Mr. al-Saghir was held illegally for 10 days at the Central Security Forces Compound in Hurghada where he was allegedly tortured. No charges were ever filed against him. After this detention, a representative of the independent human rights organization, the Egyptian Organization for Human Rights (EOHR) witnessed injuries on his body consistent with allegations that he had been beaten with sticks on his back and chest; that the soles of his feet had been whipped; and that he had been punched in the face. That same month, the EOHR submitted an official complaint about Mr. al-Saghir's treatment to the Public Prosecutor. No response has been received and no official investigation is known to have been initiated. On October 21, the EOHR submitted a second complaint relating to Mr. al-Saghir's most recent alleged torture.

Torture is absolutely proscribed in international law, and in Egyptian law which under Article 126 of the Penal Code mandates a three to ten year prison sentence for any public official involved in the ordering or the inflicting of torture. Additionally, as a state party to the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the government of Egypt is required under Article 13 to "ensure that any individual who alleges he has been subjected to torture in

ANC targets J P Morgan

280

From SIMON BARBER

WASHINGTON. — ANC secretary general Cyril Ramaphosa has asked the US sanctions movement to deter investment bank J P Morgan from lead-managing a $100m Eurobond issue for the Independent Development Trust.

In response, the American Committee on Africa, a UN- and privately-financed lobby that acts for the ANC, has issued an "action alert" calling on state and city governments to "make clear to J P Morgan that it risks losing their business".

The bank, which has claimed it has the ANC's blessing to raise the finance to build classrooms in black communities, was due to hold its first meeting with potential investors in London yesterday.

Morgan was encouraged in the belief that its had the ANC's endorsement by an October 9 letter to IDT Trustee Dr Mamphela Ramphele, approving her request to participate in the fundraising effort.

In a statement being distributed by ACOA, Ramaphosa insisted the letter was being misinterpreted. It only approved IDT's efforts to raise grants and was "not an endorsement".

● A J P Morgan spokesman said the bank will go ahead with its European meetings this week.

C'wealth cricket boost

(280) CT 22/10/91

HARARE. — The Commonwealth yesterday lifted some sanctions against South Africa while maintaining others, and gave SA's chances of competing in next year's cricket World Cup a boost.

At the end of their summit the Commonwealth leaders recommended that "people-to-people" sanctions be lifted immediately while financial, trade and arms sanctions remain in place for the time being.

They urged the International Cricket Conference to accept a South African team for next year's World Cup and agreed to lift cultural and educational sanctions.

The decision to lift some sanctions while maintaining others, against which Britain entered a mild reservation, also healed a long-standing rift between London and other Commonwealth countries over what action to take to push South Africa to end apartheid, delegates said.

A communique issued by the Commonwealth said restrictions on sporting ties with SA would be lifted as soon as sports bodies achieved unity.

Cricket, which is experiencing its first season of unity, is likely to be the first beneficiary of the new attitutde.

In view of the Commonwealth decision, it is almost certain that a majority of the full members of the ICC, meeting in Sharjah tomorrow, will approve the entry of South Africa for the World Cup.

The Commonwealth leaders said they had been encouraged by the recent evolution of a unified non-racial sports movement in SA.

The decision by the International Olympic Committee to grant recognition to the National Olympic Committee of South Africa was also welcomed by the Commonwealth leaders.

The communique was explicit on financial sanctions against South Africa but less so on other economic bars.

"The most demonstrably effective of all sanctions — financial sanctions, including lending by international financial institutions such as the IMF and the World Bank — should be lifted only when agreement is reached on the text of a new democratic constitution (in South Africa), unless a contrary recommendation is made by agreement at the proposed (South African) all-party conference, or by an interim

To page 5

POINTERS . . . Britain's Prime Minister, Mr John Major, summarises the Commonwealth discussions. Picture: AP

Japan ends sanctions

(280) CT 22/10/91

Own Correspondent

JOHANNESBURG. — Japan is to buy more than R1-billion worth of South African iron ore as that country prepares to lift economic sanctions against SA.

Iscor yesterday disclosed that six top Japanese steel producers had signed a five-year contract for 20 million tons of iron ore.

An Iscor spokesman said the contracts were officially signed last week after negotiations with Nippon Steel Corporation, which represented the Japanese steelmakers.

Today the Japanese cabinet is expected to announce the lifting of sanctions against SA, government officials said in Tokyo.

Japan's sanctions against SA comprised bans on investment, imports of steel and iron and on flights between the two countries.

In June, Tokyo lifted some sanctions, including a ban on issuing tourist visas to South Africans and on educational, cultural and sports exchanges.

Meanwhile the Japanese vice-minister of International Trade and Industry, Mr Yuji Tanahashi, said sanctions are being lifted in response to SA's steady efforts to dismantle apartheid.

Mr Tanahashi predicted the removal of restrictions would galvanise trade relations, especially the export of Japanese cars and machinery, and the import of pig iron and steel from SA.

Japan was SA's top trading partner until 1988, but dropped to fourth place last year behind the former West Germany, Britain and the United States, as firms complied with government requests to limit their business dealings with SA.

A director of Nichi-Nan-A-Kenkyusho, a Japanese-SA research institute in Tokyo, Mr Simon Organ, said the Japanese government announcement would include the lifting of bans on direct investment, economic co-operation, iron and steel imports and air links, as well as the "voluntary restraint" on the import of Krugerrands.

"The only restriction to remain will be exports from Japan of computers and technology for use in security or para-security infrastructure," he said.

Finance Minister Mr Barend du Plessis arrived in Tokyo yesterday for talks with leading Japanese bankers, apparently in anticipation of the lifting of sanctions. The Department of Trade and Industry is planning a trade mission to Japan in a fortnight.

SA Foreign Trade Organisation's Asian and Australian manager Mr Graham Limerick said major implications of the lifting of sanctions were higher trade volumes, the opening up of air links between the two countries and the possibility of direct Japanese investment in SA.

Mr Limerick said a visit to SA earlier this year by the Keidanran, a group of influential Japanese businessmen, indicated there was significant interest in direct investment, with the motor manufacturing, property, banking and tourism sectors likely to attract most attention.

However, he said there was unlikely to be a rush to invest. Japanese businessmen would be as cautious as other investors about SA's political and economic prospects.

An important consequence of the lifting of Japanese sanctions, said Mr Limerick, was the effect it would have on other Asian countries, such as Singapore, Indonesia and Malaysia.

"They are likely to follow Japan's lead. Countries like Malaysia, which is part of the Commonwealth, will also be affected by its decision on sanctions. India may also follow suit, resulting in a full normalisation of trade relations with the region."

SAA TO FLY TO SYDNEY, US AGAIN

— Page 5

Iscor announces R1-billion deal as Japan lifts sanctions

Star 22/10/91.

280

While Commonwealth leaders in Harare last night said financial and trade sanctions should remain in place for the time being, South African steel giant Iscor announced a R1 billion iron-ore deal with six major Japanese steel manufacturers.

And the Japanese government announced today the ending of all economic sanctions, including those on investment, imports of steel and iron, and air links.

Johannesburg businessmen hailed the deal as "the best news we've had in a long time".

Iscor spokesman David Webbstock said that in terms of the deal, signed last week in Tokyo, Iscor would supply an annual 4 million tons of Sishen iron ore for the next five years.

He did not disclose the price, but in its 1990/91 financial year Iscor received an average FOB (free on board) price of R51 a ton for Sishen ore exported.

Exports in the year to end-June totalled 14,3 million tons. Export revenue from iron ore was R731 million.

Iron ore imports from South Africa were never banned officially by Japan, but steel firms were asked to show "voluntary restraint" in buying from South Africa.

As a result, Iscor's exports to Japan over the past 16 years were limited to 75 million tons.

It is understood that the Japanese steel manufacturers agreed to the deal in anticipation of the official lifting of sanctions.

Announcing the end of the embargo today, government spokesmen said the only ban to remain would be on exports of computers for military use.

The sanctions to be lifted include bans on investment and imports of steel and iron, and a suspension of air links. Japan will also scrap a "voluntary restraint" that prevents companies importing Krugerrands and other gold coins. A government spokesman said Tokyo would not establish full diplomatic relations with Pretoria for the time being.

The South African Foundation today welcomed Japan's decision to lift sanctions as "a most significant development". The decision, the foundation said, followed the positive recommendations of the delegation of the Keidanren, a Japanese association of economic organisations, which visited South Africa this year.

● Commonwealth summit — Page 2

Financial sanctions gap appears

(280)

Star 22/10/91.

By Robin Drew
Star Africa Service

H ..rE — The door has been opened for an earlier than expected lifting of financial sanctions against South Africa.

Most Commonwealth countries want to see them kept in place, but have accepted a strong British recommendation to lift them if the all-party conference recommends it.

This was one of the decisions on sanctions reached at the Commonwealth summit which ended here yesterday.

Britain stuck to its position that economic and financial sanctions should go "immediately" because of the need to encourage rapid foreign investment if the current economic decline is to be halted ahead of the installation of South Africa's first majority government.

The leaders agreed that visa restrictions, cultural and scientific boycotts, restrictions on tourism and direct airlinks should be lifted immediately.

Soon

Trade and investment sanctions should go, said the communique, when "appropriate transitional mechanisms" have been agreed to enable all the parties to participate fully in negotiations.

The leaders urged that these negotiations should begin as soon as possible.

The arms embargo should remain in force until a new post-apartheid government is firmly established.

British Prime Minister John Major and the conference chairman, Zimbabwe's Robert Mugabe, said the only remaining difference was one of timing or pace.

The final communique said the heads of government welcomed the important changes in South Africa in the last 20 months since the initiatives taken by President de Klerk.

The next step for the Commonwealth is to await the report of the Secretary-General, Chief Anyaoku of Nigeria, who is to visit South Africa for talks with the main parties to see how the Commonwealth can help to lend momentum to the negotiating process.

Chief Anyaoku was expected to go to South Africa at the end of this month.

On sporting contacts with South Africa, the leaders said they were encouraged by the recent considerable progress in the evolution of unified and non-racial sport.

They stressed the need for each sporting code to provide assistance to sportsmen and women disadvantaged by apartheid, and agreed that restrictions on a particular sport be individually lifted on merit.

The leaders hoped the International Cricket Conference would accept South Africa's entry in the World Cup in Australia early next year.

WCC man on curbs

Star 22/10/91

Sanctions should continue until there was a clear breakthrough in the constitutional process, the general secretary of the World Council of Churches, Dr Emilio Castro, said in Cape Town yesterday. (280)

Pragmatism will prevail in nationalisation debate

Star 22/10/91 (280)

Star 22/10/91

By Sven Lünsche

Nationalisation would obviously be a major disincentive for new investments in South Africa, the chief executive of Burmah Castrol Plc, Lawrence Urquhart, said yesterday.

UK company Burmah Castrol, which last year had worldwide turnover of about R9 billion, is the controlling shareholder in Castrol SA.

"Some of our subsidiaries have been nationalised before, all with lamentable results for the company and the government that took them over," Mr Urquhart said.

"It is self-evident that as businessmen we could hardly view a programme of nationalisation as favourable," he said, adding though that he believed economic pragmatism would prevail.

Mr Urquhart, on his first visit to SA since he took over as CE in July last year, will open Castrol's new R30 million upgraded filling plant near Durban tomorrow.

Lawrence Urquhart ... hoping to expand operations.

Burmah Castrol's interest in Africa are confined mainly to South Africa, with a smaller interest in Zimbabwe.

In financial 1990, turnover of the African operations increased from £47,5 million to £52,1 million on which pre-tax profits of £6,8 million (1989: £5,6 million) were recorded.

Capital expenditure was a mere £1,4 billion, comprising the last phase of the Durban plant.

However, Mr Urquhart said the group was looking at expanding its local operations, although all projects would have to be evaluated on strict financial criteria.

This was made possible when Castrol SA was earlier this year taken off its parent's list of unacceptable investments.

The local subsidiary is also benefiting from Burmah Castrol's acquisition of Foseco, a UK manufacturer of metallurgical and construction chemicals, last year.

Following the re-organisation of the group Castrol has significantly expanded its interests in the local construction chemical market through Foseco's local subsidiary, Fosroc.

Japan's slowdown could stifle trade

B/Day 23/10/91. (280)

LESLEY LAMBERT

THE renewal of trade links with Japan will have a significant influence on SA's future economic prospects, but is unlikely to trigger immediate growth in bilateral trade and investment, economists and trade sources said yesterday.

Japan's trade with SA was $3,3bn last year and was boosted earlier this year when it Japan lifted the ceiling it had placed on SA imports and exports in 1988. But current world and domestic economic conditions were unlikely to allow for any significant further growth in trade this year, economists said.

Japanese consular officials said a slowdown in the pace of Japan's economic growth would also influence future demand for SA products.

However, economists and trade sources were more optimistic about the potential for the normalisation of relations between the two countries.

Extensive trade had been maintained during the sanctions era which meant there was a sound basis for further development, Safto's Asian and Australian manager Graham Limerick said.

The Department of Trade and Industry is investigating investment projects with influential Japanese businessmen. Although no specific incentives were planned for investors, SA was expected to play a vital role in Japan's "globalisation policy" which entailed significant investments outside the borders of Japan, a spokesman said.

Yesterday's confirmation of the lifting of trade and financial sanctions has already triggered an estimated R1bn SA iron ore export contract with Japan's leading steel producers and hastened the possibility of an investment in Samcor by Mazda Japan.

There is also a strong likelihood that air links between the two countries will soon be renewed with confirmation from SAA that it plans to negotiate reciprocal landing rights with Japan's major airlines.

SA's tourism industry is regarded as a strong potential beneficiary of the normalisation of relations.

Financial assistance from the Japanese government may follow the inevitable upgrading of diplomatic relations between the two countries, Japanese consular officials confirmed yesterday.

Interest by Japanese banks, the biggest in the world, presented good opportunities for foreign funding, SA Foundation spokesman Glenda Souter said. Japan had voluntarily restrained loans to SA since 1975.

"The Japanese move will also signal to other important economies in the Far East, particularly South Korea and Thailand, for the full restoration of investment and trade links," Souter said.

☐ The ANC, the PAC and Cosatu said yesterday that Japan's decision to lift sanctions was premature, JONATHON REES reports.

ANC spokesman Saki Macozoma said the organisation regretted the move and added that other Asian countries would be asked not to follow the Japanese route.

PAC deputy president Dikgang Moseneke said Japan's move was in conflict with the PAC's belief that all sanctions should remain in place until reform was irreversible.

Cosatu said the move would sow "deep seeds of mistrust" between SA workers and Japanese corporations.

Welcoming Japan's decision, DP finance spokesman Ken Andrew said SA could not wait for its main political issues to be resolved and then hope to reverse economic decline and set out on a path to rapid recovery.

● Comment: Page 8

ity of an investment in Samcor by Mazda Japan.

There is also a strong likelihood that air links between the two countries will soon

ic decline and set out on a path to ... recovery.

● Comment: Page 8

Tokyo trip on cards for FW

B/Day 23/10/91

JONATHON REES

JAPAN is likely to establish full diplomatic links with SA before the end of the year — a move which might be timed to coincide with a possible visit by President F W de Klerk in December. (280)

Japan, which this week scrapped most economic sanctions on SA, currently has consular representation in SA. The two nations have had diplomatic relations since 1962.

Sapa-Reuter reports from Tokyo that the Japanese foreign ministry said yesterday it was studying the possibility of establishing full diplomatic ties with SA and inviting De Klerk for a visit.

Spokesman Taizo Watanabe said his government would decide on the timing of a visit by De Klerk "after feeling the pulse of the impact of our decision" to lift sanctions.

No formal comment was available from Foreign Affairs Minister Pik Botha.

Foreign affairs sources said, however, that the establishment of diplomatic relations would involve consultation and negotiation, which would begin as soon as an official signal was received from Tokyo.

The Japanese move towards the establishment of full diplomatic links was a very positive and welcome development and SA would be keen to cement the ties as soon as possible, they said.

"The Japanese have obviously decided to go in boots and all — dropping sanctions, establishing diplomatic links and inviting the State President to visit," a source said.

A spokesman for the President's office said there was no news about the possibility of a visit to Japan. He declined to comment on media speculation.

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SA could host futures meeting

ROBERT GENTLE

AFTER years of isolation on world futures bodies, SA is back in favour and is on the list of countries that could be granted "special host status" at an annual Swiss-sponsored international futures conference.

SA Futures Industry Association MD Brenda Greyling, who attended the annual conference in Burgenstock, Switzerland, last month, said SA was on the list for special host status at upcoming conferences. B/Day 23/10/91

Although the meeting is always held in Burgenstock, a given country is awarded special host status. This involves the conference organisers, the Swiss Commodity Options and Futures Association, inviting leading futures figures from the chosen country.

Were SA to be chosen, key figures from the regulatory authorities would be flown up to Burgenstock to officiate at the conference. The SA finance minister would give the keynote address.

Greyling said her organisation had also been invited along with bodies from 15 other countries to join the newly-formed Forum of International Futures Associations, which discusses areas of common concern and makes recommendations on key issues.

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Sanctions hurting

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UNIVERSITY OF CAPE TOWN
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23 OCT 1991

(280)

Mandela keen to see curbs go

HARARE - African National Congress president Mr Nelson Mandela said yesterday he was keen to see sanctions against South Africa being lifted because they were causing hardship for the black majority.

According to Ziana news agency Mandela made the comments after a breakfast briefing with Australian Prime Minister Bob Hawke.

"We are keen that sanctions are lifted because people are suffering, although they are prepared to pay the price. They are causing hardships and devastating the economy," Mandela told journalists.

He had briefed Hawke on the political situation in South Africa and the two discussed sanctions.

"But we can't go into details about this because this is a matter still to be discussed by heads of state," he said.

Asked whether there had been political developments which might have made him change his view about sanctions, Mandela replied: "It will be improper for me to indicate directly or indirectly."

He also declined to say when he would agree that Hawke or any other Western leader visit South Africa. Consultations were continuing about the issue.

To page 2

P.T.O.

Commonwealth lifts curbs

Summit opts to phase out sanctions

Star 19/10/91 (280)

IAN MacKENZIE

HARARE — The Commonwealth summit had unanimously agreed on the phased lifting of sanctions against South Africa, Indian Prime Minister P V Narasimha Rao said yesterday.

The first stage would be an immediate end to the ban on "people-to-people" contacts.

Mr Rao told a news conference on the third day of the 50-nation summit that this would allow resumption of tourism, cultural and academic exchanges and air links with South Africa.

British Prime Minister John Major said yesterday that Britain would press for a quick end to all sanctions against South Africa.

Mr Major said he believed the process of change in South Africa was irreversible and that the country needed investment fast.

Mr Rao said the summit had endorsed recommendations from a Commonwealth Foreign Ministers' meeting in New Delhi last month for an immediate end to people-to-people sanctions and the graduated lifting of other sanctions as the process of democratisation proceeded in South Africa.

Progress

He said Commonwealth leaders — long in the forefront of the campaign against apartheid — "welcomed the substantial progress that had been achieved ...

Newmarket put under quarantine

DAN SIDE

NEWMARKET racecourse has been put under quarantine by the Jockey Club of South Africa following the discovery of the disease *rhinopneumonitis* at the Alberton track yesterday

In a statement, the Jockey Club said two racehorses at a licensed trainer's yard at Alberton had been humanely destroyed because they had demonstrated symptoms of a form of the disease, caused by the herpes virus, that attacks the nervous system.

Two other horses from the same stable were seriously affected by the disease, but are reported to be making satisfactory

● TO PAGE 2.

Bloody murder in Houghton

PETER DAVIES

THE A-TEAM: British and Australians Prime Ministers John Major and Bob Hawke retire after a manful 26-run partnership in a Commonwealth head of state charity cricket match in Harare yesterday

Major cheers as sanctions knocked for six

FW takes Mandela to task on violence

Star 19/10/91 (274)

PETER FABRICIUS
Political Correspondent

PRESIDENT de Klerk has rejected what he calls a "vitriolic" attack on him by ANC president Nelson Mandela.

A Reuters report says Mr Mandela said some police had turned themselves into a "killing machine" acting on Mr de Klerk's wishes.

Mr de Klerk, strongly defending the police, said in a statement yesterday that Mr Mandela's attack on him at the Commonwealth heads of government meeting in Harare — as reported by Reuters — was "irresponsible, unfounded and unjustifiable".

"Mr Mandela should know better than to constantly denigrate the SA Police force without whose dedicated service it is impossible to curb violence and bring it to an end."

The "irresponsibility" of Mr Mandela's statement was aggravated by his having made no effort to submit any sustantive evidence to support the allegations

Mr Mandela's constant "defamatory" public attacks on the SAP were in "stark contrast to the facts"

CONFRONTATION FW (left) objects to statement by Nelson Mandela (right).

● See Page 2 and "Our fragile peace" on Page 10.

"A person in Mr Mandela's position is surely aware of my repeated concern about the violence in the country and of the true facts concerning the government's numerous and concrete actions which adequately prove its commitment to the termination of violence and the senseless loss of life and property it entails."

Mr de Klerk outlined what the Government

● TO PAGE 2.

sanctions

Star 19/10/91 (280)

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Progress

He said Commonwealth leaders — long in the forefront of the campaign against apartheid — "welcomed the substantial progress that had been achieved in South Africa.

"This trend needs to be encouraged," he added. "But at the same time there is a clear and sober realisation that much needs to be done before the structure of apartheid is completely dismantled in South Africa and the country emerges as a truly democratic non-racial country, with its people enjoying universal suffrage and representation in government."

For this reason, he said, "virtually all Com-

● TO PAGE 2.

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● TO PAGE 2.

Bloody murder in Houghton

PETER DAVIES

A 68-YEAR-OLD woman was brutally murdered and her 84-year-old husband severely assaulted in a bloody pre-dawn attack on a luxurious Houghton home late on Thursday evening.

The body of Ann Struck was found sprawled in a pool of blood next to her bed by members of an armed response unit who responded to a call from 11 4th Avenue, Houghton, shortly after 6 am on Friday morning. She had been stabbed several times with a "sharp object".

Sanctions

(280)

● FROM PAGE 1.

monwealth heads of government agreed to a graduated approach to lifting sanctions".

But Mr Rao's announcement appeared at odds with Britain, which has argued for a quick end to sanctions.

Britain, which has practically removed all sanctions except the United Nations embargo on arms and oil, has been pushing for the Commonwealth ban on foreign investment in South Africa to be lifted.

British Prime Minister John Major said in a radio interview earlier yesterday that South Africa needed investment fast to revive an economy with seven million people unemployed.

The New Delhi proposals, which were not endorsed by Britain, envisaged a three-phase lifting of sanctions.

The first phase covered "people-to-people" contacts, including restrictions on visas for travel to and from South Africa, the promotion of tourism, cultural and scientific exchanges and air links.

The second stage envisaged the lifting of economic sanctions, primarily on trade and investment, when appropriate transitional mechanisms had been agreed, to enable black opposition parties to participate in negotiations on a new democratic constitution.

The third and most important phase proposed the lifting of financial sanctions, including lending by institutions such as the International Monetary Fund, when agreement was reached on the text of the constitution.

The New Delhi meeting also recommended that the Commonwealth maintain the UN-imposed arms embargo until a fully democratic government had been installed in South Africa.

African National Congress president Nelson Mandela has been lobbying leaders at the summit to maintain sanctions until the ANC believes the South African government to be irrevocably committed to change

Star 19/10/91

Major to move on sanctions

Star 16/10/91. (280)

British Prime Minister John Major is determined to leave his stamp on the multinational conference in Harare, and South Africa is high on his priority list. FREDERICK CLEARY reports.

BRITAIN will be exerting strong pressure on Commonwealth members to support it in lifting nearly all sanctions against South Africa when the multinational conference gets under way today.

Prime Minister John Major will also be discussing sanctions and the ANC's prevailing stand on the issue when he has a working lunch today with ANC leader Nelson Mandela, who flew into Harare last night.

The only sanctions Britain believes should remain for the time being are those on oil, arms supplies and military equipment.

Clearly Mr Major is determined to leave his stamp on the first Commonwealth conference he is attending as prime minister, and the South African issue is high on his priority list.

A British government source said last night that it was time to "push the process of dismantling sanctions quite rapidly".

There was, he said, a growing groundswell of opinion — although not shared by all Commonwealth members — that, given the political progress there had been in South Africa, and given the "parlous" state of the South African economy, "we ought to be engaged in the process of nation-building after spending several years engaged in something rather the opposite".

Britain wanted to amend the three-stage proposal on sanctions agreed to by Commonwealth foreign secretaries recently at a New Delhi meeting, which Britain did not attend.

The source said Mr Major would be asking the Commonwealth heads of 43 governments represented at the talks — the biggest representation in the organisation's 40-year history — to agree to the immediate end of what he called people-to-people sanctions, and to support Britain in this.

Mr Major would also request the lifting of the economic sanctions when constitutional talks got under way in South Africa.

It is believed the ANC is prepared to modify its stand on the conditions of lifting sanctions. The details may be revealed only after Mr Mandela has held talks with various Commonwealth leaders over the next few days.

It is up to Commonwealth Secretary-General, Chief Emeka Anyaoku, to decide whether Mr Mandela will addressing the conference officially, which is considered unlikely.

The consensus is that if the ANC leader were to be asked to address the conference, all other South African political groups should, in the interests of fairness, also be invited.

The British government source said that as far as his government was concerned, there were no specific conditions for the return of South Africa to the Commonwealth.

"What we are focusing on, what we are moving towards, is hopefully a post-apartheid South Africa.

"The most important thing is facing up to their situation of negative economic growth, which has been there on a per capita basis since the 1980s," he said. □

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ANC wants 'end to some sanctions'

Star 16/10/91

(280)

By Robin Drew
Star Africa Service

HARARE — Trade, investment and financial sanctions should continue until after the establishment of a transitional government in South Africa and the oil and arms embargo be maintained until a new democratic government is installed, the ANC will tell Commonwealth leaders, according to a report published here.

The Herald, quoting a highly placed source in the organisation, says the ANC proposals support the lifting of bans on sports contact where united non-racial bodies have been formed, and those on cultural exchanges provided that there are consultations with " democratic cultural organisations ".

The ANC also supports the end of sanctions on academic and scientific exchanges not related to military matters.

ANC president Nelson Mandela is to meet Commonwealth leaders in Harare today.

The PAC leader, Clarence Makwetu, also arrived yesterday.

The Herald said in an editorial today the presence of the South African liberation movements was to guide the deliberations of the summit on South Africa and to suggest the correct course of action.

After that, it said, SA should appear on the agenda only in connection with "assisting the reconstruction process and training of its manpower under the Commonwealth Fund for Technical Co-operation".

● Soul-searching in Harare — Page 19

Major follows Mandela's lead on sanctions

B/Day 17/10/91 (280)

MICHAEL HARTNACK

HARARE — British Prime Minister John Major yesterday followed the lead of ANC president Nelson Mandela in refusing to discuss the future of sanctions until an ANC formula for their removal had been discussed by the Commonwealth summit.

Sources in Major's entourage said: "It is not a question of being coy. It is a question of protocol."

The sources expected Mandela to set a precedent by being the first non-Commonwealth leader to address the 50 heads of government during the week-long summit, when he will present an ANC formula to merge the existing phased "New Delhi plan" for lifting first trade, then financial sanctions.

Britain, which has lifted everything except its arms and oil embargo, wants the world to follow its lead in scrapping all trade sanctions as soon as substantive constitutional talks begin in SA.

British sources said sanctions were the main topic over yesterday's lunch between Mandela and Major.

President Robert Mugabe, who as host chairman will have the ultimate say on where and when Mandela addresses the meeting, presided over the opening ceremony yesterday, urging the Commonwealth to put itself at the forefront of the international quest for social justice.

Mugabe, conspicuously making no reference to sanctions or any other pressure on the SA government, said: "We have a duty to be for SA what the Lusaka Commonwealth heads of government meeting in 1979 was for Rhodesia."

Mugabe hoped the final declaration of the Harare summit would "make it claer there is no credible alternative to dialogue".

He urged SA leaders to "put matters in their proper perspective for the sake of

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their country to overcome seemingly irreconcilable minor issues" and inaugurate a new nonracial and democratic country.

Major said all Commonwealth leaders could play their part in tackling the obstacles to agreement, but the country would need "more than just our good wishes" to return to the economic growth essential for stability.

"The core issue will be to draft a constitution for majority rule in a multiparty state," said Major.

The Commonwealth's newest member, President Sam Nujoma of Namibia, struck an entirely contrary note when he called specifically for the maintenance of sanctions against Pretoria.

Commonwelth secretary-general Chief Emeka Anyauko of Nigeria said since SA left the Commonwealth in 1961 the question of apartheid "had tested our association to the very limit. We are still to attain our ultimate objective — the ending of apartheid and the establishment of a nonracial democracy in a united and nonfragmented SA."

There were gasps from the 6 000-strong audience in the Harare conference centre when President Kamuzu Banda of Malawi, estimated to be between 87 and 93 years old, fell heavily as he entered the auditorium. No comment was available last night on his condition.

ANC accuses IDT of misinformation

(280) B/Day 17/10/91

LONDON — The Independent Development Trust (IDT) has run into a storm of controversy over its proposed international bond offering.

AP-DJ reports that the ANC, which had previously raised objections to the planned $100m five-year issue, yesterday railed against both the IDT and its underwriter, J P Morgan Securities, for issuing a "bogus" joint statement.

The statement characterised the ANC's disapproval as merely a "misunderstanding" which the ANC and IDT "are convinced ... will be resolved".

In a news release, the ANC said its objections had been made clear in a letter to J P Morgan officials the day before "with a request that it be brought to the attention of those attending the (media) presentation in London".

"The ANC, therefore, calls on the IDT and J P Morgan to explain their action and motivation in seeking to mislead the world by issuing this bogus statement."

The ANC has supported the IDT's aid for housing, education and health programmes for poor South Africans.

But the original ANC statement on Tuesday said that, though the ANC "is not opposed to the IDT's efforts to raise money ... in the form of grants, (that support) is not an endorsement for the IDT to raise loans on the financial markets".

The ANC has maintained opposition to any foreign aid and international capital raising by the SA government.

Two weeks ago, ANC secretary-general Cyril Ramaphosa said the organisation might re-evaluate loans made to the present government.

In its statement, the ANC said "the granting of loans to the IDT will undermine financial sanctions which remain an important part of the sanctions campaign against apartheid".

SIMON BARBER reports from Washington that initial opposition was voiced earlier by Ramaphosa, who went as far as asking the US sanctions movement to deter the bank from lead managing the Eurobond issue.

In response, the American Committee on Africa (Acoa), a UN- and privately financed lobby that acts for the ANC, issued an "action alert" calling on state and city governments to "make clear to J P Morgan that it risked losing their business".

Move to invite Govt to Harare falls flat

Star 17/10/91 (280)

By Gerald L'Ange
Star Africa Service

HARARE — Commonwealth leaders today began debating the South African sanctions issue in the presence of the ANC and PAC representatives, but without South African Government representation.

A move to have President de Klerk or Foreign Minister Pik Botha invited to address the Commonwealth Heads of Government Meeting appeared to have failed.

The British, who are believed to have supported the idea of South African involvment, but did not promote it strongly, yesterday poured cold water on it.

A parallel suggestion that a representative of the Inkatha Freedom Party be invited to help counter-balance the ANC and PAC presence appears also to have fallen by the wayside.

Both ANC leader Nelson Mandela and Clarence Makwetu of the PAC were expected to address the heads of government today.

Yesterday, British Prime Minister John Major held private talks with Mr Mandela on the sanctions issue, but refused to say what was discussed.

The ANC is now believed to have softened its stance on sanctions.

Reuters reports that Mr Major and Mr Mandela jointly appealed to the leaders yesterday to let South African cricketers start playing in the international arena again.

● This week at the conference, Jamaican Premier Michael Manley declared his support for South Africa's participation in cricket's World Cup series in Australia next February.

Don't underestimate US displeasure at Armscor missile sales, warns **Hugh Roberton**

More than a slap on the wrist

Star 17/10/91

(280)

THE dismissive public response of South African officials to the new sanctions imposed by the Bush administration in protest against the proliferation of missile technology by Armscor suggests that the signal from Washington has been badly misinterpreted in Pretoria.

Far from being irrelevant, or of little practical effect, the political implications of the sanctions could not be more serious or disturbing. Of all the several options open to the US government in dealing with the matter, the administration chose to use the harshest form of sanctions which current US laws permit.

And although the new sanctions are largely — although not entirely — duplicated by the existing arms embargo, the purpose of the exercise was not so much to strike at the South African economy as it was to send a powerful early warning of serious trouble ahead in relations between the two governments.

The proliferation of advanced weapons technology has become a potent political issue in the US ever since the Gulf War revealed the extent to which Iraq's huge military machine was supplied and serviced by Western countries, including South Africa and even the US itself.

The upshot was an arms embargo against Iraq and an understanding between major weapons producers to severely curtail the supply of weapons to all Middle East countries. It is an understanding which virtually all countries — except South Africa — appear to have adhered to.

Under US laws aimed at discouraging the proliferation of missile technology and weapons of mass destruction, punitive measures could be introduced in response to any transfer of technology after November 5 last year.

According to the announcement of the new sanctions against South Africa, the US determined on September 27 that Armscor's activities warranted such sanctions.

THE transfer of technology by Armscor thus has been very recent, and of a sufficiently serious nature, to warrant the most forceful sanctions permitted under the law. It also became known yesterday that the action was taken after an extensive investigation and after Pretoria was advised of the outcome.

The US laws flow from the Missile Technology Control Regime, a set of voluntary guidelines agreed to by the seven major Western industrialised powers in 1987 to discourage weapons proliferation around the world

Rocket systems capable of delivering a payload of at least 500 kg for a distance of at least 300 km are the "bottom line" focus of the guidelines, meaning that South Africa's missile proliferation activities probably involved major long-distance rocket systems larger than those specified in the "bottom line" definition.

The imposition of sanctions on South Africa is likely to open the way for the public portrayal of Armscor as something of an international threat to peace and stability — a highly damaging image at a time when the De Klerk Government supposedly is trying to get state, city and local sanctions lifted across the US.

At the same time American companies traditionally have been reluctant to make new investments in countries involved in serious strategic or military disputes with the US government, and the sanctions aimed at Armscor are regarded as falling within that category. □

ANC 'keen to end sanctions'

280

TIM COHEN and MICHAEL HARTNACK

HARARE — The Commonwealth summit discussed SA almost exclusively yesterday, endorsing the phased lifting of sanctions which will see person-to-person sanctions disappearing almost immediately.

Briefing journalists after discussions Commonwealth spokesman Patsy Robertson said the 50 heads of government were expected to endorse the phased lifting of sanctions outlined at the New Delhi foreign ministers conference last month.

In a news conference after the discussion, ANC president Nelson Mandela said the New Delhi position was not very different from the ANC's point of view.

Earlier in the day after a meeting with Australian Prime Minister Bob Hawke, Mandela surprised journalists by expressing concern about the effect sanctions had had on the SA economy.

He said: "We are very keen that sanctions should be lifted because the people are suffering, our people are suffering as a result of sanctions."

Mandela said sanctions were a price the people of SA were prepared to pay to win the right to determine their own affairs. "But nevertheless, they are creating a great deal of hardship. Our economy today is in tatters and that is why, therefore, we

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are very keen that sanctions should be lifted, but there are certain conditions that must be met before that decision is taken."

After his meeting with Canadian Prime Minister Brian Mulroney Mandela said it would "not be proper" for him to discuss his plans for a revised formula on lifting sanctions while this was still under discussion by the heads of government.

Robertson said President Quett Masire of Botswana, speaking during the initial session on southern Africa, expressed "continuing worry about violence" although remarkable changes had taken place. He urged liberation movements to unify, and greater Commonwealth assistance for the development of human resources for a post-apartheid society.

Sapa-Reuter reports that Britain signalled it might distance itself from any Commonwealth communiqué calling for continued sanctions. A senior official said Britain might "enter a reserve" in a summit communiqué next week likely to call for continued sanctions until a new constitution is in place enshrining nonracial principles.

But he said the thrust of the debate was not on sanctions but on how the Commonwealth could help build democracy in SA.

☐ Security police prevented students at Zimbabwe University from leaving the campus yesterday for a planned protest about academic freedom at the summit.

About 2 500 students, a quarter of the student population, threw stones at truncheon-wielding police, who answered with teargas.

The University of Zimbabwe Amendment Act makes provision for substantially increased government representation on the university's senate and lays down stringent disciplinary measures for students who transgress university regulations.

● See Pages 3 and 4

Cosatu lobbies Commonwealth over sanctions

(280)

W/Mail 18/10 - 24/10/91.

The Congress of South African Trade Unions lobbied Commonwealth heads of government in Harare this week to maintain sanctions — but with a timetable for lifting the embargo linked to political developments.

DREW FORREST reports

THE Congress of South African Trade Unions took key steps towards adjusting its policy on sanctions against South Africa at the Commonwealth heads of government summit in Harare this week.

Cosatu's official position remains that all sanctions should remain in force. But in lobbying heads of government before the Harare summit, and in parallel discussions with the steering committee of the Commonwealth Trade Union Council (CTUC), it advanced a modified position recognising the international trend towards the softening of sanctions.

The lobbying drive by Sam Shilowa, Cosatu's assistant general secretary, also presents an interesting case of closer co-operation between the Cosatu and its smaller rival, the National Council of Trade Unions (Nactu).

With Shilowa was Nactu president James Mndaweni, and the two union groupings presented a common platform.

Shilowa told *The Weekly Mail* Cosatu's aims had been to influence Commonwealth policy on South Africa by thrashing out a joint position with the CTUC, whose recommendations will feed into the summit. Represented on the CTUC steering committee were union federations from Australia, Canada, Zimbabwe, Zambia and the UK.

South African unionists had also had direct contact with Commonwealth secretary-general Chief Emeka Anyaoku, Australian Prime Minister Bob Hawke and British Foreign Secretary Douglas Hurd. Hawke and Anyaoku had reacted favourably, while Hurd had been "non-committal".

In advancing a modified position, Cosatu had taken account of the New Delhi Declaration by Commonwealth foreign ministers in mid-September, calling for a phased easing of sanctions, Shilowa said. "This was clearly going to be a major influence on the summit. To continue pushing for no change could have made us irrelevant."

Instead, Cosatu had proposed certain changes to the New Delhi principles, which had grown out of internal Cosatu discussions and debates within the "tripartite alliance" Adopted by the CTUC, these were:

- A proposal that the lifting of "person-to-person" sanctions — in sport, culture and the like — should be conditional upon affirmative action, where appropriate, and actual rather than formal integration.

Cosatu argued, for example, for real racial mixing in the sports arena, rather than mere "constitutional non-racialism". The New Delhi principles envisage the immediate lifting of first-line sanctions as a reward for the government's movement away from apartheid.

- The lifting of economic sanctions — on trade and investment — once there is an interim government, agreement on constitutional principles and the "modalities of drafting a new constitution". The New Delhi principles envisage the scrapping of these second-line sanctions once "interim mechanisms" are in place.

"We do not regard the mere convening of an All-Party Conference as sufficient," Shilowa said.

Sam Shilowa ... Convening an All-Party Conference not sufficient

- The lifting of the oil embargo and financial sanctions, including bans on International Monetary Fund and World Bank loans, once there is a democratically elected government. The New Delhi principles propose that third-line sanctions, by far the most damaging to South Africa, should be dropped once the text of a new democratic constitution has been agreed.

Shilowa said that in motivating its case, Cosatu had pointed to the government's "unilateral restructuring of the economy" — notably through VAT. It had also complained of the "undemocratic" nature of National Party constitutional proposals and called for tougher action on violence.

Commonwealth hammers out SA compromise

W/Mail 18/10 - 24/10/91

280

Sanctions against South Africa dominated the second day of the Commonwealth summit in Harare, reports **ANDREW MELDRUM**

A COMMONWEALTH compromise on sanctions against South Africa was being hammered out yesterday at the the week-long heads of government summit in Harare.

Although many Commonwealth sources said South Africa and sanctions were not going to be the focus for the summit, those are the topics that dominated the second day.

The 43 heads of government of the Commonwealth, the organisation of Britain and its former colonies, yesterday debated the sanctions issue and listened to invited South African guests, African National Congress president Nelson Mandela and Pan Africanist Congress president Clarence Makwetu.

Sources close to the behind-closed-door talks said a compromise was being worked out between Britain, which wants sanctions lifted immediately, and Third World countries which want to maintain sanctions.

"Nobody wants to split this summit on sanctions the way the previous Commonwealth summits have been divided," said a British government source. "Nor does Mandela want to rock the boat, so something agreeable to all sides is sure to be worked out."

In a conciliatory gesture, Mandela agreed to the lifting of the first stage of sanctions — "person-to-person sanctions", which include diplomatic, travel and cultural boycotts — according to the diplomatic sources.

But Mandela appealed to the Commonwealth leaders to maintain the second stage of sanctions — encompassing trade restrictions — until an interim government is in place.

An official ANC document in the possession of *The Weekly Mail* confirms this to be the organisation's formal position.

The document adds that trade, investment and financial embargoes "will be reviewed with the prospect of lifting these" once a "transitional government" is in place.

The document insists "the oil and arms embargo must be fully sustained until a new democratic government is installed".

The interim government being discussed in Harare is a government to be made up of officials of the current National Party government, members of the ANC and other democratic organisations as well as the Inkatha Freedom Party.

To accomplish its purposes of stopping the waves of township violence, the police and army would have to be controlled by responsible officials who could be trusted to end any covert actions.

"The ANC is really pushing for an interim government," said a British official. "They feel the police and army are fuelling the township violence. Mandela argues that an interim government is urgently needed because the government won't stop the violence.

"President FW de Klerk has lost a lot of goodwill and credibility here because the leaders feel he is allowing the police to perpetuate the township violence."

● See PAGES 21 and 29

Lift people-to-people sanctions, says Mandela

(280) CT 18/10/91

COMMONWEALTH: Australian Prime Minister Mr Bob Hawke and Mr Nelson Mandela answer reporters' questions after breakfasting together in Harare. Mr Mandela called on Mr Hawke to visit South Africa.

GERALD L'ANGE
Argus Africa News Service

HARARE. — Mr Nelson Mandela has given his open blessing to the lifting of "people-to-people" sanctions against South Africa.

The African National Congress president also said the ANC was open to compromises that were in the interests of ending repression in the Republic.

He made these points at a news conference at the Commonwealth conference at the end of a day dominated by the sanctions issue and the ANC's role in it

In several appearances before the Press during a busy schedule of meetings with Commonwealth leaders, Mr Mandela refused to be drawn on a detailed discussion of sanctions

But at a news conference last night he said the ANC agreed to the lifting of what are called "people-to-people" sanctions — air links, tourism, cultural exchanges and sporting and educational exchanges — because there had been movement towards reform in South Africa.

His reference to compromises came in response to a questioner who suggested that the British government was now more willing to co-operate with the ANC.

Mr Mandela agreed with this assessment and pointed out that he had not only had meetings with British Prime Minister Mr John Major but also frequent telephone conversations.

He said the "new mood" was started by Overseas Development Minister Mrs Lynda Chalker and continued by Mr Major. "We are open to such compromises, if we feel they are in the interests of liberation and the removal of all forms of oppression in our country"

Mr Mandela did not specifically relate his reference to compromises to the sanctions issue, on which the ANC and the British government differ. The British are understood to have floated a compromise plan on sanctions at the Commonwealth conference that would cut the three-phase programme for the lifting of sanctions proposed by the Commonwealth foreign ministers in New Delhi

Mr Mandela confirmed the New Delhi proposals were substantially the same as the ANC's position

Earlier yesterday, after a meeting with Canadian Prime Minister Mr Brian Mulroney, Mr Mandela had told reporters that Mr Major was taking "a very deep interest" in the South African issue and was doing his utmost to be of assistance.

Even earlier, Mr Mandela had caused a minor sensation by telling reporters after having breakfast with Mr Hawke that sanctions were devastating the South African economy. For this reason the ANC was very keen that the sanctions should be lifted.

At the same time, he said, sanctions were the price the people were prepared to pay to win the right to determine their own affairs.

He left several observers wondering, however, whether he was preparing the ground for a compromise by the ANC on sanctions.

The Commonwealth's stance on the issue will not be communicated until the end of the summit next week and Mr Mandela said he did not want to comment until then.

ANC to show tour need for sanctions

B/Day 18/10/91 (280)

DAVE LOURENS

THE ANC would try to convince a group of visiting American celebrities to press the US Congress into keeping sanctions, ANC spokesman Carl Niehaus said yesterday.

The 33-strong delegation on the Democracy Now tour, scheduled to arrive in Johannesburg on Sunday, includes lobbyist Randall Robinson, musician Quincy Jones, former Wimbledon champion Arthur Ashe, congressman Maxine Waters and boxing promoter Butch Lewis.

Niehaus said the ANC hoped the tour would encourage the visitors to advise US leaders not to reduce pressure yet.

The visitors will meet the ANC national executive committee, president Nelson Mandela and labour leaders and businessmen during their two-day stay.

Niehaus said the group would be taken into townships to familiarise them with the SA situation, and would hold discussions centred on the role of the US.

Sapa reports that Home Affairs Minister Gene Louw said yesterday government would not oppose the tour.

In a statement from Pretoria he said the visit could not be viewed as being in the interests of political initiatives.

However, government was trying to obtain and accommodate divergent points of view on the road ahead for SA. "If necessary government will act appropriately to ensure ... negative effects from ... this visit are effectively countered."

Chanting mob kills man in train attack

JONATHON REES

A MAN was killed and two women injured early yesterday morning when 10 men armed with crude weapons attacked commuters on a train travelling between George Goch and Jeppe stations, police said.

Witnesses told reporters that men carying hatchets and knobkieries boarded the train at George Goch and chanted freedom songs before kicking and beating commuters.

The "Zulu-speaking" men got off the train at Ellis Park and boarded another back to George Goch, they said.

Police spokesman Capt Eugene Opperman said it was possible the attackers came from the George Goch Hostel. B/Day 18/10/91.

In another development, two men arrested by angry commuters for their alleged role in an East Rand train attack that left three dead last week are to appear in the Germiston Magistrate's Court today on murder charges.

Simon Komani and Albert Dlamini, both from Kathlehong, were beaten and arrested by commuters last Wednesday after they allegedly moved shooting, hacking and stabbing through the Germiston-bound train.

They were treated in the Benoni/Boksburg Hospital and transferred to Modderbee Prison's hospital section.

congress in which he said he was urgently reviewing the developing crisis caused by the increasing number of squatter camps.

railway line.

More land should be set aside in the Durbanville, Kraaifontein and Fisantekraal areas.

cultural land in the Paarl/Wellington area placed on housing development, Klapmuts was being investigated with further development at Mbekweni.

Relax the academic boycott, says Azapo

B/Day 18/10/91

ANTHONY NDLOVU

AZAPO's education secretariat head Gomolemo Mokae yesterday called for selective relaxation of the academic boycott and sanctions to uplift traditionally black tertiary institutions.

Addressing an affirmative action conference at the University of the North, Mokae said the most important consideration of affirmative action with regard to black tertiary institutions was the need for an aggressive programme to kill the pariah "bush college" status of these institutions.

He said tertiary institutions providing exclusively for blacks educational needs like the University of the North, Fort Hare, Zululand and the Western Cape have had an unfortunate history. Set up by the regime on ethnic lines in tandem with its divide-and-rule policies, "they came to be viewed as so-called bush colleges by the black community itself, as well as the world at large".

"Affirmative action was not apartheid in reverse, but victims of racial oppression and capitalist exploitation over three centuries are deserving of an aggressive programme based in their favour to redress past educational imbalances," Mokae said.

Tutu's adviser wants tighter sanctions

DARIUS SANAI

ANGLICAN bishops, attending a consultation to seek advice on whether to modify their pro-sanctions stance, have been urged by one of their key advisers to adopt a policy of tightening financial sanctions.

Archbishop Desmond Tutu's economics adviser Terry Crawford-Browne told the consultation at St George's Church in Johannesburg that sanctions should be tightened by "inducing New York banks to suspend all correspondent banking relationships and transfers to and from SA until an interim government is established". B/Day 18/10/91

During a previous meeting last month, Anglican bishops said change in SA had been too slow for them to be able to recommend lifting sanctions. (280)

Crawford-Browne said financial sanctions had proved successful and that it would be "tragic" if the reform process in SA stalled if they were lifted prematurely.

He said it was clear the majority of blacks were not affected by sanctions, and attacked the "uncompetitiveness" of the SA economy, adding that the domination of the economy by Anglo American and its associates would be illegal in terms of US anti-trust laws.

ROUSING WELCOME ... Mayor David Dinkins is surrounded by a cheering crowd in Cape Town's Khayelitsha township Picture: AMBROSE PETERS

Sanctions stay, insists Dinkins

(280)

By KURT SWART and EVELYN HOLTZHAUSEN

ONLY the "democratic" leadership of South Africa would be able to persuade New York to lift sanctions against this country, says the mayor of New York, Mr David Dinkins.

Addressing the Cape Town Press Club on Friday before being taken on a tour of Cape Flats townships and squatter camps, Mr Dinkins said it was not surprising that a culture of violence had erupted.

"While legalised apartheid is ending, there is no end to the legacy of apartheid," he said.

"Apartheid has lived for all these years by the gun and the sword. Now black South Africans face the overwhelming task of transforming this system and overcoming the violence that aided and abetted this evil institution."

Mr Dinkins appealed to South Africans not to become numb to the horror of violence, "for isn't this numbness to horror an even greater horror?"

Later, Mr Dinkins was given a rousing welcome by thousands of cheering Khayelitsha residents.

He said that he and his delegation had come to South Africa to listen and try to be helpful.

Later he said: "Black South Africans have to be the most courageous people I have ever met.

"I have met some white South Africans who are brave and courageous, too, and who care. I wish there were more of them."

He said he would tell Americans about what was going on here — that the "new South Africa has not yet come".

S/TIMES 17/11/91

OAU bungles in UN call to bar SA

S/Times 17/11/91

By DON JACOBS
Harare

280

OAU militants have made another classic diplomatic howler — barring South Africa from rejoining the United Nations Food and Agriculture Authority on the same day Zimbabwe concluded a vital R45-million deal for maize from SA.

Diplomats here compared it with President Robert Mugabe's classic gaffe three months ago, when he asked Pretoria to renegotiate his "most favoured nation" trade agreement, inherited from Mr Ian Smith's Rhodesian government, on the same day he urged world leaders to maintain sanctions.

In September, SA came to the rescue of Zambia with a R1,2-billion maize deal, averting the imminent prospect of famine.

Currency

SA was hoping for readmission to the FAO, which is headquartered in Rome, at a meeting in the Italian capital last week, but the matter was deferred for two years as a result of strong pressure from OAU states, including Zimbabwe.

Zimbabwe's parastatal Grain Marketing Board may run out of maize in February as a result of a pricing bungle.

Diplomats here see the bungle as the work of Zimbabwe's 190 000 bureaucrats, who face a 25 percent reduction in numbers.

Economist John Robertson, breaking a 20-month silence last week, noted that President Mugabe's government was still absorbing 60 percent of Zimbabwe's Gross National Product.

Civil service redundancies could inject an immediate R600-million into the economy, with speedy benefits for the two million unemployed, said Mr Robertson.

Mr Robertson was silenced on the orders of Zimbabwe Reserve Bank governor Dr Kombo Moyana in March 1990 after he attacked mismanagement of exchange rate policy.

NZ ends travel, cultural restrictions

(280)

ARG 18/11/91

WELLINGTON. — The government is ending restrictions on travel and scholarly ties to South Africa, but is maintaining trade and investment sanctions, New Zealand Prime Minister Mr Jim Bolger said today.

He said the move was prompted by the decision of the 51-nation Commonwealth group of Britain and its former colonies to end the sanctions imposed in protest at Pretoria's policy of apartheid.

The decision ends restrictions on consulates and visas, cultural and scientific links, tourism promotion, and direct air services between New Zealand and South Africa.

Other sanctions, including trade, investment and financial restrictions, will remain — Sapa-AP.

Squatters held

Star 18/11/91

JOHANNESBURG. — Thirty members of the Maokeng Civic Association were taken into custody on Saturday during an alleged attempt to set up a squatter camp near Kroonstad. (280)

They would appear in court today, said a SAP spokesman. — Sapa

Sanctions to ease — Hawke

280 CT 15/10/91

SYDNEY. — Australia's Prime Minister, Mr Bob Hawke, has predicted that this week's Commonwealth Heads of Government meeting in Zimbabwe will agree to ease sanctions against South Africa.

Speaking shortly before leaving Canberra for Harare, the Australian leader forecast that the meeting would lift bans on direct air links and sporting contacts and begin moves to ease economic sanctions.

But he also said that "an appropriate amount of pressure" would continue until the last vestiges of apartheid were removed.

In Harare yesterday, Commonwealth secretary-general Chief Emeka Anyauko increased speculation that South African Foreign Minister Mr Pik Botha might be invited to take position "in the corridors" at the Commonwealth summit.

"I expect the heads of government will want to discuss every possible way in which the Commonwealth can help speed up the process in South Africa," he told an eve-of-summit briefing when asked about Mr Botha's reported travel plans.

"If that discussion declares that an invitation be sent to representatives of South Africa, I am sure they will not baulk at it," he said.

Summit chairman President Robert Mugabe has already said Zimbabwe will not stand in Mr Botha's way, despite his longstanding ban on government-to-government contact with South Africa at ministerial level. — Sapa and Own Correspondent

Bid to play down SA issue

By Gerald L'Ange
Star Africa Service

Star 15/10/91

(280)

HARARE — Despite efforts to keep the South African question at a low key, it was being confirmed as a major issue as delegates gathered yesterday for the Commonwealth Heads of Government (Chogun) meeting.

The British-led attempt to prevent the SA issue from overshadowing other important questions was reported by conference sources to have run into trouble over the plan to approve the phased lifting of sanctions. Some Frontline states were said to be lobbying for a harder line on sanctions.

The question of whether Pretoria should be invited to attend the meeting, along with the ANC and PAC, was believed to be arousing conflicting views.

When asked yesterday about suggestions that SA be invited to take part informally, the Commonwealth Secretary-General, Chief Emeka Anyaoku, said this would depend on the outcome of discussions within the conference.

Its seems likely that any decision taken on this issue would be influenced by the stance taken by the ANC and PAC, whose past attitudes suggest they would strongly oppose it.

The efforts to play down the SA issue were reflected in a statement by Chief Anyaoku at a press briefing last night. Giving his appraisal of the main issues facing the conference, he did not once refer to the matter.

But if the reports of some blind demands for a hardening of the present position on sanctions are true, there could be a clash behind Chogum's closed doors.

When the summit gets under way tomorrow, it will have before it the recommendations from Commonwealth foreign ministers that sanctions be progressively lifted in recognition of Pretoria's reforms.

Holtes' view on sanctions

Business Day Reporter

THE lifting of sanctions by Commonwealth countries would have little effect in the short to medium term, but the long-term benefits should not be ignored, SA Foreign Trade Organisation (Safto) CE Wim Holtes said yesterday.

In a statement issued prior to the start of tomorrow's Commonwealth conference in Harare, Holtes said: "If sanctions are lifted at the Harare conference, it would have at best a minimal impact on SA's total trade. (280)

"But it should be borne in mind that in years to come some of the non-traditional Commonwealth markets could become potential growth points for SA exports, most importantly for some of our manufactured goods." B/Day 15/10/91

Accurate figures were not published, but Holtes estimated SA's exports to the Commonwealth in 1990 amounted to around $3,8bn (R9,8bn). Its imports from the Commonwealth amounted to $2,7bn (R7,0bn), putting two-way trade at $6,5bn (R16,8bn) — accounting for about 17% of SA's two-way trade worldwide.

"However, once the UK and the Southern African Customs Union (SACU) countries are excluded, this figure drops to only 3%. Trade with the UK, which has already lifted most sanctions against SA, accounts for over half of our Commonwealth trade.

"The SACU countries, which have continued normal trade relations with SA due to their high level of dependence on the Republic, account for just under 30% of our Commonwealth trade."

The Commonwealth has lost much of its status as a major trading bloc following various trade agreements and negotiations under GATT. It was further weakened when the UK became a member of the EC and ceased granting Commonwealth preferences.

Few of the Commonwealth's 60 member countries still granted preferences, Holtes said. Most of the developing countries in Africa, the Pacific and the Caribbean found the advantages of Lomé to be much greater.

"The political issues that are hardy annuals on the Commonwealth agenda have become irrelevant or insoluble, and some of the leading Commonwealth countries may wish to redirect the body's activities towards world trade issues which are now increasingly determined by world trading blocs," Holtes said.

□ Sapa reports that a visiting British trade delegation from Leicestershire yesterday gave SA's economic future a vote of confidence.

"Very quiet optimisim" were the words used by the leader of the 18-company delegation, David Chambers, at a media briefing in Johannesburg yesterday.

● See Page 15

Speed things up — Commonwealth

ANC mounts lobby to keep up sanctions

(280)

B/Day 16/10/91

BILLY PADDOCK and TIM COHEN

ANC president Nelson Mandela left for the Commonwealth summit in Harare yesterday to argue for the retention of sanctions — in the face of Commonwealth pressure to speed up the timetable to phase them out.

Addressing a news conference shortly before his departure, Mandela said the violence in SA had reached unacceptably high levels and he would be "urging Commonwealth members to take action on those fuelling the violence by keeping in place sanctions".

A senior ANC national executive committee member travelling with Mandela said the ANC was prepared to propose the immediate end of "people-to-people" sanctions (air links, visa and consular restrictions, sport and cultural links, tourism and the scientific boycott). However, it would vigorously oppose the lifting of any economic sanctions before an interim government was in place.

"We would be very unhappy and oppose trade and investment and financial sanctions being lifted before an interim government is in place," the source said.

He said this was the position ANC international affairs head Thabo Mbeki had argued at the Notre Dame conference in Indiana when explaining that the ANC would re-evaluate loans to SA.

The source stressed that loans made before an interim government was in place would be subject to a future ANC-led government possibly reneging on the terms agreed with the current government.

Mandela refused to disclose the ANC's proposals to the Commonwealth. He said they would be fully discussed with various heads of government in meetings.

"We don't want to go public with our position but have arranged bilateral meetings with the heads of the UK, Canada, Australia, Nigeria, Tanzania, India and others who will, we hope, convey our idea to the conference," Mandela said.

He indicated that the position the ANC was going to fight for was that taken at the organisation's national conference in July.

In Harare a senior British diplomat said yesterday the ANC would be seeking to convince 50 Commonwealth governments to change the position arrived at by Commonwealth foreign ministers at New Delhi last month.

The Commonwealth foreign ministers' committee agreed in New Delhi to a three-phased lifting of sanctions with people-to-people sanctions going immediately, followed by trade and investment sanctions when "interim arrangements had been made".

The phrase "interim arrangements" was intepreted as the start of constitutional talks, while the third phase would be the lifting of financial sanctions once constitutional talks had been completed.

The oil and arms embargo was not part of the Commonwealth plan and would fall away once elections had been held.

The diplomat said the ANC intended to propose that phase two and three of the New Delhi proposals be merged into one and both made dependent on an interim government. "What we are not sure of is the trigger," the diplomat said. He said the

☐ To Page 2

Sanctions

B/Day 16/10/91.

(280)

☐ From Page 1

British would be pressing for the speeding up of the process even beyond the new ANC position.

Both PAC president Clarence Makwetu and Mandela are due to attend the conference as observers.

It was not clear last night whether SA government or Inkatha representatives would be invited to the meeting which begins today. The diplomatic source said there was a feeling at meetings yesterday that if the conference was going to discuss SA's constitutional future, all major political groups ought to be represented.

● Picture: Page 3

Has Pretoria misread Bush's new sanctions?

(280) ARG 16/10/91

HUGH ROBERTON, The Argus Foreign Service, WASHINGTON

THE dismissive public response of South African officials to the new sanctions imposed by the Bush administration in protest against the proliferation of missile technology by Armscor, suggests that the signal from Washington has been badly misinterpreted in Pretoria.

Far from being irrelevant, or of little practical effect, the political implications of the sanctions could not be more serious or disturbing. Of all the several options open to the US government in dealing with the matter, the administration chose to use the harshest form of sanctions which current US laws permit.

And although the new sanctions are largely — although not entirely — duplicated by the existing arms embargo, the purpose of the exercise was not so much to strike at the South African economy as it was to send a powerful early warning of serious trouble ahead in relations between the two governments.

The proliferation of advanced weapons technology has become a potent political issue in the US ever since the Gulf War revealed the extent to which Iraq's huge military machine was supplied and serviced by Western countries, including South Africa and even the US itself.

The upshot was an arms embargo against Iraq and an understanding between major weapons producers to severely curtail the supply of weapons to all Middle East countries. It is an understanding which virtually all countries — except South Africa — appear to have adhered to.

Under US laws aimed at discouraging the proliferation of missile technology and weapons of mass destruction, punitive measures could be introduced in response to any transfer of technology after November 5 last year. According to the announcement of the new sanctions against South Africa, the US determined on September 27 that Armscor's activities warranted such sanctions.

The transfer of technology by Armscor thus has been very recent and of a sufficiently serious nature to warrant the most forceful sanctions permitted under the law. It also became known today that the action was taken after an extensive investigation and after the South African government was advised of the outcome.

The US laws flow from the Missile Technology Control Regime, a set of voluntary guidelines agreed to by the seven major Western industrialised powers in 1987 to discourage weapons proliferation around the world.

Rocket systems capable of delivering a payload of at least 500 kg for a distance of at least 300 km are the "bottom line" focus of the guidelines, meaning that South Africa's missile proliferation activities probably involved major long-distance rocket systems larger than those specified in the "bottom line" definition.

The imposition of sanctions on South Africa is likely to open the way for the public portrayal of Armscor as something of an international threat to peace and stability — a highly damaging image at a time when the De Klerk government supposedly is trying to get state, city and local sanctions lifted across the US.

At the same time American companies traditionally have been reluctant to make new investments in countries involved in serious strategic or military disputes with the US government, and the sanctions aimed at Armscor are regarded as falling within that category.

Major to spearhead campaign to lift nearly all sanctions

(280)

ARG 16/10/91

FRED CLEARY
The Argus Correspondent

HARARE. — Britain will exert strong pressure on Commonwealth members to support it in lifting nearly all sanctions against South Africa when the multi-national conference gets underway here today.

Prime Minister John Major will also be discussing sanctions and the ANC's prevailing stand on the issue when he has a working lunch today with ANC leader Nelson Mandela, who arrived here last night.

The only sanctions Britain believes should remain for the time being would be those on oil, arms supplies and military equipment.

Clearly Mr Major is determined to leave his stamp on the first Commonwealth conference he is attending as prime minister, and the South African issue is high on his priority list.

A British government source said last night it was time to "push the process of dismantling sanctions quite rapidly".

There was, he said, a growing groundswell of opinion — although not shared by all Commonwealth members — that, given the political progress there had been in South Africa, and given the "parlous" state of the economy, "we ought to be engaged in the process of nation-building after spending several years engaged in something rather the opposite."

Britain wanted to amend the three-stage proposal on sanctions agreed to by Commonwealth Foreign Secretaries recently in New Delhi, which Britain did not attend.

The source said Mr Major would be asking the heads of the 43 governments to agree to the immediate end on what he called people-to-people sanctions, and support Britain in this, as well as the lifting of the economic sanctions when constitutional talks got underway in the Republic.

Mr Major told The Argus last night there was now general agreement that people-to-people sanctions (in education, sport and other cultural activities) should be lifted.

"They (Comonwealth heads) have seen progress being made and they are reflecting in their own attitudes acknowledgment of that progress," he said.

The cricket-loving premier said Britain was most anxious to see South Africa compete in next year's World Cup competition in Australia and New Zealand.

On the other hand, according to a report published here, the ANC will tell Commonwealth leaders that trade, investment and financial sanctions should continue until after the establishment of a transitional government in South Africa and the oil and arms embargo be maintained until a new democratic government was installed.

The Herald, quoting a highly placed source in the organisation, says the ANC proposals support the lifting of bans on sports contact where united non-racial bodies have been formed, and those on cultural exchanges provided that there are consultations with "democratic cultural organisations ".

The ANC also supports the removal of sanctions on academic and scientific exchanges where these are not connected to military matters.

Speaking at Jan Smuts airport on his way to Harare, Mr Mandela said Britain would become the first of several Western countries to train South African civil servants.

The immediate need is to train black South Africans to take senior jobs in a post-apartheid government, a Commonwealth task force on human resources development has said in a report.

The group of experts recommends that £5 million (about R24 million) be set aside yearly for at least three years for this purpose.

The report says of 3 000 top positions, 600 be filled by blacks as soon as possible.

Mr Mandela said the programme had not necessarily been initiated because of unhappiness with the present public service but because it was important to have a civil service committed to a new dispensation.

"You need a civil service trained for that stage of development of our political institutions."

Race would not be a factor in the selection process and "all democrats" would be eligible.

COMMONWEALTH HEADS: Malaysian Prime Minister Dr Mahathir Mohamed, right, shares a joke in Harare with Mr John Major and President Kaunda of Zambia.

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COMMONWEALTH HEADS: Malaysian Prime Minister Dr Mahathir Mohamed, right, shares a joke in Harare with Mr John Major and President Kaunda of Zambia.

Setback to investors over ANC stance

280

ARG 16/10/91

NEW YORK. — J P Morgan & Co Inc may cancel a meeting planned for today with potential investors in a $100-million (R250-m) South African bond issue due to worries that the ANC may oppose the deal, a company spokesman said.

The bank had thought it had the support of the African National Congress, but the organisation might have changed its mind, the spokesman said.

The Independent Development Trust, a non-governmental agency, had the financial backing of the South African government for the bond issue and planned to spend the proceeds on public works projects, he said.

J P Morgan was supposed to meet with international institutional investors and various officials of the IDT, including its chairman, former Supreme Court judge Mr Jan Steyn, to discuss the bond.

Last month the ANC opposed a $400-million Eurobond issue by the South African government. In spite of the opposition the bonds sold swiftly.

J P Morgan officials say that, unlike last month's bond, the IDT bond will not directly benefit the South African government and would be spent on projects such as schools, water projects and health care mainly for blacks.

The bank said it did not believe this bond violated international sanctions. — Sapa-Reuter.

rejecting the idea that men should
ain all-powerful.

Mandela plan on sanctions

(280) ARG 16/10/91

Own Correspondent

JOHANNESBURG. — Mr Nelson Mandela left for the Commonwealth summit yesterday to argue for the retention of sanctions, but Commonwealth sources said the ANC would propose a revised and speeded-up timetable.

Addressing a press conference shortly before his departure, Mr Mandela said the violence in South Africa had reached unacceptably high levels and he would be "urging Commonwealth members to take action on those fuelling the violence by keeping in place sanctions".

A senior ANC national executive committee member travelling with Mr Mandela said the ANC was prepared to propose the immediate dropping of "people-to-people" sanctions (air links, visa and consular restrictions, sport, tourism, cultural and scientific bans).

However, it would vigorously oppose the lifting of any economic sanctions, including trade, investment and financial sanctions, before an interim government was in place.

In Harare a senior British diplomat said yesterday that the ANC would be seeking to persuade 50 Commonwealth governments to change the position arrived at by Commonwealth foreign ministers at New Delhi last month.

At the New Delhi conference the ministers agreed to a three-phase lifting of sanctions with "people to people" sanctions going immediately, followed by trade and investment sanctions when "interim arrangements had been made".

The phrase "interim arrangements" was interpreted as the start of constitutional talks and the third phase would be the lifting of financial sanctions once these constitutional talks had been completed.

The oil and arms embargo was not part of the Commonwealth plan and would fall away once elections had been held.

The diplomat said the ANC intended to propose that phase two and phase three of the New Delhi proposals should be merged into one and both made dependent on an interim government.

"What we are not sure of is the trigger," the diplomat said. He said the British would be pressing for the speeding up of the process even beyond the new ANC position.

Both PAC president Mr Clarence Makwetu and Mr Mandela are due to attend the conference as observers.

It was not clear last night whether South African government representatives or Inkatha representatives would be invited to the meeting, which begins today.

The diplomatic source said there was a feeling at meetings yesterday that if the conference was going to discuss South Africa's constitutional future all

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'BOWLER HAT BRIGADE' TO HELP ANC

See PAGE 5

NOW
Absol

'Symbol of isolation' open again

(280) DT 12/11/91

Own Correspondent

LONDON. — So isolated had South Africa House become that in 1989 plans were afoot to convert the former reading room — which was re-opened to the public yesterday — into a parking garage for the ambassador's and ministers' cars.

"The idea was again mooted with me last November," ambassador Mr Kent Durr told a ceremony to mark the opening, "but I shot it down.

"This room belongs to the South African public."

The reading room, which opens at street level onto the corner of Trafalgar Square and the Strand, was closed to the public in 1983 because of "security considerations".

"It became a symbol of our isolation," Mr Durr said.

However, in the spirit of President F W de Klerk's February 2, 1990 speech, he supported fresh moves late last year to refurbish the room and re-open it.

The room — open on weekdays from 10am to noon and from 2pm to 4pm — is a place where people can read South African newspapers and magazines, make use of library and poste restante facilities and write letters.

Mr Durr said the facility was for the use of all South Africans.

He said the embassy would also restore a long tradition of displaying Christmas trees this season. And, in keeping with improvements to buildings around it, its Portland stone facade is being cleaned.

Norway 'cautious' on sanctions in the new South Africa

(280) CT 13/11/91

Cape Town journalists ANTHONY JOHNSON and BARRY STREEK have just returned from a two-week visit to Scandinavia.

ALTHOUGH Norway is not going to abandon its long-standing role in the international campaign to end apartheid, it is steadily planning for its active involvement in a post-apartheid South Africa.

Its government, its anti-apartheid movement, its trade unions, its student organisations and its political parties are all looking at ways in which they can be part of rebuilding a democratic South Africa

One of the concrete signals of this movement is the upgrading of their diplomatic representation from a consul-general in Cape Town to an ambassador by January.

The Secretary of State in Norway's Foreign Office, Mrs Helga Hernes, who visited South Africa in May, reflects the new mood.

"Certainly, we feel great changes have occurred in South Africa since February last year," she said in an interview.

Mrs Hernes, a member of the minority Labour Party government and effectively the country's deputy Minister of Foreign Affairs, added: "Sanctions have in some ways probably outlived their usefulness."

Parliamentary debate

However, she emphasised that the lifting of remaining sanctions would have to be taken in co-operation with other Nordic countries after consultation with the ANC and other political movements in South Africa.

The Norwegian government would discuss the matter with the ANC but it had not adopted the ANC's three-phase plan although its thoughts about the lifting of sanctions included some of the elements in the ANC plan.

She disclosed that the Nordic foreign ministers would meet in January and that sanctions against South Africa would clearly be on the agenda.

"Before we can lift the remaining sanctions we have to have the feeling that the process towards a democratic system of government is under way ... it's difficult to say precisely when that moment will be."

She stressed that Norway's decision would not be as straightforward as in the United States where specific conditions had to be met, Norway's highly restrictive sanctions law would have to be repealed after debate in parliament and that step would be initiated only after negotiations had really started.

She would not say whether the establishment of an interim government would be the critical signal and said this would have to be discussed with other Nordic countries.

An indication of how the Norwegian government is preparing for the post-sanctions era is reflected by its decision to sponsor a meeting of South Africa business organisations in Harare in January.

It is hoped that the discussions, organised in co-operation with the International Labour Organisation in Geneva, will result in unity among employer groups.

All parties

Mrs Hernes admitted that business was pushing for sanctions to be lifted but didn't know how much investment there would be — although there was clearly interest from the shipping and fertiliser sectors.

This business interest in resuming normal trade with South Africa was underlined by Mr Bjorn Tore Godal, chairman of the parliamentary Standing Committee of Foreign Affairs and a member of the ruling Labour Party.

Mr Godal said that once the all-party conference and an interim government of some kind was in place, "I see no reason why it should not be possible to lift remaining sanctions".

"We see political developments in the Republic of South Africa as positive and promising — there is no doubt about that — and correspondingly we have taken measures to end people-to-people sanctions in the area of culture, sport and political contacts."

The Norwegian Trade Council, a high-powered export promotion body, is preparing the way for the day when Norwegian businesses can move when remaining restrictions are lifted

The council's executive vice-president, Mr Arild Blixrud, emphasised that firms would have to wait for the green light from the government to resume trade and investment but "there is nothing wrong with Norwegian companies going to South Africa now and having contacts with potential business partners".

The council was conducting various investigations and feasibility studies for a number of Norwegian firms which had expressed an interest in trade with South Africa.

Official sources said that apart from the shipping and fertiliser industries, other obvious sectors included fishing, manufacturing, housing and education.

"We have some old trade links with South Africa and I think these will come back when sanctions are lifted," Mr Blixrud added.

Strategic assistance

The rethink of Norwegian attitudes to South Africa is also reflected in anti-apartheid and activist organisations planning new roles for themselves in a post-apartheid South Africa.

For instance, the Norwegian Council for Southern Africa, which represents 44 organisations with 320 000 members and has led the campaign for the isolation of South Africa, believes in can become the vehicle for the involvement by non-governmental organisations in a wide variety of development and democracy-building projects.

One of its current projects involves bringing an unusual soccer team from South Africa to Norway: it will consist of children who have lost at least one parent in the violence in Natal.

The Norwegian Students Union and the Norwegian Confederation of Trade Unions are also thinking about life after apartheid and planning to move away from protest action against apartheid to strategic assistance and development projects in co-operation with their opposite numbers in South Africa.

However, the ANC representative in Oslo, Ms Thandi Ramkoe, sounded a note of caution which was echoed in government, activist and business circles: public interest in South Africa among Norwegians had declined and "it is a fact there is more focus on Eastern Europe".

Preoccupation with issues closer to home could undermine the huge potential for close co-operation and interaction between Norway and South Africa — unless negotiations began soon and South Africa moved speedily towards the adoption of a new democratic constitution.

ARG 13/11/91 (288)

Cape tourism boom expected — 'make them feel welcome'

HENRIËTTE GELDENHUYS
Staff Reporter

TOURISTS are expected to flood into Cape Town this summer and new Captour chief Mr Gordon Oliver has appealed to residents to open their arms to visitors.

"What is wrong with hugging a visitor?" asked Mr Oliver, who caused a sensation last year when, as Mayor of Cape Town, he went to D F Malan Airport to meet visitors and launch his "Hug-a-Vaalie" campaign.

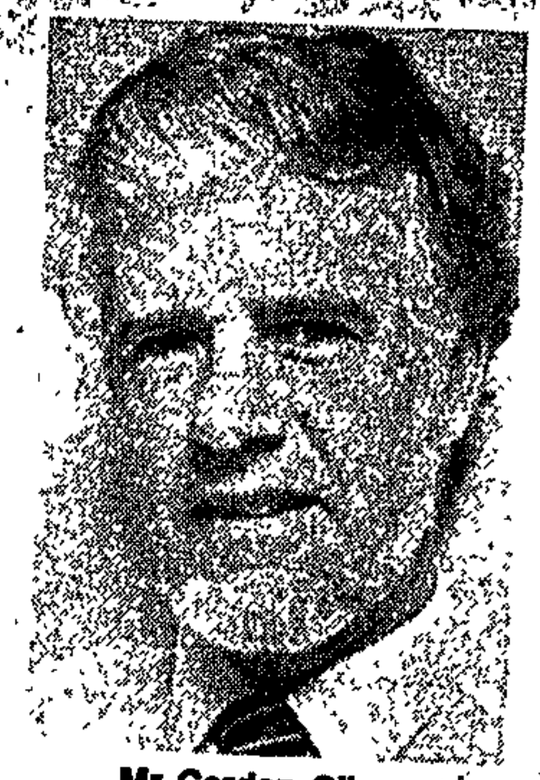
Captour managing director Mr John Robert says more foreigners have visited Cape Town this year and the city may be in for a bumper season.

The Department of Home Affairs reports that the number of overseas arrivals cleared at D F Malan airport and the harbour between March and September is 52 percent up on last year.

Ten passenger liners are due between now and next November, bringing "millions of rands in revenue to Cape Town", according to Mr Robert.

In an address to the Chamber of Commerce, Mr Oliver said: "We are going to put Cape Town at the top of the list of international cities."

He appealed to residents to do whatever they could to promote the Mother City.



Mr Gordon Oliver

They should be friendly to visitors and help them with directions.

"It is not everyone who feels comfortable about approaching strangers with a cheerful word, but I appeal to Capetonians to do just that. Stop and talk to obvious tourists. What is wrong with hugging a visitor?"

Mr Oliver said car bumper stickers with offensive and rude slogans about visitors were "totally unacceptable".

He appealed to businesses not to close on public holidays.

"There can be no excuse for any tourist-related service not to be working and available on New Year's Day, Christmas Day, other public holidays and Sundays."

Raising and maintaining standards of quality required training of personnel "like we have never seen in this city before".

Training of semi-skilled and unskilled hotel staff, restaurant staff and service station personnel was vital and "needs to be stepped up dramatically".

Taxis, buses and trains needed to be more tourist oriented and owners had an obligation to ensure operators were properly trained, he said.

"Similarly, people who work for municipalities, post offices and other quasi-government bodies need to be sensitive to the need for good customer relations."

He said more low-cost accommodation was needed.

"Not everyone, particularly a family, can afford to stay in a hotel and bed-and-breakfast accommodation fills a very definite need. By providing this service one can generate a very significant income for oneself," Mr Oliver said.

The informal accommodation sector was expected to show a 61 percent increase by the end of April, said South African Farm Holiday Association managing director Mr Christo Stoman.

ANC cure for sanctions

(280) CT 13/11/91

JOHANNESBURG — African National Congress president Mr Nelson Mandela yesterday acknowledged that sanctions had damaged the South African economy and that his organisation was taking precautions to remedy the situation.

Mr Mandela said this at Jan Smuts Airport when he welcomed New York mayor Mr David Dinkins, who is on a week-long visit to South Africa as a guest of the ANC.

Mr Mandela told a large number of reporters: "Our country is presently in tatters in spite of the fact that it is the decision of the people that there should be pressures against South Africa, including that of economic sanctions. We are well aware of the damage which it has done to our economy We are already taking precautions to see that the damage is minimised as much as possible."

He said that while he was in New York last year he had been able to get very important foundations to start preparations for a development bank to function in South Africa when apartheid had been removed to rehabilitate the economy.

"That is an expression of our concern to improve our economy."

Mr Mandela said the ANC hoped it would be able to discuss practical measures with Mr Dinkins for the city of New York to be involved in the task of reconstruction and development in South Africa

"We have no doubt that close ties and co-operation between ourselves and the city of New York will eventually benefit our economy in the entire country."

After a rousing welcome by ANC officials, Mr Dinkins said: "We are here today. I am finally home."

He said he looked forward to a productive visit.

Mr Dinkins told the news conference New York had access to a lot of expertise that could benefit South Africans, mainly in administration, housing, education and health care.

WELCOME . . . New York City Mayor, Mr David Dinkins, is greeted by ANC President, Mr Nelson Mandela, on his arrival yesterday.

New York had a great capacity to help South Africans, he said, adding that the city also stood the chance of benefiting from an association with post-apartheid South Africa.

Mr Dinkins said the fact that he was an African American was an important factor of his visit.

He had been inspired by the South African political situation, especially Mr Mandela, whom he described as "a very great man who emerged from prison with dignity".

Survived

He was amazed by the absence of bitterness and anger in Mr Mandela when he emerged from prison after 27 years.

The ANC president had survived because of his mind, Mr Dinkins said.

Included in the mayor's 60-strong delegation were his wife, Joyce, deputy mayor, Mr Bill Lynch, 11 reporters and the mayoral staff.

Yesterday the delegation visited Baragwanath Hospital in Soweto and the Mandela Village squatter camp in Diepkloof.

Black man fights sanctions for FW

B/Day 13/11/91 (280)

WASHINGTON — Like many diplomats who populate Embassy Row, Paul Jacobs has a courtly, non-confrontational style; the sort of smooth demeanour essential to the art of diplomacy.

He is also a pioneer of sorts, a symbol of the fundamental shift that has taken place in his homeland. Jacobs is South African. He is also black.

The comfortable trappings Jacobs enjoys as an SA diplomat are a far cry from his humble beginnings. He is one of nine children who lived off the proceeds of a family-run shebeen near Pretoria.

But he developed a passion for education, not only as a means of bettering his life but also that of South Africa's black youth. Before coming to Washington, he spent 35 years working in SA state schools.

He is an unswerving opponent of apartheid and, perhaps more surprisingly, of the economic sanctions imposed on SA.

Part of his mission as embassy first secretary is to convince Americans that sanctions, however well-intentioned, have had a devastating effect on the well-being of countless South Africans — virtually all of them black.

Jacobs, 53, reflected the other day on his migration from teacher to diplomat.

"I taught for 35 years. Fifteen of those, I was headmaster of three different schools. It is very difficult to try to teach a child when that child comes to school hungry, when the child is not properly clothed, when the child's family is not properly housed," he said.

Jacobs said much of his time was spent raising funds at factories and other firms to help his pupils and their families. He came to rely heavily on some of the American companies with outposts in SA.

Frustration

Then, in 1986, Congress overrode President Ronald Reagan's veto of sanctions on SA. Although the sanctions did not require US firms to pull out of SA, Jacobs said many did so anyway His community service efforts suffered.

Funds began to dry up. Rising unemployment left many families impoverished. The American firms, he said with an air of certainty, "should not have withdrawn".

In frustration, Jacobs decided to try to find a way to take his case against sanctions to the American people. Two years ago, he left his career in education and became a trainee in the SA diplomatic service. He arrived in Washington last July.

By coincidence, less than a month after his arrival, President George Bush lifted the sanctions in response to reforms by President F W de Klerk.

Jacobs's boss is ambassador Harry Schwarz, who shares his subordinate's distaste for both apartheid and sanctions. Jacobs has lobbied hard to end all curbs on US-SA economic ties, talking with state legislators and others. He seems disappointed with the results so far.

"The only state that has lifted sanctions since I've been here is Oregon. All the others are still saying it is premature," he said. — Sapa-AP.

ANC 'is minimising sanctions damage'

B/Day 13/11/91 B/Day 13/11/91 (280)

DAVE LOURENS

ANC president Nelson Mandela said yesterday his organisation was taking "precautions" to minimise the damage sanctions had done to the economy.

Speaking at Jan Smuts Airport, where he met visiting New York mayor David Dinkins, Mandela said he and Dinkins would discuss practical ways for the city of New York to become involved in SA's economic reconstruction. These ties would eventually benefit the whole country.

"Our country's economy is facing serious problems. In spite of this fact it is the decision of the people that there should be pressures against SA, including economic sanctions," said Mandela.

He said that while he was in New York last year he had been able to lay the foundations for a development bank to rehabilitate the economy in a post-apartheid SA, Sapa reports. "That is an expression of our concern to improve our economy."

Dinkins, during his four-day stay, will meet the ANC, businessmen, US ambassador William Swing and possibly Acting President Gerrit Viljoen.

Mandela said Dinkins was visiting SA at an important time as the country was preparing for an all-party congress which would chart the way forward.

New York was the financial capital of the US and the ANC attached great importance to close relations with the city.

Dinkins, accompanied by a 33-member delegation including deputy mayor Bill Lynch, called for the strengthening of "mutually beneficial ties".

He said the members of the delegation were specialists in a "wide variety" of fields which could be useful to SA. New York had access to many things SA needed, including expertise in financial administration, housing, education and health care.

● Picture: Page 2

Dinkins supports sanctions

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Star 14/11/91

JOHANNESBURG. — New York mayor Mr David Dinkins yesterday pledged that his city would maintain economic sanctions against South Africa to press for the total downfall of apartheid.

"So if Nelson Mandela says we still need sanctions I'm going to fight for them," Mr Dinkins told a breakfast of business leaders here.

The American mayor is on a week-long visit to South Africa as a guest of the African National Congress.

He told the business leaders: "First of all we must remember that the struggle is far from over. Fundamental political rights — and a role in the economic decision-making processes that affect your daily lives — have still not been extended to blacks.

"That's why we've got to keep the pressure on, both inside and outside South Africa," he said. — Sapa

ENTERTAINMENT INDUSTRY (280)

FM 15/11/91

Live and in concert

News that Paul Simon will tour SA in January has been met with euphoria by entertainment-starved South Africans. Also welcome was the announcement that SA will host the Miss World finalists this month.

But is this the green light for the local entertainment industry to take off in a big way? Some say that with sanctions relaxed, bringing in major acts is purely a matter of commerce.

Others are more sceptical. Says Sun International entertainment director Hazel Feldman: "Restrictions appear to have been lifted as far as the Simon show is concerned, but neither the UN nor the ANC's cultural desk has said the boycott is lifted. We're operating on the premise that it's not."

The SA Musicians' Alliance, which consults the ANC, PAC and other opposition groups, has given the tour its blessing.

Its position on future tours is also clear. Provided entertainers are "anti-apartheid, assist local cultural development, donate part of their proceeds to a local cause, include local musicians in their act, make their tours accessible, and are able to make a profit — they will be welcome."

Says the alliance's Charles Mabaso: "We decided at the UN meeting in May that there is a need for the international shows to come to SA to redress socio-political imbalances."

The ANC's policy is less clear. Oupa Ramachela of the ANC's cultural desk says there is a need to return to the issue after the decision by the Commonwealth last month to lift person-to-person sanctions. He says a policy statement will be made soon.

Notwithstanding the political uncertainty, the commercial challenges of turning SA into a stopover for international acts are enormous, though benefits would be enormous too. Promoters, lawyers and accountants would be kept busy procuring, drafting and financing contracts, while hotels and caterers would also cut a share. There would also be spin-offs for the sound technology, security and transport industries.

But the cost and logistics of hosting an international act here are intimidating. Says Werksmans partner Derek Rabin: "Without sponsorship, a visiting act simply would not be a viable commercial venture because it would have to rely solely on high ticket prices and large venues." SA simply has not got the necessary state-of-the-art equipment to handle top acts, he says. But, in bad economic times, will sponsorship be forthcoming?

Fisher Hoffman Stride partner Anthony Chait, who arranged Altech's sponsorship of the Miss World visit, which will cost several million rands, says yes. "The coverage that sponsors will get will be far greater and cost far less than any usual commercial advertising." Joint sponsors could be the answer. The other sponsors of the Miss World event are SA Airways, M-Net and Southern Sun.

Large indoor venues are also a problem but Rabin believes they will evolve with time. "We need to make SA a regular stopover for international shows. This would be much cheaper than trying to organise one-off shows." The promoter for the Simon tour, Network Entertainment Group MD Attie Van Wyk, has just imported from the UK a special portable concert-roof and sound system costing R2,5m.

Tax relief for artists and sponsors makes the entertainment industry attractive. Under the Tax Act, sponsors can still claim up to 180% of their expenditure, but in practice a lesser amount is usually allowed.

But those who believe that South Africans will soon be able to pick and choose which international shows to attend could be over-optimistic. Says Feldman. "The economic situation, buying in dollars and receiving in rands, and a relatively small market will all be restrictive."

Rabin, however, remains cautiously optimistic. "The Simon show will be a test case for the viability of SA as an international venue. At the moment, no-one knows whether SA can cope with a major act." ■

Pictures: LEON MULLER, The Argus

MAYORAL HANDSHAKE: Cape Town's mayor, Mr Frank van der Velde, right, introduces his New York counterpart Mr David Dinkins, centre, and his wife, Joyce, to dignitaries at D F Malan Airport.

VIVA MAYOR: Mr Dinkins is hugged by Khayelitsha residents during his visit to the township.

Dinkins pledges to maintain sanctions

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ARG 16/11/91

DENNIS CRUYWAGEN
Political Staff

SANCTIONS will remain as long as the "democratic leadership of South Africa" wanted them, New York City mayor Mr David Dinkins has said

Mr Dinkins and his entourage, which included his wife Joyce, were given a rousing reception, characterised by ululating crowds, mothers with babies, clenched fists salutes and "vivas", in Khayelitsha yesterday afternoon.

A strong advocate of sanctions, he said at a meeting in St Peter's Anglican Church: "As long as I am mayor of the city of New York we will continue with this policy until you tell us that they must go."

Earlier he was greeted by chants of "viva mayor Dinkins. Viva comrade Dinkins."

Later a visibly emotional Mr Dinkins beat a drum he had been given as a gift by Khayelitsha residents as scores of people packed into the church sang freedom songs.

During an address to the Cape Town Press Club yesterday, Mr Dinkins said the coming negotiations over a new constitution for a new South Africa "provide perhaps our last hope for a peaceful transition to democracy".

He added: "The city of New York will not repeal sanctions until the democratic leadership of South Africa tells us to do so."

He said he had experienced segregation in his country, but "nothing could have prepared me for what I have witnessed in the past few days".

He had wanted to make his first visit to Africa for quite some time because "to travel to one's homeland and offer people support to people who suffer personal misery is a profound personal experience".

● Police are keeping their distance from the heavy security net thrown around Mr Dinkins during his visit to Cape Town.

Responsibility for the security of Mr Dinkins, who was due to leave Cape Town today, has been taken by the ANC's security arm in the Western Cape and his own security personnel.

Japan's move angers blacks

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So wefan 23/10/91

SAPA

SOUTH African business and Government leaders yesterday welcomed Japan's decision to drop sanctions while black opposition expressed dismay.

The African National Congress said it did not agree with Japan's view that the reform process set in motion by State Preside Mr FW de Klerk was irreversible.

Mr Saki Macozoma, a spokesman for the ANC, said Japan's announcement went against the ANC's recently adopted view that sanctions should be removed in a phased manner.

Jeopardise

The Congress of South African Trade Unions warned Japan that its decision to drop sanctions could jeopardise trade between the two countries once a post-apartheid government was in power.

"We see this as a slap in the face for the majority of South Africans," said Cosatu spokesman Mr Neil Coleman.

Foreign Affairs Minister Mr Pik Botha greeted the news with enthusiasm, heralding Japan's decision as the end of South Africa's economic isolation.

"We are back internationally with countries that matter — the industrial giants of the world," Botha said.

FORMATION TECHNOLOGY

Key Japanese deals are expected soon

B/Day 24/10/91 (280)

Reports by MELANIE SERGEANT

WITH Japanese computer manufacturers grabbing increasing market share worldwide, this week's news that Japan is ending its sanctions on SA is good news for the economy and could ring some important changes for the computer industry.

It is believed some large deals regarding alliances and agencies have been on hold, and these could be announced soon.

BMI-TechKnowledge's Brian Niellsen believes Japanese imports comprise between R250m and R500m of SA's R2,5bn-a-year hardware industry.

A large component of these sales is mainframes from Hitachi, sold locally by Persetel, as well as laptops, many of which originate in Japan.

There are also large numbers of fax machines, photocopiers, laser printers and other items which come from that country, and which have been imported into SA during sanctions with few problems — although fax numbers, for example, were limited for a period.

Turning to possible Japanese investment in the IT market, Niellsen says many of the larger potential investor companies from Japan are multifaceted.

If they are represented in SA they will probably be well-positioned to operate in any number of industries which they feel are attractive — and computers could be one.

"I expect that there will be large numbers of trade envoys travelling between SA and Japan in the months to come, and that the lifting of sanctions will be good for our industry as a whole," he says.

Although he welcomes the dropping of sanctions, and says it may benefit SA's economy, Persetel MD James Smit says the Japanese move will have no effect on Persetel's lines of supply or on pricing.

"We have enjoyed a longstanding relationship with Hitachi and its trading partners, and don't see any change in this relationship now that sanctions have been lifted," he says.

Perseus MD Hermus Erasmus says there will probably be new Japanese companies moving into SA's computer market, and this will have repercussions for the industry.

He does not rule out the possibility of Perseus obtaining agencies for Japanese computer systems in the future, but says there is nothing planned for the short-term.

TV ban 'until interim govt' — ANC

Own Correspondent

LONDON. — The ANC will only agree to the sale of British television broadcast material to the SABC once an interim government is installed, putting the network under multi-party control.

The ANC's attitude to the Equity ban was spelt out yesterday by its deputy chief representative in Britain, Mr Mandla Langa.

Despite this week's decision by the Commonwealth that cultural links should be restored, Mr Langa said this only applied to non-racial and democratic organisations.

He said the ANC still saw the SABC as a "state organ" which, together with other "media structures" in South Africa, required "democratisation".

Asked about the sale of British programmes to independent broadcasters like M-Net, he said the same policy would apply. "There is no undue hurry really to relax it."

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He said the ANC's policy on the cultural boycott remained that it should continue to apply to all racial organisations, but not to the "burgeoning alternative culture, which needs to be encouraged and aided as much as possible".

Any private company wishing to bring artists to South Africa would need such plans to be "vetted by the liberation movement and democratic formations".

Anglicans reconsider their stand on financial sanctions

South 24/10 – 30/10/91. (280)

By Henry Ludski

FINANCIAL sanctions look set to become the last bulwark of an ANC sanctions campaign fast losing support among its main local proponents.

While ANC president Mr Nelson Mandela made a strong case at the Commonwealth Conference in Harare for the continuation of economic and financial sanctions, a major rethink was underway last week at an Anglican Church consultative conference in Johannesburg.

Archbishop Desmond Tutu, a central figure in the sanctions debate, listened to expert opinion which could see the Anglican church calling for the lifting of sanctions before the end of this year.

The conference of the Synod of Bishops represents a significant turning point in the 30-year sanctions campaign in which Archbishop Tutu was one of the key campaigners.

The argument heard from financial sanctions expert Mr Terry Crawford-Browne was that financial sanctions should be intensified until an interim government is established.

He said it would be "tragic" if the process towards a legitimate constitutional system were to stall because financial sanctions, which have proved successful, were lifted prematurely.

Professor Sampie Terreblanche, of Stellenbosch University's Department of Economics, said he expected the liberation movement to end its stand on sanctions once an atmosphere of "mutual trust", presently lacking, had been reached with the government.

Mr John Allen, media secretary for Archbishop Tutu, said this week, depending on the degree on unanimity, the bishops could make their decision known before the end the year.

Both the Catholic and Methodist churches have already called for the lifting of sanctions.

Said Bishop Stanley Mogoba, presiding bishop of the Methodist Church of Southern Africa: "We were expecting the political fellows to take the lead on sanctions so that we don't embarrass them, but it didn't help because they are still dragging their heels. Instead they have allowed sanctions to become a non-issue by living in the past." He believes that the time for lifting sanctions is overdue.

The South African Council of Churches (SACC) still supports the ANC position that financial sanctions should be retained until the current negotiation process has reached a stage where the government has ceded sovereign power to a transitional authority enjoying the support of all South Africans.

Mr John Lamola, personal assistant to SACC general secretary, Reverend Frank Chikane, said this week the council was preparing a position paper on sanctions which would be tabled in November.

ANC spokesperson Mr Carl Niehaus said the organisation had no problem with churches calling for the lifting of sanctions as long as it was linked to political developments in South Africa.

"As long as it is not a blanket lifting of sanctions, then we have no problem," said Niehaus.

World soon to be SA's oyster again

By Helen Grange
Pretoria Bureau

(289)

Star 24/10/91

The world is quickly opening up for South Africans with the travel bug, with the Canadian Embassy now issuing visas and SAA going full steam ahead in forging links with Australia, Japan and the United States.

Within days of the Commonwealth announcing the lifting of people-to-people sanctions, the Canadian Embassy announced on Monday it would be issuing visas from its Pretoria office from yesterday.

The Australian Embassy is also to issue visitor visas, as soon as regulations had been revised and preparatory work completed, a spokesman said.

In a statement yesterday, the Canadian Embassy confirmed an aid fund of 9 million Canadian dollars (about R22 million) had been set up for education and training in South Africa over three years.

Canada especially wished to assist initiatives in vocational, literacy and management training, health care, co-operatives and the communications field, the embassy said.

This grant brings to 15 million Canadian dollars (about R37 million) Canadian assistance to education, dialogue, negotiation and development in South Africa a year.

On the partial lifting of sanctions, the embassy said it hoped the measures would "facilitate visits and exchanges as an important contribution to the ongoing democratic process in South Africa".

Opportunity

SAA spokesman Zelda Roux said the lifting of the ban on direct air links meant new opportunities for the airline, including forging links with Japan, Australia and the US.

As soon as SAA had received a notification from the Australian government that the air links could be resumed, talks would begin.

Links could be reinstated between the two countries before Christmas, she said.

Talks would still have to be initiated on air links between South Africa and Japan, and South Africa was still waiting for confirmation from the United States that a special permit had been granted to fly there.

SAA has recently gained overflight rights in Sudan and Egypt, following the resumption of flights to Zaire, Kenya and Madagascar.

South Africa's tourist industry is anticipating a growing influx of Japanese visitors to the country in the wake of the Commonwealth's decision, said SA Tourism Board chief executive Spencer Thomas.

However, overall tourism from other countries would not necessarily soar, as most governments had imposed voluntary sanctions on tourism to South Africa, leaving their citizens to make their own choices.

Japan is also likely to see a burgeoning of campaigns by the South African tourist industry to attract its tourists, Mr Thomas added.

Traders flock to fair in Bulawayo

(280)

B/Day 25/10/91

MICHAEL HARTNACK

HARARE — SA companies have snapped up exhibition space at next April's Central African Trade Fair in Bulawayo following the removal of a Zimbabwean ban on their participation.

Trade fair GM Graham Rowe told the Zimbabwean Financial Gazette 27 SA exhibitors had confirmed their participation and another 20 were expected.

President Robert Mugabe's government has also rescinded 11-year-old bans on participation by South Korean and Taiwanese exhibitors, but they have not responded.

The presentation of an SA government stand at the fair was reportedly mooted by diplomats when they met their Zimbabwean counterparts in Pretoria last month, to discuss re-negotiation of the 1964 "most favoured nation" trade agreement Zimbabwe inherited from the Rhodesian government.

Zimbabwe's reaction is not yet known.

South Africans have not participated since 1979.

Because of the increase in the number of exhibitors, only limited space could be offered each one, said Rowe.

Germany aims for stronger SA links

B/Day 25/10/91

BILLY PADDOCK

GERMANY hoped to develop and intensify economic co-operation and other relations with SA to help strengthen the economy, German Agriculture Minister Ignaz Kiechle said yesterday after meeting Foreign Minister Pik Botha in Pretoria.

Favourable political and economic development in SA would have a positive impact on neighbouring countries and could be a driving force for stability in the sub-Saharan region, he said in a statement.

Botha said he was pleased Germany would continue to contribute to southern Africa and other parts of the world in need of development despite the tremendous demands made on it in the reconstruction of east Germany in a new unified Germany.

During their meeting he had explained to Kiechle the difficulties of designing a new constitution and had emphasised the necessity of economic growth in southern Africa in order to support whatever constitution was agreed upon, Botha said.

"Without economic growth there will be no future for any of us in South or southern Africa."

Kiechle said southern Africa should pull together economically and politically and only if SA survived would the rest of southern Africa have a chance.

Earlier Kiechle held discussions with President F W de Klerk on bilateral relations between the two countries.

De Klerk said they had exchanged information on the progress of German reunification and the economic challenges flowing from it. "I also gave him some indication of plans to improve agriculture in SA and broaden private property ownership through development schemes."

Kiechle said he and De Klerk had agreed peace was possible in SA only with economic development.

Kiechle also met Agriculture Minister Kraai van Niekerk, ANC secretary-general Cyril Ramaphosa, members of the ANC Land Commission and representatives from other groups including agricultural, business and research organisations.

German Agriculture, Food and Forestry Minister Ignaz Kiechle examines a wooden African statuette at a curio shop in central Johannesburg yesterday. Kiechle, who is on three-day visit to SA, met President F W de Klerk, cabinet ministers and ANC officials yesterday. Kiechle said Germany hoped to help strengthen SA's economy.

Picture ROBERT BOTHA

Churches maintain stand on sanctions

CAPE TOWN — There should be no general lifting of sanctions against SA until violence was controlled and agreement reached on an interim government, representatives of local and international churches said in a major policy statement in Cape Town yesterday.

(280)

B/Day 25/10/91

The document, known as the Cape Town Statement, is the outcome of a four-day conference held under the auspices of the World Council of Churches and the SA Council of Churches.

It called for the establishment of a peace-keeping agency with all major political groups represented, for a general amnesty for political prisoners and exiles, and for restitution for blacks who had lost land and opportunities under apartheid.

University of Cape Town theologian Prof Charles Villa-Vicencio, one of the drafters of the statement, said in an interview that details of what sanctions could be lifted were not discussed because the church was not competent to make these decisions. — Sapa.

Sanctions on academics to go

(280)

W/Mail 25/10-31/10/91

FOREIGN academics will no longer require letters of support to visit South Africa, following a recent decision by the executive committee of the Union of Democratic Staff Associations.

At a meeting last weekend, its executives decided to scrap the vetting of academic visits and the campaign to isolate conservative tertiary institutions. It will now encourage academic exchange which benefits transformation in South Africa.

25/10-31/10/91

Udusa general secretary Nico Cloete said this week the academic boycott had lost what the sports boycott had gained: unification as a prerequisite for re-entry into the international arena.

There had been an influx of academics to the country over the last year, he said, and hardly anyone had been asking for permission.

The organisation would, in future, try to channel overseas visitors and funding towards progressive programmes and "excluded" universities.

PAC: SA business to blame, not sanctions

GABORONE. — The Pan Africanist Congress (PAC) has blamed domestic business rather than sanctions for the poor state of South Africa's economy.

PAC first deputy vice-president Mr Johnson Mlambo said after a conference in Botswana aimed at drawing up an economic policy for a future South Africa that "sanctions played only a minor role in the poor performance of the economy".

Mr Mlambo said the PAC believed South Africa had suffered from over-reliance on primary production and too little emphasis on other sectors, particularly manufacturing.

He said that the very people who called out against sanctions, the domestic business corporations, were the ones who practised sanctions. They externalised the country's assets and came back as external investors. — Sapa-Reuter (280) CT 25/10/91

Sanctions still needed, say churches

Star 25/10/91 (280)

CAPE TOWN — There should be no general lifting of sanctions on South Africa until violence was controlled and agreement reached on an interim government, representatives of local and international churches said in a major policy statement in Cape Town yesterday.

The document, known as the Cape Town Statement, is the outcome of a four-day conference held under the auspices of the World Council of Churches and the South African Council of Churches.

It called for the establishment of a peacekeeping agency with representatives of all major political groups, for a general amnesty for political prisoners and exiles, and for restitution for black people who had lost land and opportunities under apartheid.

The statement said the churches welcomed those political changes that had taken place.

Financial and other sanctions had contributed to these changes and continued to play an important part in bringing about political change.

"Our concern is that any further lifting of sanctions would stall the negotiation process by eliminating the pressure needed to ensure political transition," the statement said.

"It is our firm belief that the time for the lifting of all sanctions has not yet come.

"For that to happen, violence must be controlled and there must be agreement on an interim government and a democratic constitution.

"Premature action on the lifting of sanctions would render less effectual the sacrifice made by so many over the years."

University of Cape Town theologian Professor Charles Villa-Vicencio, one of the people who drafted the statement, said in an interview that the document did not discuss details of what sanctions could be lifted, and when, because, he believed, the church was not competent to make these decisions.

"There are more capable people in political and economic circles to make these decisions.

"We are not talking specifics. We are talking principles, and the fundamental principle of this conference is the need for continued pressure to ensure that negotiations stay on track, to ensure the baby is born."

The statement said reconstruction in South Africa would be increasingly undermined if the endemic violence were not controlled.

In co-operation with the National Peace Accord, and independently, churches should engage in monitoring, reporting and exposing the perpetrators of violence.

"Because the South African Police are either unable or unwilling to deal fairly and firmly with the reports of violence that have been referred to them, a peacekeeping agency consisting of representatives of all major political groupings is urgently required.

"An international monitoring mechanism ought also to be considered."

The churches rejected the "humiliating process" of individually indemnifying political prisoners and exiles, and called for a general amnesty.

The statement also said that although churches should support those in the political field whose actions led to justice, it should be vigilant against co-option by any particular group.

Churches should ensure that when political transition was complete, the poor, the marginalised and the oppressed would share South Africa's riches.

Orderly forms of restitution needed to be devised for blacks who had had land and opportunities taken from them.

In an accompanying "action statement", the conference said the need for reconciliation between churches posed a challenge to the black Dutch Reformed churches to respond to the changing stance of the white Ned Geref Kerk, and to the white NGK to "bring forth fruits of repentance, to act justly and reject apartheid unambiguously".

The moderator of the white NGK, Dr Pieter Potgieter, attended the conference earlier in the week as a delegate, but it is understood that no representative of his church was present when the Cape Town Statement and the action statement were approved — Sapa.

Churches vote for sanctions to stay

(280) CT 25/10/91

Staff Reporter

SANCTIONS against South Africa should be retained, the World Council of Churches (WCC) and the South African Council of Churches (SACC) resolved yesterday.

In a statement released after a four-day conference in Sea Point, the church bodies called for the retention of sanctions until violence is controlled and agreement is reached on the issue of an interim government.

The statement also advocates a general amnesty for political prisoners and exiles rather than the "humiliating process of individual indemnities", the establishment of a peace-keeping body consisting of members of all major political groups to deal with reports of violence, and an economy in which socio-economic imbalances can be addressed.

"Premature action on the lifting of sanctions could render less effectual the sacrifice made by so many over the years," the statement said.

Financial curbs must stay, say churchmen

Sowetan 25/10/91

280

FINANCIAL sanctions against South Africa should stay until violence was controlled and there was agreement on an interim government.

This was said by representatives of local and international churches in a major policy statement in Cape Town yesterday.

The document - known as the Cape Town Statement - is the outcome of a four-day conference held under the auspices of the World Council of Churches and the SA Council of Churches.

The churches also called for the establishment of a peace-keeping agency comprising representatives of all major political groups, and demanded a general amnesty for political prisoners and exiles.

Churches welcomed those political changes that had taken place.

Financial and other sanctions had contributed to these changes and continued to play an important part in bringing about political change.

"Our concern is that any further lifting of sanctions would stall the negotiation process by eliminating the pressure needed to ensure political transition.

"It is our firm belief that the time for the lifting of all sanctions has not yet come.

"For that to happen violence must be controlled and there must be agreement on an interim government and a democratic constitution.

"Premature action on the lifting of sanctions would render less effectual the sacrifice made by so many over the years."

The churches rejected the "humiliating process" of individual indemnities for political prisoners and exiles and called for a general amnesty.- *Sapa*

PAC puts blame on SA business

THE PAC has blamed domestic business rather than sanctions for the poor state of the country's economy.

PAC first deputy vice-president Johnson Mlambo told journalists after a conference in Botswana - aimed at drawing up an economic policy for a non-racial democratic South Africa - that sanctions should be maintained for the meantime.

But he added: "Sanctions played only a minor role in the poor performance of the South African economy."

Mlambo said the PAC believed South Africa had suffered over-reliance on primary production and too little emphasis on other sectors, particularly manufacturing.

"An important issue we learned from this conference is that the very people who call out against sanctions, the domestic business corporations, are the ones who practice sanctions. They externalise the country's assets and come back as external investors." Sowetan 25/10/91

Mlambo said South Africa's external assets had grown to R56 billion in 1988.

But he said foreign sanctions against Pretoria should stay until a constitutional assembly was elected to draw up a new constitution.

He said the PAC was undaunted by the demise of communism in Eastern Europe.

"We are in no way intimidated by the collapse of totalitarian systems in Eastern Europe. The PAC believes that socialism can be practised within the framework of a democracy," he said. - *Sapa-Reuter.*

India lifts 'people' sanctions

Star 31/10/91

(280)

NEW DELHI — India, among the first countries to impose sanctions on South Africa, yesterday lifted all curbs on travel between the two countries and ended cultural and scientific boycotts.

The decision to allow "people-to-people" contact is in line with an agreement reached at this month's meeting of Commonwealth leaders in Harare.

An Indian foreign ministry spokesman said India was lifting, with immediate effect, "all consular and visa restrictions, cultural and scientific boycotts, restrictions on tourism promotion and the ban on direct air links" with South Africa.

The spokesman said the ministry had discussed the move with the Indian representative of the African National Congress, Mtutuzeli Mpehle.

Commonwealth leaders "were encouraged by the recent considerable progress in the evolution of a unified and non-racial sports movement in South Africa", particularly in cricket, the foreign ministry spokesman said.

He added that boycotts on individual sports would be lifted only when India was satisfied that players were represented by a genuinely non-racial federation.

India was among the first countries to impose sanctions against South Africa in protest against the enforcement of apartheid laws in the 1950s. — Sapa-Reuter

Checkers robbed

R30 billion investment boom expected as sanctions ease

(280) ARG 1/11/91

DEREK TOMMEY

JOHANNESBURG. — The Industrial Development Corporation's expectations of being involved in projects demanding the investment of more than R30 billion in the next six years is being seen as an indication of a coming investment boom.

The IDC's senior general manager, finance, Mr Malcolm MacDonald, said last night that to ensure the IDC had the cash to take part in these investments, it had raised an initial R1 billion from the sale of some of its Sasol shares.

He said the ending of sanctions had opened the way for the establishment of major export industries in those fields where South Africa was competitive.

The IDC was aware of at least six major projects, each costing several billion rand, that were already under consideration.

Several of them were likely to begin shortly.

He said the IDC had sold 56 million Sasol shares to the Government Services Pension Fund.

This was a third of its holdings and equal to 10 percent of Sasol's issued share capital.

It was a direct transaction between th IDC and the Pension Fund and the price would be the average middle market price of Sasol shares for October.

The transaction was expected to realise about R950 million, and was one of the biggest single share transactions this year.

Sasol shareholders should welcome this news.

It has been known for some time that the IDC was considering selling some of its Sasol shares.

The possibility that the IDC might not have been able to find willing buyers for the shares had tended to depress their price.

In fact the latest surge in the price of Sasol shares could have been the result of the share market getting wind the of the deal.

Mr MacDonald said the IDC wanted to ensure that it obtained a reasonable return on the shares.

"With this sale we managed to achieve all our objectives, to realise the full value of the investment and to avoid disrupting the market and prejudicing Sasol's other shareholders."

At the request of the IDC, Dr Japie Jacobs, special economics adviser to the Minister of Finance, had consulted the leading financial institutions about the transaction.

According to a statement issued by the Minister of Finance, the transaction was well received by all institutions.

Mr MacDonald said the further sale of the 114 million Sasol shares it still held would be made in line with its own capital requirements.

"This sale has set a pattern we hope to follow, in order to optimise proceeds for the IDC and cause the least possible market disruption," he said.

Market analysts said the deal was also highly favourable for the Government Service Pension Fund.

It had been able to acquire a large number of top-quality shares without chasing up the price.

Mr MacDonald said the IDC's investment in new ventures would not be limited to what it could raise from its present investments.

It had borrowed overseas and could raise money in Europe and now in Japan if required.

He said foreign bankers approached the IDC almost every other day offering to act for it in raising loans overseas.

Some of the projects the IDC was looking at or was committed to support included:

- The R320 million acrylic fibre plant it will build in partnership with Sasol;
- The 400 000 tons a year R4 billion Columbus stainless steel plant Samancor and Highveld Steel were planning;
- The R3 billion plant to recover alumina, magnesia and potash from a waste product, phlogopite, produced by Foskor; and,
- The development of a chemical industry based on products from Mossgass.

Mr MacDonald said the export value of the products of some of these plants could equal 10 percent of South Africa's gold production.

Boycott's not quite off

W/E mail 1/11 - 7/11/91 (280)

The headlines are feverishly proclaiming the death of the cultural boycott. But it's not quite that simple, reports **CHARLOTTE BAUER**

MUCH has changed since the day Paul Simon did penance for breaking the cultural boycott with his 1987 Graceland tour by donating a music centre to the people of kwaZulu

A fortnight ago the Commonwealth of Nations, taking its cue from the African National Congress, decided to drop "person to person" sanctions against South Africa This caused a rash of excitable behaviour to break out in cultural circles

According to any number of euphoric media reports, the Harare announcement spelt the absolute, complete and irrevocable end of the much maligned cultural boycott "Boycott ditched!" the headlines gloated "A gold mine has been opened," commented Pact chief Dennis Reinecke, adding with a grateful sigh, "Life will be a lot easier now "

But as, in journalist-speak, the boycott "crumbled", "turned to dust" and even "exploded", the ANC itself offered a word of advice in the voice of Saki Macozoma Just as the boycott had been "selectively on", he said, it was now "selectively off" And in the space of a single paradox, Macozoma brought everyone back to earth with a resounding bump

To cut a very long story short, the 23-year-old cultural boycott is being phased out That, at least, is the intention Indeed, it has been ever since Oliver Tambo announced the lifting of the blanket boycott in 1987 In future life may be easier — but not necessarily for Pact

As the head of the British Anti-Apartheid Movement, Mike Terry, pointed out "The decision of the Commonwealth conference simply gave its blessing to an approach that has been taken by the ANC for the past five years "

As far as the ANC, its satellites and global AAM supporters are concerned, the desired effect of this gradual dismantling of the culture-gun will be to create more freedom for art in general and anti-apartheid art in particular However, it will not, in the immediate future mean a big-time revival of the Sun City Superbowl, the performing arts councils or the SABC

Mike Terry put it in a nutshell "We would still not like, say, a British police choir to go over and sing at a South African police concert, right?"

At the same time he acknowledged that a "healthy traffic of celebrities has been moving in and out of South Africa for some time"

Quincy Jones, Bob Geldof, Alan Parker, Arthur Ashe, Constantin Costa-Gavras, Amichand Bahchan, Whoopi Goldberg, even Nana Mouskouri whose upcoming tour was sanctioned by the UN Centre Against Apartheid because it believed — inexplicably — that her visit would have "the effect of expressing opposition to apartheid, supporting non-racial culture and highlighting the liberation struggle" and there are more where they came from

It remains to be seen, of course, how many foreign artists will change their minds overnight It's all very well saying that people are free to come, without paying the high price of the United Nations blacklist, but who will want to? It is unlikely that, say, Stevie van Zandt, who immortalised the feelings of many in the song *Ain't Gonna Play Sun City*, will hurry along to the Superbowl in the post-sanctions glow

And what about that stalwart of the cultural boycott, British Equity? Will they allow BBC products to permeate local airwaves? Only three months ago Equity voted to renew its ban on the export of television material to this country, and this is unlikely to change in the near future — especially considering attendant noises from within ANC ranks about not loosening its grip on parastatal and homeland cultural institutions

"It won't work like that," Terry agreed "At the end of the day, a lot will depend on the judgement and integrity of the artists themselves "

The question of how much influence the ANC and its supporters, however formidable, may still command, however, is uncertain Boycott detractors gleefully point out that it will be almost impossible to control the massive changes underway Boycott sympathisers reluctantly agree

"The boycott may still be desirable in some areas, but it can no longer be forced on people — it would look too much like blackmail," conceded one ANC official

Founder member of Artists Against Apartheid, Dali Tambo, said that while it was clear the boycott was "on its way out", it had long been characterised by a lack of united leadership, a problem which may continue to cause detours in the dismantling process

"I expect the boycott will end as it has always lived — passionately but chaotically " Asked about the future of Artists Against Apartheid, Tambo replied "I'm not sure we even exist anymore "

Meanwhile, the British Anti-Apartheid Movement for one is not letting the grass grow under its feet Terry confirmed that the movement would also be taking the "softly, softly" approach in future consultations, several of which are already in the pipe-line in response to latest developments

This week the British AAM meets with local authorities to discuss various venue bans on South African productions still in place. Next week sees an AAM delegation in Geneva at a UN-convened consultation with anti-apartheid movements world-wide The cultural boycott will be on the agenda and, says Terry, "it would be very surprising if something agreed to by the Commonwealth wasn't agreed to by the UN "

The UN blacklist which has, in its time, played dreaded host to names like Frank Sinatra, Liza Minnelli and Ray Charles, as well as to lesser-knowns such as Beautiful Michell, circus performer from Mexico, will doubtless come under review

So, the spirit and the principle of no-more-boycott is generally accepted by most, with an exception being Azapo's cultural secretariat, which has expressed its "unhappiness" with the "disarray" the situation has left it in

The administration of its demise is delicate Already the ANC is being accused of sitting on its hands while impressarios who have never given a damn about the boycott interpret the Commonwealth declaration as a carte-blanche invitation to snap up people and productions like never before Simultaneously, organisations and artists sensitive to the boycott fear they will be left behind, unable to afford the orgy of glittering cultural adventures that seem poised on the brink of respectability

As Azapo cultural spokesman, Don Mattera, astutely observed "The ANC should not be surprised that people see the end of the cultural boycott as a victory for the government."

It is true that the ANC has not earned sufficient credit for the part it has played in engineering the end of the boycott The decision to concede to the lifting of cultural sanctions was not made by the Commonwealth countries in a vacuum, but only after regular consultations with the movement. By early September ANC representatives in New Delhi had made it clear to Commonwealth countries that they would have no objections to the lifting of bans on sports and cultural events and "people-to-people" contact.

"Certain sanctions have been lifted in recognition of the fact that sufficient changes are occuring in this country for us to do so These changes would not have been brought about without the pressure of world-wide boycotts," commented ANC National Executive Committee member, Barbara Masekela. "The fact that we are here at all is a great victory Now it is time for the people to enjoy the fruits of the lifting of sanctions "

A few weeks ago Oupa Ramachela of the ANC's Department of Arts and Culture issued a timely reminder about why the cultural boycott was necessary in the first place He said "The objectives of the boycott were and remain the isolation of the apartheid regime and to deny (it) any recognition in the international community of nations "

This singular aim has largely been achieved At times the boycott may have manifested itself as a hungry, many-headed monster; a monster, however whose staple diet was apartheid

In the welter of accusations that has long been levelled at the ANC and Azapo about cultural Stalinism and unfair administration, it is easy to forget the significant success of the boycott. May it rest in peace

Weapon of the struggle ... But is it just a wooden AK? The cultural boycott is no longer 'selectively on' but 'selectively off'

Photograph: JUSTIN SHOLK

What they said

"It's like someone who says she's a little bit pregnant —either we have a boycott or we don't have a boycott " — Hazel Feldman, Sun City publicity chief

"It wasn't important to us that Phil Collins never came, but it was important that Salif Keita didn't. That is still our problem." — Fred Withers, general manager Gallo music

"We can't be radical any more on the cultural boycott. Many of the preconditions for its lifting are no longer valid." — Rashid Lanie, South African Musicians' Alliance

"I believe the boycott should end. The time has come for ideas to be exchanged in the the cultural world." — Janet Suzman, actress

"I found it hypocritical of the culture desk to allow some artists to perform overseas and not others and that is why I broke the boycott." — Nicholas Ellenbogen, theatre director

"The performing arts councils must be dismantled." — Maishe Maponya, playwright

"The structures of apartheid are still in place and, in particular, the government-sponsored SABC." — Louis Mahoney, chairman of Equity's Afro-Asian committee

"I'm sorry." — Paul Simon after Graceland debacle

End to sanctions spells export boom

(280)

Star 1/11/91

By Derek Tommey

The lifting of sanctions is about to generate a huge new investment boom.

An indication of the size of the coming boom is that even at this early stage the state-financed Industrial Development Corporation (IDC) expects to be involved in projects requiring an investment of more than R30 billion in the next six years.

To ensure that it has the cash to participate in these investments, it has raised an initial R1 billion from the sale of some of its Sasol shares, IDC's senior general manager, finance, Malcolm MacDonald, said last night.

He said the ending of sanctions had opened the way for the establishment of major export industries in those fields where South Africa has a competitive advantage.

The IDC was aware of at least six major projects, each costing several billion rand, which were already under consideration.

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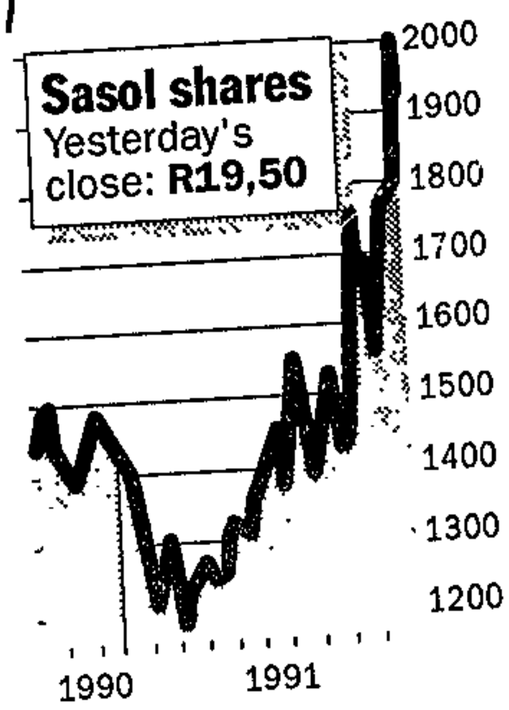

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The possibility that the IDC might not have been able to find willing buyers for the shares had tended to depress their price.

In fact, the latest surge in the price of Sasol shares could have been the result of the share market getting wind the IDC—Government Pension Fund deal and that the IDC's shares in Sasol were now in firm hands

Mr MacDonald said that the IDC wanted to ensure that it obtained a reasonable return on the shares.

"With this sale we managed to achieve all our objectives — to realise the full value of the investment, to avoid disrupting the market, and not to prejudice Sasol's other shareholders."

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Mr MacDonald said that the export value of the products of some of these plants could equal 10 percent of SA's gold production.

French senators oppose sanctions in 'fragile' period

Star 4/11/91

By James Tomlins (280)
Star Foreign Service

PARIS — A four-man Senate delegation, which made a 10-day visit to South Africa, has come out strongly against the continuation of sanctions.

In its report, the delegation recommended that France should help South Africa to find a lasting solution.

The Senators considered that the continuation of sanctions was "seriously weakening South Africa just at the very moment when it should be strengthened in order to move ahead with reforms".

"This weakness undermines all political solutions from the outset. There can be no redistribution of wealth, as envisaged, without a boost in production.'

"This great country is undergoing a fragile transition period, and it faces a still uncertain future."

Its report, tabled in the Senate, explained: "In the first place, so far as we could see, the South Africans have undoubtedly waited much too long to end a system (apartheid) which, for some time, had lost all viability.

"In addition, South Africa appears at present to have its back against the wall more or less and seems to dispose of only one political solution. It delayed too long in preparing some kind of transition period. This solution is an accord between the National Party, the ANC and Inkatha."

The report went on: "At the same time, this solution seems in many respects to be particularly fragile."

It noted that in the first place there was resistance from many Afrikaners, representing 20 percent of white voters, who are clearly opposed to any form of progress towards black power.

"This opposition is mainly illustrated by the growing success registered by Conservative Party candidates at by-elections.

"There is also similar reserve towards black power shown by Indians and coloureds, for they fear that their present influence in the country will be lessened."

The report concluded: "If this report leads to a certain pessimism, there are nevertheless many reasons for hope. South African leaders are fired with the will to succeed, well aware that any failure would lead to chaos. Man's courage, when faced with a difficult situation, is also a favourable factor."

The delegation represented the Senate Constitutional Law Commission. The four senators were the Commission chairman Jacques Larche (Centrist), deputy chairman Germain Authie (Socialist) and members Charles Jolibois (Centrist) and Luc Dejoie (RPR).

The delegation visited South Africa in September to study "the evolution of State institutions there". The visit was fully financed by the French Senate.

At a press lunch to present the report, Senator Larche pointed out that his delegation was concerned at the violence in South Africa.

He said: "While we were there, the police recorded 200 violence deaths in the 10-day period."

The delegation met Foreign Minister Pik Botha and other ministers and deputy ministers. They also met M E Moosa, Nelson Mandela's lawyer, who explained the ANC's constitutional ideas.

Canada and Australia lift SA tour bars

B/Day 6/11/91

DAVE LOURENS

RESTRICTIONS on the promotion of tourism to SA had been lifted in Canada and Australia, the SA Tourism Board (Satour) said yesterday.

The lifting of restrictions follows the Commonwealth Conference decision in Harare to lift person-to-person sanctions, including restrictions on visa and consular services and on personal and official exchanges. (280)

The Commonwealth ban on promoting tourism was "voluntary" and governments were unable to force travel agents not to promote SA.

Satour executive director Spencer Thomas said it could now reopen offices in Sydney and Toronto. A decision in this regard could be expected "in due course".

Satour had continued operations in these countries through independent agents after the impositin of the Commonwealth ban in 1986. After an initial decline in arrivals, tourism had steadily increased despite the absence of direct flights.

Due to the recent lifting of sanctions, SA was in a position to market itself as a prime incentive and conference destination.

Olympics hope a new ball for political foot

The Argus Correspondent ARG 8/11/91 (280)

JOHANNESBURG. — It is right that South African athletes should compete under a neutral flag to the strains of a neutral anthem, says the ANC.

The athletes should compete under the Vierkleur, says the Herstigte Nasionale Party.

They should not compete internationally at all, says the Azanian People's Organisation.

We'll have none of it, says the Conservative Party and the Afrikaaner Weerstandsbeweging.

The door has been opened for South Africa to host the Olympics in 2004, says Pick n' Pay's Mr Raymond Ackerman.

They were all reacting to the news of South Africa's return to the Olympic Games in Barcelona next year after more than 30 years in the wilderness — but without Die Stem, the Springbok and the green and gold.

The chairman of the National Olympic Committee of SA (Nocsa), Mr Sam Ramsamy, said when he announced the Barcelona Games breakthrough that the South African team would compete under a neutral flag and would apply to the Olympic Committee to be allowed to use the Olympic anthem, Beethoven's Ode to Joy.

The ANC media liaison officer, Ms Gill Marcus, said the ANC supported the decision on a new neutral, Olympic flag, anthem, and logo for the changing South Africa.

The Herstigte Nasionale Party leader, Mr Jaap Marais, said the sports people had allowed the "communist" Sam Ramsamy, who was hardly a sportsman, to unjustly make it impossible for the country's athletes to appear under their own flag.

Azapo's secretary general, Mr Don Nkadimeng, said his organisation was opposed to the relaxation of the sports moratorium and maintained the time was not yet ripe for the lifting of the sports boycott.

The Conservative Party spokesman on sport, Mr Daan Nolte, MP for Delmas, said the Afrikaaner's identity was being trampled on.

The AWB's Mr Piet "Skiet" Rudolph said the AWB would not accept the new anthem and flag as that would be tantamount to recognising a foreign team.

But Pick n' Pay's chief, Mr Raymond Ackerman, welcomed South Africa's readmission to the Olympics as another step toward bringing the Games to the country in 2004.

Paul Simon's SA tour signals end of boycott

W/Mail 8/11 - 14/11/91. (280)

By ARTHUR GOLDSTUCK

WHEN Paul Simon gives his first performance in South Africa at Ellis Park on January 10, the cultural boycott will unofficially come to an end.

As the first leading artist with any credibility to be given the go-ahead to perform here, Simon's tour will be a symbolic signal to the rest of the world's pop stars that it is now acceptable to play in South Africa.

Since May this year, when the "LA Declaration" provided for a conditional waiving of the boycott for artists who have proved their commitment to contributing to non-racial structures, the status of the boycott has become obscured by apparently conflicting statements and policies.

As a result, major acts were unwilling to risk performing here. It took an official invitation from the South African Musician's Alliance to convince Simon to make the trip.

"There's a great interest in performing in South Africa," Simon told a Johannesburg press conference during a live interview-by-satellite on Wednesday. "Many artists will be looking at the concerts we do."

Speaking from Australia, where he is presently performing on the latest leg of a world tour, he said that Bob Dylan had told him he was "interested in coming", and Dire Straits had "asked about the possibilities".

In a prepared statement, Sama said they were "satisfied that this artist has fully complied with the international cultural exchange criteria designed to redress the cultural imbalances that exist in South Africa".

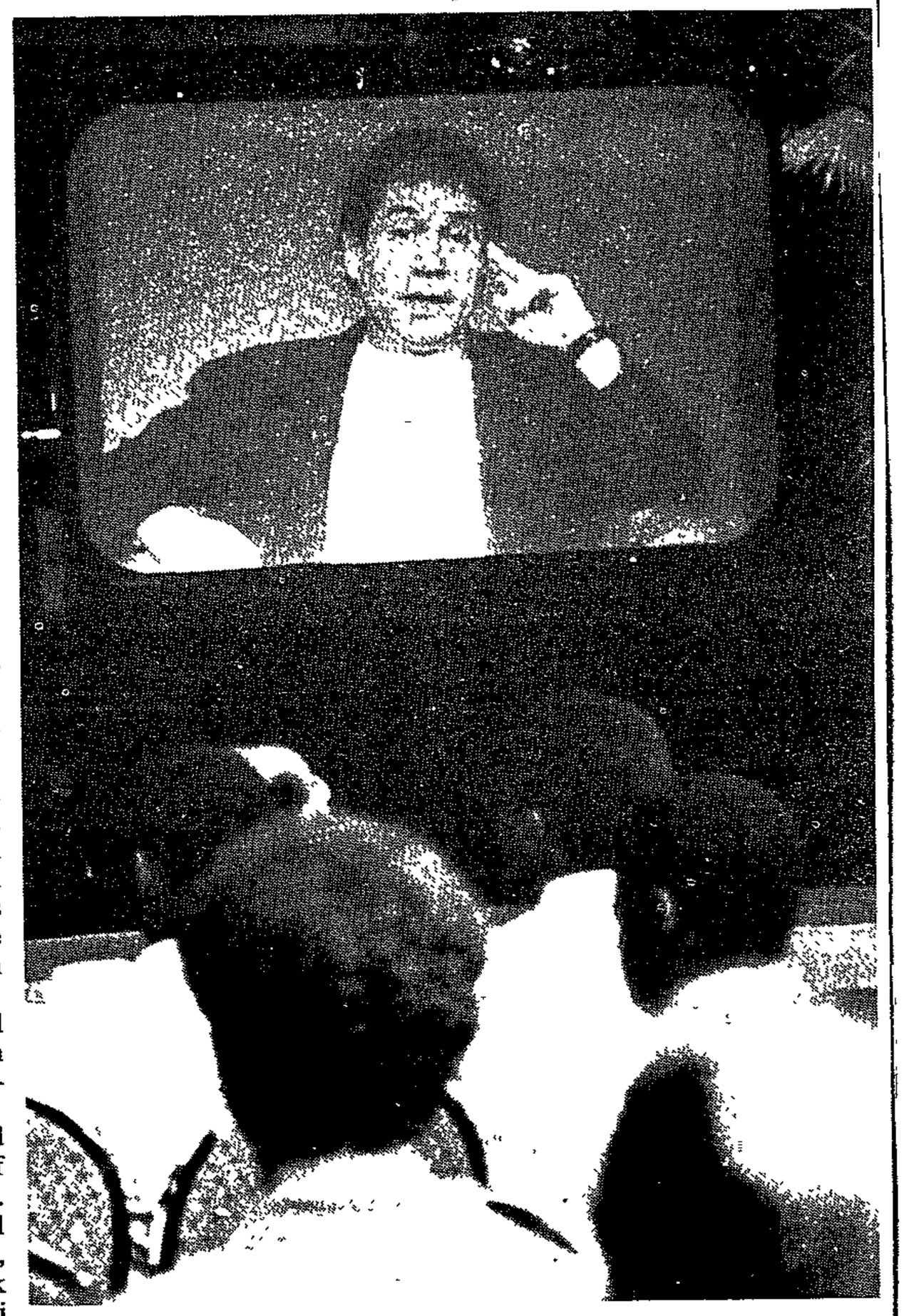
Simon has opened up the possibility of South Africa becoming part of an African music circuit. "If an African circuit comes into being, it will begin with South Africa," he said. "In terms of equipment, South Africa is best equipped to deal with any tours coming through. The problem at this stage is bringing in and transporting the equipment; the economics are such that it is not possible for a major tour to break even."

The concerts will form part of Simon's "Born at the Right Time" tour, which has already played to four million people worldwide.

Simon will play at Ellis Park in Johannesburg on January 10 and 11, at St George's Park in Port Elizabeth on January 15, Goodwood Stadium in Cape Town on the 18th, and Durban's King's Park on the 25th. Before the Durban concert, he will also perform in Gaborone for one night.

The South African concerts will provide an airing for some of South Africa's most exciting acts on the supporting programme.

Ray Phiri, Barney Rachabane and Tony Cedras are already part of Simon's international backing band. The concerts will also feature special guests from the Graceland tour, including Ladysmith Black Mambazo, drummer Isaac Mtshali and bass player Bakhiti Khumalo.



On the air, but soon Paul Simon will be here

Photo: KEVIN CARTER

Irish lift ban on SA fruit

Own Correspondent

LONDON. — The Irish Republic has lifted its five-year ban on the import of South African fruit and vegetables, and will no longer discourage private sector trade with South Africa.

CT 9/11/91

In a statement yesterday, the Foreign Office in Dublin said that in line with developments at EC level and the need to respond to "important reforms carried through so far in South Africa", Ireland had decided to ease its national restrictions on trade.

280

WCC is out of touch

S/Times 10/11/91 (280)

THE demand of the conference organised by the WCC and the SACC that sanctions against the people of South Africa should be maintained until a political solution to our problems is achieved, raises important issues.

● Is the WCC qualified to express an opinion on constitutional matters?

As recently as October 9 Archbishop of York John Habgood referred to the "WCC's disastrous loss of credibility over the past 30 years, particularly in the realm of social, economic and political policy".

As a member of the WCC central committee from 1983-1991, the archbishop ought to know.

● Since the SACC is a foreign-funded organisation, to what extent can it claim to be representative of SA Christian opinion? Does not the hand that pays the piper call the tune?

It is unthinkable that the great majority of true followers of Jesus Christ across all barriers of denominational loyalty either on a national or international level, could demand the continuation of measures which all admit have imposed unemployment and hunger on the poorest section of our community.

The militant minority which demands continuation appears to be immune to the harsh consequences of the policy its members advocate. — **REVEREND A JAMES, executive secretary, Protestant Association of SA, Cape Town.**

The Star M

Pik and Dinkins discuss sanctions issue

(280)

Star 18/11/91

By Brian Sokutu and Sapa

Foreign Minister Pik Botha, back from an overseas trip with President de Klerk, yesterday held discussions with New York Mayor David Dinkins — a shift from the earlier position of Constitutional and Development Minister Dr Gerrit Viljoen, who was reportedly "too busy" to meet the US visitor.

Before boarding a flight back to the United States, Mr Dinkins described the discussions as "a useful exchange".

"(Mr Botha) expressed concern on the sanctions effect, saying it crippled the economy in Africa. He said he recognised that the ANC, Azapo, PAC and other anti-apartheid movements used sanctions as a bargaining chip," Mr Dinkins said after the 40-minute meeting.

Mr Dinkins told Mr Botha he "could be persuaded to change my pro-sanctions position" if told by the ANC and other liberation movements that real political changes had occurred.

● Teachers, education administrators, health workers and people interested in local government were among those who would be invited to the US on internship programmes, Mr Dinkins announced earlier yesterday.

Carl McCall, president of the Board of Education in New York, announced a R1 960 000 sponsorship by a computer company to pay for South African educational administrators and managers to visit the US.

NZ lifts some SA sanctions

280

WELLINGTON. — The New Zealand government is ending restrictions on travel and scholarly ties to South Africa, but is maintaining trade, investment and financial sanctions, Prime Minister Mr Jim Bolger said yesterday.

The decision ends restrictions on consulates and visas, cultural and scientific links, tourism promotion, and direct air services between New Zealand and South Africa. — Sapa-AP

New Zealand premier lifts wide range of sanctions

Star 19/11/91

By Therese Anders
Star Foreign Service

WELLINGTON — Ties between South Africa and New Zealand are expected to strengthen following New Zealand Prime Minister Jim Bolger's announcement of the lifting of some sanctions yesterday.

These include

- Lifting the restrictions on tourism promotion to SA
- Lifting the ban on direct air links.
- Removing restrictions of bilateral and multilateral contact with SA Government departments and agencies, except the security forces, police, intelligence agencies and nuclear technology industry.
- Restoration of consular and visa services previously supplied by the United Kingdom on New Zealand's behalf.
- An end to the policy discouraging scientific exchanges and contacts.

Mr Bolger said Britain had agreed to provide consular services for New Zealand in Cape Town and Johannesburg.

However, diplomatic sources in New Zealand said it was unlikely a South African consulate would open in Wellington to replace the one closed in 1984. Similarly, New Zealand had no plans to base a consulate in South Africa, and would continue to rely on the Harare high commission.

Sharp rise in US trade with SA

280

ARGT 20/11/91

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — Trade between the United States and South Africa appears to be rising sharply following the lifting of sanctions by President Bush earlier this year.

The Commerce Department's latest monthly trade statistics, released today, showed a 68 percent rise in the US trade surplus with South Africa between August, a month after sanctions were lifted, and September.

The figures for October are expected towards the end of the year, but officials indicated today the big rise in the trade surplus between August and September appeared to reflect a post-sanctions trend.

This will come as a setback to the ANC and its supporters in the US who have campaigned vigorously for the retention of state and city sanctions against South Africa after Mr Bush's decision to scrap sanctions at the national level.

In August the US surplus on trade with South Africa was only $36,8 million. In September the surplus was $53,6 million. Further details on trade with South Africa were not immediately available.

Today's statistics show South Africa is one of the few countries with which the US has a growing trade surplus.

The US deficit on trade with Japan, China, and Taiwan rose significantly between August and September.

The trade deficit with Japan stood at $4 182,5 million in September (up from $3 736,6 million in August). The deficit on trade with China was $1 461,5 million (compared with $1 307,2 million in August), and with Taiwan $1 028,7 million (from $908,1 million).

Foreign investment trend reversed in SA

ROBERT GENTLE

THE number of foreign non-US companies with direct investment or employees in SA increased by 23 to 456 in 1991, reversing a four-year-old declining trend.

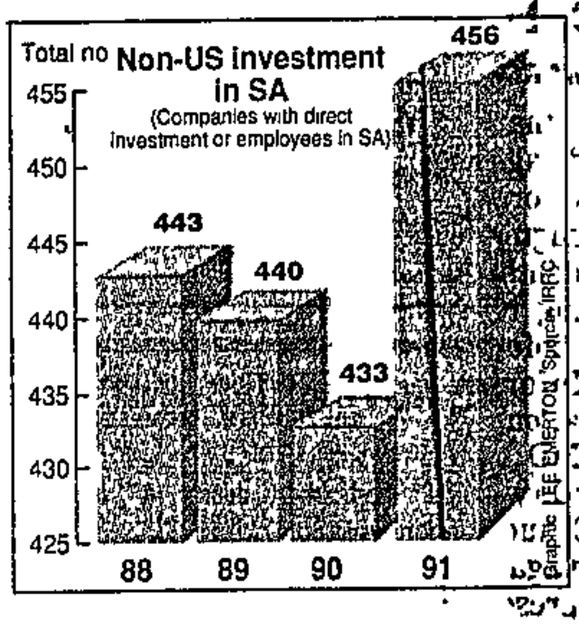
This emerges from statistics published by Investor Responsibility Research Center (IRRC), an independent research organisation based in Washington DC

The IRRC's 1991 edition of International Business in SA, published this month, shows that of the companies that still have direct investment or employees in SA, 156 are British, 132 are German and 104 are American. B/Day 20/11/91

However, it says in a Press statement that the trend in the US is still towards disinvestment rather than investment

No US company has made new investments in SA since President George Bush lifted the ban on new investment in SA in July this year. And although the number of US disinvestments has dropped from a high of 56 in 1987 to only one in 1991, the number of US companies present in SA is "the lowest it has ever been".

The total number of disinvestments from SA since 1984 now stands at 403, says the report



Of this total, 215 (or 53,3%) came from the US, 87 (or 21,5%) from the UK and 34 (8,4%) from Germany.

By contrast, France, the Netherlands, Switzerland, Belgium and Sweden together accounted for only 30 (or 7,4%) of the total.

The trend among foreign companies towards establishing non-equity links (such as licensing or distribution agreements) with SA companies continues to increase, the report says. A total of 363 foreign companies have such links, of which 192 are American.

At least two US companies — Federal Express and Lotus Development Corporation — have established non-equity links with SA companies since Bush lifted sanctions.

Agents demand cash for sanctions deals

w/mail 15/11 - 21/11/91

(280)

The government is refusing to pay the commission agents who set up sanctions-busting deals overseas for the state.

By BRUCE COHEN

THE government has become embroiled in a sanctions-busting wrangle involving alleged Swiss loans and sales of gold bullion totalling three billion dollars to an Arab syndicate.

It is refusing to pay the massive commissions demanded by the agents that set up the deals and who claim state officials double-crossed them.

At the centre of the storm is the Reserve Bank which is alleged to have used a front company as a cover for the loans.

The company, Supra Tech Holdings (Pty) Ltd of Pretoria, is controlled by Alwyn Lombard, brother of Dr Jan Lombard, who retired earlier this year as senior deputy governor of the Reserve Bank.

In a series of letters to President FW de Klerk, as well as in meetings with the advocate-general and the minister of justice, the agents claimed they had been informed by Lombard and his as[illegible]ates that Supra Tech was a front [illegible]overnment and the Reserve [illegible]ch would guarantee foreign [illegible]gh the issue of off-shore Treasury Bills and other secure assets.

The apparent reason for Supra Tech seeking these huge sums (an initial figure of $100-million rose quickly to $800-million and then to $1 000-million) was a massive black housing development outside Pretoria.

The agents, through their attorneys, have demanded from De Klerk that the government pay them $84-million in commissions for arranging the 1989/1990 deals which included a $1 000-million Swiss loan and $1,8-billion in gold bullion sales to a who's-who of Middle Eastern families.

They claim that, as agents for Supra Tech, they met the requirements of their mandate which bound all parties to a non-circumvention agreement.

Government, through state attorney Piet Genis, as well as the Reserve Bank, have flatly denied all allegations, but Transvaal attorney-general Klaus von Lieres is understood to be investigating Supra Tech.

He returned last week from the United Kingdom where, it is understood, he interviewed key players in the loan deals.

The Supra-Tech saga reads like a thriller in which it is claimed:

- Two of the loan negotiators in Britain were arrested by Scotland Yard and documents were seized. South African government agents were accused of setting up the arrests. An angry letter was sent to Justice Minister Kobie Coetzee who denied any government involvement.
- Key players in setting up the deals were tailed by South African intelligence agents and had their telephones tapped.
- Alwyn Lombard was blacklisted in London financial circles for his behaviour at a meeting with an Arab consortium at which he demanded a $3-million loan up-front and £20 000 pounds to introduce the Arabs to the correct Reserve Bank officials in charge of gold sales.
- A top firm of Johannesburg attorneys, which acted on behalf of the agents, was accused in a meeting with Justice Minister Kobie Coetzee of attempting to blackmail government into paying the commissions.
- Unnamed members of government or the Reserve Bank circumvented the agents by contacting the lending consortium directly.
- A mysterious "agent" of the government known only as Zig carried key off-shore government loan guarantees to an Italian bank to facilitate the billion dollar loan.

Reserve Bank Governor Chris Stals yesterday told *The Weekly Mail* that the Bank had conducted an in-depth investigation into the matter and that Supra Tech had at no stage received any mandate from the Bank to act for it.

Stals said the Bank had not been involved in any foreign loans, provision of guarantees or the sale of gold involving Supra Tech or its agents and added that the Bank had no liability as far as any commissions were concerned.

Sanctions could be reimposed

(280)

CT 26/11/91

Own Correspondent

LONDON. — The international community would have no difficulty reimposing sanctions should the South African government renege on its commitment to political reform, Britain's trade minister, Mr Tim Sainsbury, has told journalists.

At a briefing of British journalists last Friday following his recent visit to South Africa, Mr Sainsbury said Britain was prepared to reapply sanctions 'almost instantly'' if reform stopped, said a report in The Times of London yesterday

Asked if the report was accurate, a spokesman for the Department of Trade and Industry said the context of the remarks was the ANC's call for the retention of sanctions until apartheid had been completely removed and a non-racial government was in place.

The spokesman said Mr Sainsbury stressed that there could not be economic development overnight and therefore investment had to be encouraged as soon as possible.

As a "riposte" to the ANC argument, he said, Mr Sainsbury had indicated that if there was a return to apartheid, the rest of the world would have "no difficulty" in reimposing sanctions.

Trade increases, but US sanctions still firmly in place

CT 26/11/91 (280)

Focus on US II
by ANTHONY JOHNSON

UNITED STATES President George Bush's formal lifting of a number of federal sanctions against South Africa in July this year has led to an increase in trade between the two countries.

But this action has not, as the Bush administration had hoped, reversed the sanctions tide at state and local level.

Nor has it served as a signal for US business and investors to come flooding back to South Africa.

Nor has it ensured that South Africa will be granted speedy access to International Monetary Fund and World Bank loans.

Virtually all of the 27 states, 90 cities and 25 counties that have passed their own sanctions laws and regulations have decided to retain these. Indeed, a number of states are currently eyeing new legislation clamping down on firms, banks and pensions funds with links with South Africa.

Such laws have served as a formidable barrier to the re-entry of US business to South Africa as they affectively compel companies to sever their investment links, and often their business links, to South Africa to gain eligibility to lucrative local contracts.

'Benign neglect'

The non-federal sanctions are more significant when one considers that they are being applied by the state of California, the seventh largest economy in the world, and by the eight largest cities in the US.

State department sources acknowledge that state and local sanctions are having a major impact on holding US companies back and US Assistant Secretary of State for African Affairs, Mr Hank Cohen, has suggested that a test case might be brought to block second and third-tier government from "carrying out their own foreign policy in relation to South Africa."

Just how difficult it can be to have state and local sanctions lifted once they are in place is the fact that Namibia, a full 20 months after its independence, is still being punished by 27 such laws.

A number of politicians and academics point out that South Africa's US ambassador, Mr Harry Schwarz, is doing a "very professional" job in trying to counter sanctions but he clearly faces a daunting task.

The American Chamber of Commerce in South Africa estimates that since 1986 sanctions (trade embargoes, investment moratoriums and boycotts) have cost the South African economy upwards of 500 000 jobs.

In its latest report, the New York-based Proxy Monitor firm, which provides research and voting recommendations to banks, pension funds and major corporations, advises its clients to suspend their calls for disinvenstment, boycotts, trade sanctions and other punitive measures and grant South Africa "a period of benign neglect".

Non-equity links

However, Proxy Monitor analyst Mr Eric Aiken notes that many groupings — political, religious and institutional — bent on maintaining and even increasing sanctions are driven more by local political agendas than human rights considerations in South Africa itself.

When it comes to new investment or reinvestment in South Africa, the Washington-based Investor Responsibility Research Center (IRRC) notes in its latest report that no US company has made new investment in South Africa since Mr Bush lifted the ban on new investment in South Africa in July.

Punishment

IRRC, which provides analysis for 400 major investing institutions, soberly adds: "...the trend in the US is still towards disinvestment from, rather than investment in, South Africa. Although the number of US disinvestments from South Africa has dropped since 1987, the number of US companies with direct investment or employees in South Africa is the lowest it has ever been..."

Of the companies that still have direct investment or employees in South Africa, 156 are British, 132 German and only 104 are American. However, there has been a growing trend to establish non-equity links (such as licensing and distribution agreements) with companies in South Africa. The number of US companies with such links has increased by 15 to 192 since March this year.

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State Department sources admit that there is not much stomach in Congress to fight an inevitably bitter battle for the repeal of the Gramm Amendment, particularly with elections looming next year.

The mood at both the IMF and the World Bank is that while there is no attempt to "punish" South Africa, the normalisation of relations with South Africa will not simply depend on technical economic considerations but broad-based political support for such a move both within South Africa and the US.

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The director of the International Trade Administration of the US Department of Commerce, Ms Sally Miller, notes that South Africa accounts for only about 1% of US companies' investment abroad and "the signal that US businessmen are getting now, given all the uncertainty in South Africa is 'Wait!' ".

She predicts there will be at least two to three years of fence-sitting for most large investors but that the ANC could shorten this "by swallowing the bitter pill that they need investment in South Africa".

Aspen Institute analyst Mr Steve McDonald concurs: "The big boys are not going back in. There is little impetus to get reinvolved once you have been burned. Also the violence in South Africa is scaring potential investors to death."

When it comes to the restoration of IMF and World Bank loans to South Africa, the senior associate of the Carnegie Endowment for International Peace, Dr Pauline Baker, notes that such a step would serve as an important signal — "a sort of good housekeeping seal of approval" — that the US government was willing to place its faith in South Africa's future.

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Reforms not enough India tells Pretoria

Sowetan 27/11/91

(280)

DELHI - The Indian government was waiting for Pretoria to take "further steps" towards a nonracial and democratic South Africa before it could establish normal relations.

Minister of State for External Affairs Eduardo Faleiro said in conformity with the decisions taken by the Commonwealth summit in Harare last month, the sports boycott had been lifted.

This, he said, was in regard to those sporting codes which had achieved interracial integration in South Africa.

"India is also lifting 'people-to-people' sanctions." However, the Commonwealth summit "decided to maintain trade, economic and financial sanctions and arms embargo until further progress was made towards a democratic South Africa," Falerio said. - *Sowetan Foreign Service*

LIFTING OF SANCTIONS WILL MEAN NEW AND EXCITING TIMES LOCALLY

WITH the lifting of most forms of international sanctions, many multinationals are re-examining business opportunities in southern Africa — with their primary focus being on South Africa as the dominant economy of the region.

Many local companies are also looking with renewed interest at establishing a presence abroad.

Ernst & Young corporate advisory services MD Claire Herbst says: "These developments are new and exciting for South Africans, who for so long have had to watch a stream of disinvestment from this country and endure pariah status when investing abroad."

The investment boom that followed the Second World War was characterised by companies establishing branches from grass roots as they imported capital and expertise to exploit growing markets.

The next wave of investment is likely to be different as with sanctions came disinvestment and the transfer of ownership of many multinational businesses into local hands.

B/Day 27/11/91

Flourished

Herbst says most of these businesses have flourished and continue to dominate their market niches.

"In an environment where markets are not growing — SA is entering its third year of recession — and where local companies dominate market share, this time around foreign companies are more likely to invest by acquisition in order to gain access to our market of some 30-million consumers.

"Only companies with unique products or technologies are likely to take the more competitive route of opening branch offices."

The high level of economic concentration in SA is another factor potential investors need to bear in mind.

Through their direct and indirect holdings in myriad commercial and industrial institutions, economic activity is

CLAIRE HERBST

dominated by a handful of conglomerates.

Among the big companies are Anglo American, Gencor, Barlow Rand, SA Breweries, Rembrandt and Anglovaal.

Behind these corporations lie an even more powerful group, the major life assurance companies, which have succeeded in tapping the savings of the nation for several decades.

These groups are the dominant institutional investors on the Johannesburg Stock Exchange and in the capital and money markets, as well as major providers of finance in the property market.

As exchange controls prohibit unrestricted foreign investment, these giant institutions are forced to invest their cash flows locally.

With so few players by international standards, the liquidity of the JSE is poor

This means foreigners interested in investing in SA through acquisitions are unlikely to be able to use the JSE as the point of entry.

Instead, they need to identify local partners and negotiate acquisitions direct.

Herbst says over the past six months, Ernst & Young has noticed an increase in cross-border merger and acquisition activity.

The firm has handled "the second stage" sale of several management buyout companies that have again been sold.

"In one of the cases we have handled, the original seller repurchased the company at a substantial profit to incumbent management. (280)

"In another case, the purchaser was a large international competitor of the original disinvesting parent.

"This transaction was also done at a full price.

"As about 25% of foreign MBOs had buy-back clauses, more activity can be expected in this area," Herbst says.

Many potential investors are still at the early stages of assessing the SA market.

European companies appear to be the most active, although preliminary interest is being shown by some companies from the Far East.

American investors appear to be cautious in view of continued sanctions at state level.

Investigations

"However, I have been pleasantly surprised at the number and quality of discreet investigations emanating from the US," Herbst says.

She says most SA executives are painfully aware of the series of of financially disastrous foreign expansions of the '80s.

Companies such as Barlows, Malbak and Sage had to go through steep learning curves in understanding business abroad.

Most recently, Foschini and the Lewis family failed to acquire a UK-based retailing group for which they made a hostile bid, although they still retain a substantial minority stake.

Herbst says: "Against this background, the increased interest of SA companies in investing abroad is interesting.

"Explanations include an increased awareness of the need for global thinking based on successful role models such as Anglo American, Liberty Life and Richemont, combined with an urgency for foreign diversification in the face of a changing local business environment."

UK miners seek ban on SA coal

Star 27/11/91

LONDON — A public inquiry is to be held following a campaign by Britain's National Union of Mineworkers (NUM) to block the import of South African coal through Bristol's port.

The NUM says a deal between First Corporate Shipping — the port's new controllers — and National Power to import 5 million tons of coal a year from 1993 would cost the jobs of 10 000 miners.

It believes the huge imports planned would force closure of all pits in south Wales, Derbyshire and the Midlands. — Star Bureau.

India seeks more reforms by Pretoria

STAR 27/11/91

By Neel Patri
Star Foreign Service

NEW DELHI — The Indian government was waiting for "further steps" by Pretoria to make the progress towards a nonracial and democratic South Africa "irreversible" before establishing normal relations, according to a statement made in the lower House this week.

Minister of State for External Affairs Eduardo Faleiro said that in conformity with the decisions taken by the Harare Summit, boycotts had been lifted in regard to sports in which there had been integration.

"India is also lifting people-to-people sanctions."

However, the Commonwealth summit "decided to maintain trade, economic and financial sanctions and the arms embargo until further progress was made towards achieving a democratic and nonracial South Africa", he said.

Crime brings gloom to business

(280)

STAR 27/11/91

By Michael Chester

The dramatic increase in violent crime has plunged businessmen into gloom and raised the risk of a new wave of white emigration, say researchers at a noted economic think-tank.

The Econometrix research unit has warned that business has been pervaded by a sense of gloom without parallel.

Its latest analysis of the economic outlook says the impact of violent crime on business confidence has been even more devastating than earlier bouts of gloom caused by political violence and the sanctions blockade.

The savagery of the crime wave is blamed on unemployment, hunger and "the spirit of anarchy which has arisen out of an atmosphere of mass action on an almost daily scale".

Econometrix director Dr Azar Jammine added: "For the first time since the large-scale emigration of white skills in the mid-1980s, there is widespread talk of leaving the country.

"The risk of a fourth wave of white emigration, together with the loss of vital skills for the economy this would entail, has increased dramatically over the past month."

The first three exoduses were all inspired by prospects of political upheaval — following the Sharpeville drama, the Soweto riots and the Rubicon controversy. New talk of emigration was centred on the fear of more violent crime.

The atmosphere of business gloom had been further exacerbated by the nationwide strike called by Cosatu on November 4 and 5. The indirect psychological harm inflicted on business confidence could turn out to be far more detrimental than the multimillion-rand economic cost of the strike.

"In addition to these factors and in spite of the lifting of many international economic sanctions," said Dr Jammine, "the stand adopted by the ANC from time to time in regard to such matters as nationalisation or reneging on foreign loans issued to the National Party regime has harmed confidence further.

"As each day goes by it is becoming ever more apparent that foreigners will not invest in this country before they feel more certain about the nature of the economic system in a new South Africa and feel more assured that political transition will not blow up into a civil war," he said.

Mr Eric Mafuna, co-chairman of newly-formed SAABC.

Council urges re-investment

Sowetan 28/11/91. (280)

By JOSHUA RABOROKO

THE nine person executive committee of the South African-American Business Council has appealed to American corporations that disinvested from South Africa to prepare themselves to help blacks.

South African co-chairman of SAABC Mr Eric Mafuna said those corporations should play a positive role in the reconstruction of this apartheid-ravaged country if and when they decide to return.

Mafuna, who is also managing director of Consumer Behaviour Ltd, said: "There can be no lasting political solution to the South African problem if the black people do not perceive the political settlement to bring to them immediate economic benefits in the form of direct participation at all levels in the economy of South Africa, from social services through equity participation."

SAABC was established at the initiative of black South African and Afro-American business people during a visit by a group of black Americans led by Mr Randall Robinson, executive director of Trans-Africa, in October.

The group was invited to South Africa by ANC president Mr Nelson Mandela.

Meeting in London at the weekend, the SAABC executive committee acknowledged the important contribution to the elimination of apartheid of those corporations that had heeded the call to disinvest from South Africa.

It appealed to these corporations to continue to play a positive role in South Africa by helping in the development of black entrepreneurs, managers and technicians by starting now to work jointly with SAABC to design programmes that will contribute to black economic empowerment.

Call for probe of UK firm selling SA arms

LINDEN BIRNS

BRITISH Foreign Secretary Douglas Hurd and the UN Security Council have been asked to investigate the promotion and sale of SA-manufactured weapons, ammunition and other military equipment by a UK-based firm.

This follows Business Day reports on DTS Technologies of Albert Street, Slough, Berkshire, which placed a supplement in Jane's Defence Weekly, advertising military hardware, most of it manufactured by Barlow Rand subsidiaries in SA.

The Oslo-based and partially Norwegian government-funded World Campaign against Military and Nuclear Collaboration with SA, asked Hurd to initiate an urgent probe into DTS's activities.

Campaign director Abdul Minty, also Anti-Apartheid Movement honorary secretary, said the sale of SA military equipment in the UK violated the Security Council's 1984 embargo (to which Britain was a signatory) on arms imports from SA. DTS might also be guilty of contravening EC and Commonwealth sanctions, he added.

Minty said he had sent urgent messages to the chairman of the Security Council's arms embargo committee, and the UN special committee against apartheid asking them to ensure the case was fully investigated and all facts made public.

Although Britain had signed the 1984 UN resolution which had strengthened the earlier UN ban on arms trade with SA by including imports, Britain had opposed moves led by the Dutch to have the resolution made mandatory, added Minty.

On Tuesday a DTS spokesman said from Slough the company was UK-based and all its directors British.

B/Day 28/11/91 (280)

Many Americans 'do not want sanctions to go now'

Political Staff

CAPE TOWN — Less than a third of Americans, 28%, favour an immediate lifting of US sanctions against SA, and 41% advocate keeping sanctions in place, the Roper Organisation said yesterday.

It also found in a nationwide poll in the US that 31% of the respondents had no opinion on the issue.

The results of the poll were released yesterday.

It said the American public had strong opinions about conditions under which SA economic sanctions should be lifted. B/Day 29/11/91

"Public opinion also favours a positive, more proactive role on the part of American companies investing in a post-apartheid SA. And yet ironically, a majority of American people don't follow news events in SA."

Roper said 50% of the respondents preferred the ending of all sanctions to be conditional on a new constitution restoring full citizenship rights to black people.

It said this finding suggested US public opinion was far to the left of the Bush administration.

A second preferred option, given by 47% of the respondents, called for the lifting of sanctions in the event of the abolition of all apartheid laws and regulations.

The survey also found that 40% of Americans felt US companies should make a strong effort to help blacks in SA and 20% wanted US companies to observe a strict code of conduct that set aside plenty of good jobs for qualified black South Africans and to invest heavily in black communities.

A similar proportion, 20%, also wanted US companies to make a real effort to help black South Africans.

"Surprisingly enough, a substantial number of respondents, 26%, would prefer American companies to 'concentrate on being efficient and profitable' without taking sides with either the blacks or whites.

"A small minority, 6%, of respondents opposed American business involvement in SA even after the sanctions were lifted," Roper said.

The data from the survey was provided to the SA Black Business Development Foundation and the Centre for Management at the University of New York which undertook the analysis of the data and was solely responsible for the report's conclusions.

SANCTIONS – 1991

DEC.

Cyprus lifts SA bans

280

NICOSIA: Cyprus announced a gradual abolition of sanctions against South Africa yesterday, lifting a ban on air links and resuming sport and cultural exchanges. But economic sanctions remain in force. S/Times 1/12/91

The Mediterranean island's government said the decision was taken "in view of the positive political developments in the country".

(280)

Drive for sanctions continues

The British Anti-Apartheid Movement on Saturday decided to continue its campaign for the maintenance of sanctions against South Africa, the AAM said in a statement faxed from London.

The statement was released at the end of the AAM's 1991 AGM in London. The movement's chairman, Labour MP Bob Hughes, said the AAM's priority was "the campaign to replace the De Klerk regime with an interim government".

"We will be calling upon the public to maintain the boycott and sanctions to secure this objective," he said.

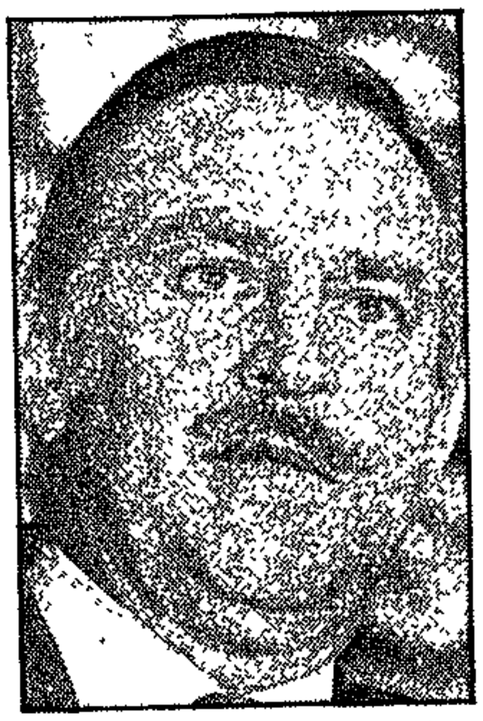
In a telephone interview, AAM executive secretary Mike Terry said the movement would take its signals from the African National Congress and other democratic movements as to when to end the campaign to maintain sanctions.

Mr Terry said, however, his organisation would "vigorously" oppose the lifting of embargoes on arms, oil and the exchange of nuclear information and technology until there was a democratic system of one-person one-vote in place in South Africa.—Sapa.

STAR 25-2-92

Pik asks UN to lift sanctions

(280)



Pik Botha . . . stressed inconsistency of members.

By Mike Littlejohn

NEW YORK — The key to future political stability in South Africa was the earliest possible regeneration of the economy, and this necessitated the lifting of sanctions, the SA Government told the United Nations yesterday.

A letter to the secretary-general signed by Foreign Minister Pik Botha stressed the inconsistency of UN members complaining about low economic growth, high unemployment and poverty while advocating constraints on the economy.

"Retarding economic growth in South Africa will inevitably have a negative impact on the entire region," Mr Botha said. The maintenance of sanctions and isolation of South Africa were "particularly inappropriate in the light of the generally acknowledged real, profound and irreversible changes that have taken place".

The letter coincided with the opening of the annual debate on South Africa in the General Assembly.

South African diplomats are hopeful that progress made since last year in implementing reforms in the country will be recognised during the UN discussions and be reflected in the voting on a final resolution.

The excited atmosphere of some past apartheid debates was absent yesterday. As proceedings began, there was a sea of empty places.

In a written report, Secretary-General Javier Perez de Cuellar again urged members to fine-tune their response to "the complex and delicate process under way in South Africa".

The ANC's Nelson Mandela is scheduled to address the world body today and hold a press conference. He is to have talks in Washington on Thursday with President George Bush and Secretary of State James Baker.

At a press conference, minutes before the General Assembly session began, Clarence Makwetu of the PAC condemned Japan and Finland for lifting sanctions and said Mr Bush had been overly hasty in declaring that the terms of the US Comprehensive Anti-Apartheid Act had been met.

Referring to last week's meeting at the Holiday Inn in Johannesburg, he claimed that the PAC was the only participant "that was neither an establishment party nor a party engaged in negotiations with the regime". The meeting, he said, was "prepacked with organisations created by and in collaboration with the regime or those willing to be co-opted".

He spoke of a prior agreement between "the regime" and the ANC and said the greatest disappointment was that positions agreed to between the PAC and ANC had been blatantly flouted.

STAR 3/12/91

Cyprus lifts 'people' sanctions

280

ARG 4/12/91

ATHENS. — Cyprus has lifted people-to-people sanctions against South Africa.

Tourism will be encouraged, consular restrictions lifted and the need for visas ended, says the island Cabinet.

The air link will be restored and cultural, scientific and sports exchanges promoted.

The arms ban will remain, with other trade and economic sanctions. — The Argus Correspondent.

Sanctions should be lifted in phases, Mandela tells UN

(280)

ARG 4/12/91

The Argus Foreign Service

NEW YORK. — Sanctions against South Africa should be lifted in phases that corresponded to the progress that was achieved towards a multiracial democracy, Mr Nelson Mandela has told the UN General Assembly.

Two major phases, he said, would be the establishment of an interim government and the election of a new government based on a democratic constitution.

This was a revision of his earlier proposals, which were unrelenting in demands for continued economic pressure.

Diplomatic sources said that a resolution expected to be approved by the Assembly would note the reforms under way in South Africa and also leave open the way for a phasing-out of sanctions.

Western delegates said the outcome was likely to be the least offensive UN resolution from South Africa's viewpoint in many years. While this might be a result mainly of milder language, they said it was a sign that South Africa was moving back into the UN mainstream.

Mr Mandela, making his second appearance at the UN, again received special treatment from the protocol staff, almost as if he were a head-of-government if not a head-of-state.

He has been staying with Mayor David Dinkins at his official residence Gracie Mansion and the mayor was evidently behind the impressive arrangements made for his attendance at the UN.

Mr Mandela told an American television audience last night that he did not think the political reforms introduced by President De Klerk were "irreversible" as many people thought and hoped, and that only constant pressure from the "democratic forces" in South Africa could maintain what had so far been gained.

Mr Mandela, in his first major televised appearance on his present visit to the United States, was interviewed in prime viewing time on the influential MacNeil Lehrer Report.

Introduced as "South African leader Nelson Mandela" (and not as president of the ANC), Mr Mandela was asked whether he shared the view expressed last week by Mr Cyril Ramaphosa, secretary-general of the ANC, that in light of the present talks with the government and other political parties and groups that the anti-apartheid forces were "walking the last mile."

Mr Mandela replied that he was as hopeful as Mr Ramaphosa because the democratic forces had "a very powerful case for effective democratic changes in our country."

But the process was not irreversible, and would not be considered to be until the majority of people in South Africa were directly involved in the mechanisms needed to supervise the transfer of power from an apartheid state into a democracy.

Mr Mandela amplified his comments made to the UN General Assembly earlier by saying that the event that would trigger the ANC's abandonment of its call for continued international sanctions would be the formation of an interim government.

With that in place, he said, diplomatic and economic sanctions could be lifted, followed by a lifting of the United Nations oil and arms embargoes.

● Mr Mandela disclosed yesterday he had received an invitation to visit Israel and was considering accepting it, Sapa-Reuter reports.

Sanctions war rubbing off on 'invisible' US taxpayer

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CT 4/12/91

Focus on US IV
by ANTHONY JOHNSON

THE tired and overworked issue of sanctions against South Africa has been revived once again this week to coincide with Mr Nelson Mandela's visit to the United States and his address to the United Nations General Assembly.

Once again, the well-worn arguments from the government and the ANC on why sanctions need to be lifted or retained have been replayed like a stuck record.

The ritual involves the one side pointing to the desperate need to regenerate the South African economy to provide much-needed jobs and services for the poor, while the other urges that remaining sanctions should be retained, no matter how urgent the need for black upliftment, until a new government is installed.

In this stylised process, hardly a thought is spared for the often invisible victims of the sanctions war — ordinary American taxpayers.

Tainted steel

A case in point is the "Great Granite Gaffe" which directly cost the good citizens of Seattle about R1,4 m in 1989 and eventually placed about R450 m in federal transit money for King County in jeopardy.

The first signs of trouble emerged in September 1987 with the disclosure that contractors building Seattle's metro had "inadvertently" used 36 steel beams imported from South Africa.

After a local politician described the oversight as "reprehensible", "offensive", "intolerable" and "insensitive", the offending beams of tainted steel were summarily removed.

Later that year officials were able to determine in the nick of time that granite that had been marked for use on the state convention centre orignated in South Africa. The stone was not installed.

But the real storm erupted in January 1989 when local newspapers established that the 2 230 m² of granite bought from Italian suppliers for decorating underground stations in Seattle's R1,2 bn tunnel project had in fact been mined in South Africa.

The disclosure about the apartheid granite triggered a flaming row which dragged on for months. Lengthy articles were carried in the local Press containing the recriminations and allegations about how the boycott of South African products could have been violated.

A Seattle morning newpaper editorialised: "Metro should not compound its orginal mistake by making another — wasting public money by turning its back on South African granite and spending another $500 000 (about R1,45 m) to purchase replacement granite, which could delay the tunnel project for several months."

Cherry on top

The newspaper's advice to Metro to use the tainted granite and contribute the half-a-million dollars saved to a good public cause was not heeded and eventually the chief executive of Metro was forced to submit his resignation.

The hightened sensitivity about the South African connection led to further embarrassing disclosures and rumours. First, it was found that a number of the windshields and other components of Metro's buses using the tunnel were made in South Africa. Then it was claimed that some of the granite had been used at one of the bus tunnel's underground stations anyway.

But the cherry on top came when the US federal Urban Mass Transportation Administration put Seattle's Metro on notice that its policy against use of South African materials violated federal regulations as local jurisdictions were not entitled to conduct their own foreign policy.

King County was warned that it could forfeit up to R450 m in federal funds by 1994 if it continued to stick to its ban on South African materials.

Not only South Africans are making sacrifices in the sanctions battle.

Cyprus lifts sanctions

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ATHENS. — The island republic of Cyprus has decided to lift sanctions on South Africa. STAR

The decision was taken "in the light of recent positive political developments in South Africa", the Cypriot Cabinet announced.

4/12/91

It followed the agreement to end "people-to-people" sanctions at the Commonwealth summit in Harare in October.

Tourism would be encouraged, air links restored, consular restrictions lifted and the need for visas ended. — Sapa-Reuter.

Mandela urges UN to lift sanctions in phases

New deal 'within year'

(280) STAR 4/12/91.

Special Correspondent

NEW YORK — There was no reason why South Africa's new constitution could not be drawn up within a year, ANC president Nelson Mandela told the 46th session of the UN General Assembly in New York yesterday.

Mr Mandela said it was of decisive importance to the work of the Convention for a Democratic SA (Codesa) that the ruling National Party should make a commitment that the decisions of the convention be given legal force.

"Unless this is done, the convention will be no more than a mere talking shop.

"After the convention's work has been concluded we will need to move as quickly as possible to establish the constitution-making body.

"In our view, this should be an elected constituent assembly. Once established, we see no reason why this assembly should not conclude drawing up the new constitution within the year."

Mr Mandela, however, repeated his call for sanctions to be maintained.

"Precisely because the goal of liberation has not yet been reached, we believe there is need for continued international pressure to encourage speedy movement towards ending the system of apartheid," he said.

"Sanctions, therefore, continue to be important."

He said the ANC believed that such sanctions should be lifted in phases corresponding to actual progress being achieved in South Africa.

"The two major phases ahead of us would be delineated by the establishment of the interim government and, secondly, the election of the new government."

But Mr Mandela also said he saw a brighter future ahead for South Africa.

"We can see rising on the horizon the new glorious entity which shall no longer be spoken of as the pariah among the nations.

"We are beginning to see emerge a new country which, because it arrives so late at the festival of liberty, must surely value freedom like the apple of its eye, and strive hardest to live up to the dream of all humanity throughout the ages for emancipation, prosperity, happiness and peace."

He added: "We envisage a South Africa which shall, in all respects, belong to all who live in it, both black and white.

"Its political life will be governed by a thoroughgoing democratic constitution, based on the principle of one person, one vote, without any distinction on grounds of race, colour or creed, and without any element whatsoever of racial domination and discrimination."

The ANC leader went on: "We also want to see entrenched all the necessary provisions ensuring the fullest possible protection and advancement of the fundamental human rights of every citizen."

But he warned that at the same time, the new South Africa would have to address the burning question of mass poverty, which afflicted millions of people, especially the black population, and the gross racial imbalance regarding the distribution of income, wealth, land and opportunity.

Bright future ahead for SA . . . Nelson Mandela at UN.

Sanctions must stay – Gordimer

STAR 5/12/91

There must be sacrifices ... Gordimer arrives in Stockholm.

STOCKHOLM — Anti-apartheid writer Nadine Gordimer, in Sweden to receive this year's Nobel Literature Prize, called yesterday for continued economic sanctions against South Africa until it became a multiracial democracy.

But all restrictions should be lifted once South Africa introduced a new constitution, Gordimer said.

Gordimer (67) said she was convinced that the enormous changes going on in South Africa would eventually lead to blacks and whites living together in peace.

"For purely pragmatic reasons, I think many whites have realised that if they want to go on living in South Africa and if they want to have a voice in the future, they must take part in the making of a modern non-racial country. (250)

"But there will have to be sacrifices because the whites have been so privileged from birth to death. No country can afford to maintain that standard of living for the entire population."

Gordimer said economic and diplomatic sanctions were necessary to maintain international pressure on the Government. — Sapa-Reuter.

Raped girl has Aids

Cultural boycott over in Europe

Sowetan 13/12/91

(280)

THE return of South Africa to the international cultural scene is having spectacular results in Europe, according to Professor Richard Behrens, cultural counsellor at the South African Embassy in Vienna.

Behrens is responsible for developing South African cultural ties not only in Austria but in neighbouring Eastern European countries.

"There's a hunger within Eastern Europe to know about South Africa," he said. "Here in Austria, the relaxation of cultural sanctions is also leading to a similar interest."

Among exciting developments arising from closer cultural ties between Austria and South Africa is the possibility that the annual Salzburg Summer Academy for Fine Arts might be staged in South Africa.

Knowledge and experience

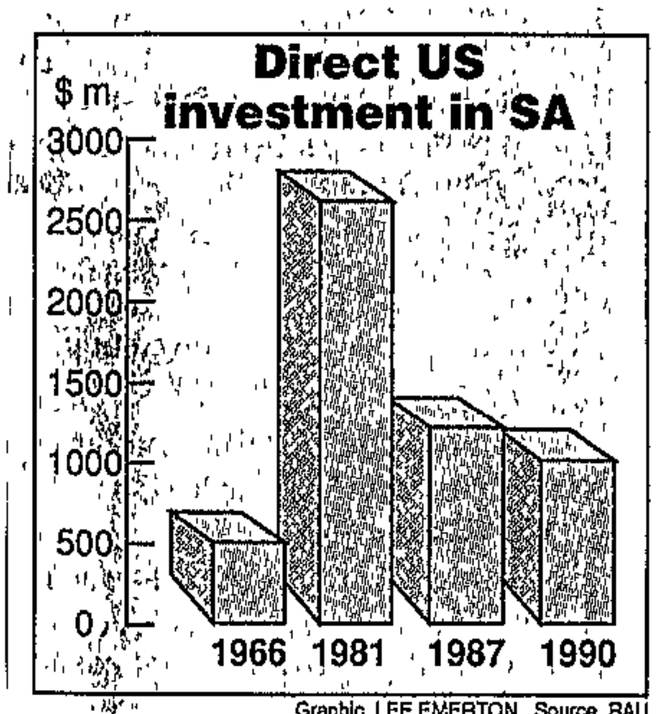
The academy is held each year during the Salzburg Festival and brings together leading musicians and artists for a high-powered exchange of knowledge and experience. If Behrens's plans succeed, the entire 10-person academy would travel to South Africa after the Salzburg Festival to meet South African colleagues.

"We have received assurances of support on the Austrian side, but some financial participation will be required from South Africa and that now has to be discussed," said Behrens.

The professor is now busy preparing three South African music recitals and art exhibitions which will be staged in the Czechoslovak cities of Prague and Brno in January and in Bucharest in February.

"There's enormous interest in those East European countries in anything South African," said Behrens.

"In July, for instance, an exhibition of South African books opened by the wife of the South African president in a Hungarian castle attracted 15 000 visitors in less than two weeks. It was quite amazing."



Graphic LEE EMERTON Source RAU

US pullout 'failed to achieve its aims'

ROBERT LAING 280

DISINVESTMENT by US companies damaged the SA economy but failed to achieve the goals of anti-apartheid campaigners, a report by RAU's Institute for American Studies concludes. B/Day 13/12/91

Of the 215 US companies which disinvested between 1981 and August 1991, none sold SA subsidiaries to black management, and black workers were given minority stakes by only two — Coca-Cola and Ford.

Loans by US banks to SA dropped from about R4,6bn in 1984 to about R2,8bn in 1988. Direct US investment dropped from about $2,6bn in 1981 to $1bn in 1990.

Most moderate pressure groups conceded that disinvestment had helped domestic companies, creating takeover opportunities while weakening labour's hand by freeing management from US legislation like the Rangel Amendment. Disinvestment also resulted in the US government losing its indirect influence on SA politics.

Pik: Sanctions are crumbling

PRETORIA. — The United Nations decision to resume academic, scientific, sport and cultural links with South Africa has confirmed that sanctions are crumbling, Foreign Minister Mr Pik Botha said yesterday.

However Mr Botha described as "short-sighted" the UN decision to continue financial and trade sanctions. "It is essential for the progress and well-being of South Africa's people that the Assembly should support economic growth rather than inhibit it," he said. — Sapa

CT 14/12/91

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General Assembly urges restoration of sporting, cultural ties

Open doors to SA – UN

(280) STAR 14/12/91

UNITED NATIONS — The General Assembly yesterday unanimously urged all nations to restore sporting, cultural, scientific and academic exchanges with South Africa because of progress made towards ending apartheid.

In its annual resolution on apartheid, the assembly also encouraged countries to review and lift remaining economic sanctions as South Africa creates a new transitional multiracial government and drafts a democratic, nonracial constitution.

For decades, the General Assembly had called for a sports and cultural boycott of South Africa while apartheid was firmly in place.

Many governments have already lifted their sports boycotts of South Africa and the country has been readmitted by the International Olympic Committee.

The UN decision comes days before the Government, ANC, Inkatha Freedom Party and other political parties meet for the Convention for a Democratic South Africa (Codesa) on December 20, to begin to lay the groundwork for a new democratic government.

Proposals for an interim government to organise new elections will be considered at the talks, but it is not certain whether such a transitional administration will be formed

The General Assembly's apartheid resolution was adopted by consensus, without a vote.

As usual, the South African seats in the assembly hall were empty South Africa's voting rights were suspended in 1974 for the country's defiance of UN resolutions calling for racial equality

Glaring inequalities

The resolution also addressed the wave of violence that has convulsed South Africa, urging officials to redouble their efforts to suppress violence and terrorism "by ensuring that all competent authorities act effectively and impartially"

The resolution also called on the signatories of the National Peace Accord — the ANC, IFP and the Government — to live up to their pledges of non-violence, and urged other parties to support the accord.

The Government should encourage the reform process by immediately releasing any remaining political prisoners and assisting the return of refugees and exiles, it said The assembly also urged "the repeal of repressive and discriminatory legislation still in place and to address the glaring inequalities created by apartheid"

Diplomats said it was the most positive resolution in many ways that the assembly had adopted on South Africa, and this was evident by the extensive Western support it had received

But in a statement, Minister of Foreign Affairs Pik Botha did no hand-stands over the outcome although he said elements of the resolution were encouraging

The assembly might better have spent its time

Mango season sure to rock you

MANGO Groove are back in South Africa, after a highly successful tour of Australia, to kick off their "Do You Dream" national tour with performances at Sun City this weekend.

South Africa's hottest ethnic-pop act has got the Aussies in a positive tizz with their sparkling, original pop music and vibrant stage performances.

After performing in Perth, Melbourne and Canberra, the group were so well received by Sydney audiences that they put on two extra shows.

The 11-piece outfit have also won over the Australian media, which have predicted that Mango Groove will be the next international band to break records in that country.

Blessed

The respected Sydney street-music newspaper, The Drum Media, hailed their act as "blessed with some extraordinary music talent"

The group were also praised by leading Australian music promoter Lawrence Jackson, who rated their appearances as one of the best international tours of the year He added. "Mango Groove had Australians crying out for more at

Stage set for crucial talks on charting SA's future

PETER FABRICIUS
POLITCAL CORRESPONDENT

STAR 14/12/91

THE GOVERNMENT'S total monopoly of State power is beginning to slip from its grasp as high-powered South African and international delegations gather for the Friday and Saturday meeting of the Convention for a Democratic South Africa which will start to determine the country's future.

"It is in Codesa that the future government will be determined," ANC sources are now saying, for the first time conceding that the reform process is irreversible.

"Codesa is going to make it impossible for the Government to refuse to hand over power to a democratically elected government."

"We are beginning to see what irreversibility really means," one senior Government official said

As heavyweight delegations from five international organisations and about 20 political parties and homeland governments begin to assemble for Codesa, elements in the Government began to get jittery about the implications

Codesa rekindled the the Government's perennial sensitivity about its sovereignty when the Commonwealth announced a high-level delegation including a former national president and several former foreign ministers to observe Codesa

And it became clear that all the South African parties to Codesa were according it the necessary gravity by sending their top people

President de Klerk will lead the Government delegation which includes only one member not in the Cabinet. The NP delegation led by Cape leader Dr Dawie de Villiers includes three other Cabinet ministers

The ANC is still to announce its team, but it is sure to be led by Nelson Mandela and to include other heavyweights such as secretary-general Cyril Ramaphosa

The Labour Party will be led by its leader, the Rev Allan Hendrickse, and Solidarity by its lead-

● TO PAGE 2.

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Diplomats said it was the most positive resolution in many ways that the assembly had adopted on South Africa, and this was evident by the extensive Western support it had received.

But in a statement, Minister of Foreign Affairs Pik Botha did no hand-stands over the outcome, although he said elements of the resolution were encouraging.

The assembly might better have spent its time dealing with "flashpoints and immense economic problems elsewhere", he suggested.

Still, it was encouraging, he said, that the UN was "at last recognising important political developments in South Africa".

Specific recognition by the General Assembly of progress made in overcoming obstacles to negotiations was another important step forward, Mr Botha acknowledged.

The decision to resume academic, scientific, sport and cultural links confirmed that sanctions were crumbling, despite the world body's "continuing shortsightedness on financial and trade sanctions".

Mr Botha said it was essential for the progress and well-being of South Africa's people that the assembly support economic growth, rather than inhibit it. — Sapa-AP, Own Correspondent.

UN lifts ban on SA links

THE UN General Assembly on Friday unanimously adopted a resolution lifting a ban on cultural and most sporting links with South Africa but encouraged nations to keep up economic pressure until apartheid was eradicated.

The resolution endorses negotiations between the government of FW de Klerk and anti-apartheid groups and refers obliquely to a timetable for lifting trade sanctions proposed by the ANC.

The document appeals to the international community to support the negotiations "through a phased application of appropriate pressure on the South African authorities as warranted by developments".

One of the main thrusts of the resolution is getting authorisation for a larger role for the UN in South Africa if progress is made in changing the composition of the country's white-minority government.

Foreign Minister Pik Botha said in a statement the UN was "at last recognising important political developments in South Africa" and called it "a considerable advance in the attitude of the UN". – Sapa-Reuter

Exploding the myth of America's free market

B/Day 24/12/91

280

SIMON BARBER in Washington

AS SA well knows, Washington likes to use trade to enforce its will on those of whom it disapproves. A perhaps less appreciated fact is that Washington's disapproval, and the commercial penalties that so often accompany it, extend to any country or company that attempts to compete in the American marketplace.

The US thinks of itself as the champion of free trade, its markets the most open in the world. Like so many stories it tells about itself, this one simply is not true. South Africans who think the repeal of the Comprehensive Anti-Apartheid Act means vast new horizons of transatlantic trading opportunity would do well to read The Myth of Fair Trade, a new study by James Bovard of the Washington-based Cato Institute.

The US may not be the most protectionist nation on earth, but it is surely among the most hypocritical, bludgeoning others to remove their barriers to US exports while erecting an increasingly byzantine set of its own.

Aside from the American consumer, who has to pay higher, effectively state-set prices for everything from milk to television sets, the major victims are Third World countries whom, it would seem, the US Congress and trade bureaucracy are conspiring to keep permanently mendicant. Indeed, it appears the US government would rather hand out aid, free food and taxpayer-subsidised credit to such countries than see them succeed on the very free market principles it preaches.

Washington, Bovard reports, currently imposes more than 8 000 different taxes on imports, with tariffs ranging as high as 458%. This is on top of a system of import quotas that would be hilarious if it did not impose such burdens on producer and consumer alike. Mexico is allowed to sell Americans only 35 292 bras a year, Poland just 350 tons of alloy tool steel, Haiti a mere 8 020 tons of sugar. Americans may purchase only 970 gallons of Jamaican ice cream.

Rule one for any exporter wishing to market his products in the US is: thou shalt not price thy merchandise competitively. To ignore this stricture is to risk falling down the black hole of so-called anti-dumping laws, a body of legislation that empowers the commerce department quite literally to decide the price at which a foreign company may sell its wares in the US

A company is deemed to be dumping when it charges a lower price for its product in the US than it does in its home and other markets. This means that for exports, the standard business practice of differential pricing to accommodate demand and market conditions is illegal and subject to heavy penalties if practised in the US market. In other words, for a foreign seller and an American buyer to agree voluntarily on a price — surely the essence of market transactions — is a crime.

An exporter can be convicted for a difference as small as 0,5% between its US and non-US prices, which means, among things, that the slightest currency fluctuation can suddenly put the seller afoul of the law. "Naturally," notes Bovard, "the number of dumping convictions has soared as exchange rates have become more volatile."

The manner in which the commerce department determines "fair price" is even more outlandish In 1987, a Brazilian firm was nailed for dumping orange juice in the US on the grounds that it was charging 1,96% less than it should have been. Commerce reached this conclusion by subtracting the 40% US tariff on orange juice from the firm's US sale price and ignoring both the 3,5% Brazilian export tax and the firm's shipping and insurance costs, thus neatly obscuring the fact that the company was selling its juice for nearly 45% more in the US than in Brazil.

A Japanese company was required to raise the price of its television sets in the US because it made the unwise decision to give unsold sets to charity. Egregiously, commerce took the view that the firm had sold the sets for $0, an unfair trade practice. Avesta, a Swedish company, was hit for the standard practice of giving discounts for volume. It priced small orders of steel it filled at home higher than the extremely large orders it was receiving from the US.

Foreign firms may also be hit if commerce decides they are not making sufficient profits on their exports to the US. The required margin is at least 8%. This despite the fact that 13 of the 15 largest Fortune 500 US companies had smaller margins in 1989

Companies suspected of cutting margins are liable to be served with 100-page, single-spaced questionnaires to determine their cost of production, which commerce bureaucrats go to Talmudic lengths to calculate A recent case involving Canadian raspberries involved a prolix debate on how to amortise the cost of a raspberry plant, and whether it should be depreciated over 10, 15 or 25 years.

Commerce is often entirely capricious in determining relevant costs. Two Korean clothing firms were penalised in 1990 because they had failed to factor in charitable donations as part of the cost of making sweaters. Suzuki had a similar problem over its all-terrain vehicles, whose roadworthiness it had been obliged to defend in a suit brought by the consumer product safety commission. Commerce argued the company was dumping its vehicles on the grounds that it had not included the court expenses as a production cost.

Even if foreign concerns escape the anti-dumping net, they may still be hit with countervailing duties if commerce decides they have benefited from subsidies offered by their home government

Argentinian wool was subjected to the duty in 1983 after Buenos Aires instituted a regional development programme under which it offered a 6% bonus to exporters who shipped their products from the country's southern ports. Commerce officials chose to disregard the 17% tax the Argentinian government was simultaneously imposing on wool exports They also ignored the fact that in the same year, the agriculture department was giving American wool growers direct payments equal to 150% of the value of the wool they produced

Nowhere is this kind of hypocrisy better illustrated than in the use of Section 301 of the 1974 Trade Act, which has been called the "nuclear deterrent" to unfair foreign trade practices. Section 301 entitles the US trade representative to determine that a foreign subsidy or barrier is unfair and then inform the government concerned that unless it cleans up its act by a certain date, it faces wholesale US retaliation.

Time and again, the US government has targeted countries for practices and policies which it wholeheartedly engages in itself Steel producing nations have been subject to 301 threat because they subsidise their industries. So does the US. Seven 301 cases have been launched against foreign tariffs on shoes, a product on which the US itself imposes tariffs of up to 67%.

At the root of all this lies a deep-seated xenophobia — a fear that foreigners are ganging up to destroy American jobs and corner America's markets. Expressed as protectionism, such xenophobia has a price tag

According to the Institute of International Economic Affairs, trade barriers erected by Washington's politicians, bureaucrats and the rent-seekers who feed off them are costing American consumers $80bn a year, more than $1 200 per family

Unfortunately, such figures are unlikely to reverse the trend to more protectionism. With recession biting and the presidential election season moving into high gear, trade Luddism is all the rage.

Denmark close to lifting sanctions

B/Day 24/12/91

(280)

COPENHAGEN — Denmark is ready to lift trade sanctions on SA now that constitutional talks have begun, according to news reports yesterday.

Denmark, the only EC member maintaining sanctions, has blocked the other 11 members from removing the final trade bans on SA iron, steel and gold coins.

The parliament's all-party foreign affairs committee was expected to meet on Friday to discuss the question, but a formal decision probably would not come until early January.

Prime Minister Poul Schlueter's minority Conservative government wanted to join the EC in lifting sanctions but was unable to muster the necessary majority in parliament to do so.

The main opposition Social Democrats and two smaller parties, the centrist Radical-Liberals and People's Socialists, had insisted on the release of all political prisoners, the end of apartheid and moves toward democracy in SA before lifting sanctions completely.

The parties agreed on a phased lifting of the sanctions in accordance with the progress of the democratisation process.

But now, in the light of Codesa's apparent success, the Radical-Liberals have broken ranks with the socialist parties.

"With the recent developments the situation looks very positive," said Jorgen Estrup, Radical-Liberal spokesman on SA.

"We cannot take a position on the lifting of sanctions until we have more concrete information on the developments. But we are very close," Estrup said.

Although the metals boycott had no practical significance for Denmark, manufacturers and investors have been pressing to have it removed in order to improve their export and business opportunities in the new SA.

Denmark's Council of Industry expects exports to SA to be worth about $250m in two years.

Denmark was one of the first Western countries in the mid-1980s to impose sanctions on SA and to break off normal diplomatic relations. Copenhagen and Pretoria re-established relations at the ambassadorial level last year, and President F W de Klerk paid an official visit in Denmark in April. — Sapa-AP.

Gramm to stay, say diplomats

JONATHON REES

PRETORIA — SA-based US diplomats yesterday poured cold water on reported suggestions of an early repeal of the Gramm Amendment, which has restricted SA access to IMF loans since 1983.

With the 1992 US presidential election looking to be a closer contest than earlier predicted, there was little sentiment in Congress or within the Bush administration to take the political risk of pushing for further removal of restrictions against SA, sources said.

The 1983 Gramm Amendment requires the US to vote against IMF, and effectively World Bank, loans to SA until certain conditions are met relating to labour and capital mobility in SA.

The diplomats said the administration was unlikely to take the risk of scrapping the restrictions while the election loomed.

Since President George Bush lifted the Comprehensive Anti-Apartheid Act in July, only one of the 142 city, state and county governments with economic sanctions on SA have moved to lift these restrictions.

It appeared, the source said, that only approval from ANC president Nelson Mandela for the lifting of the curbs would persuade the local governments to restore trade and other links.

Danes may lift curbs

STAR 24/12/91 (280)

COPENHAGEN — Denmark is ready to lift trade sanctions against South Africa following the opening of talks in Johannesburg on ending apartheid and building democracy, press reports said yesterday.

Denmark, the only European Community member still maintaining sanctions, has blocked the other 11 members from removing the final trade bans on South African iron, steel and gold coins.

The Parliament's all-party Foreign Affairs Committee was expected to meet on Friday to discuss the question, but a formal decision probably would not come until early January.

Denmark's Council of Industry expects exports to South Africa to be worth around 1,5 billion kroner (R3,1 billion) in two years. — Sapa-AP.

Danish sanctions impasse continues

(280)

COPENHAGEN — Danish opposition parties had delayed the lifting of trade sanctions against SA because they were not satisfied conditions for scrapping the measures had been met, an opposition politician said at the weekend.

Radical Liberal Party MP Joergen Estrup said: "We still need formal answers to questions such as whether all political prisoners have been freed and how binding the talks in SA on a new constitution are on all parties." B/Day 30/12/91

Estrup was speaking after a meeting of parliament's powerful foreign policy committee, an all-party group which steers Danish foreign policy.

Denmark's minority centre-right government wants most trade sanctions with Pretoria lifted now. The move has been opposed, in this and earlier attempts to ease the embargo, by three opposition parties — the left-wing Socialist People's Party, the Social Democrats and the Radical Liberals.

Committee chairman Joergen Winther, a member of the ruling Liberal Party, said he hoped the committee would agree to lift the sanctions in mid-January.

"We are very close to lifting sanctions. We think the conditions . . . have been met, and it is unnecessary to see any more documentation. But the majority parties insist (otherwise)."

Danish business leaders complain they are losing $245m a year because of sanctions. — Sapa-Reuter.